Introducing change: A rhetorical analysis of the early communications in mergers and acquisitions

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Introducing change:
A rhetorical analysis of the early communications in mergers and acquisitions

by

Janel M. Bloch

A dissertation submitted to the graduate faculty
in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

Major: Rhetoric and Professional Communication
Major Professor: Helen Rothschild Ewald

Iowa State University
Ames, Iowa
2000

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This is to certify that the Doctoral dissertation of

Janel M. Bloch

has met the dissertation requirements of Iowa State University

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For the Major Program

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For the Graduate College
In memory of my father
Harvey R. Bloch, 1922-1999
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ABSTRACT

Change and uncertainty are integral elements of any organization, yet they are not easy to face and they elicit a wide range of responses among organizational members. This study uses a rhetorical approach to examine the communications directed to employees in one type of organizational change—mergers and acquisitions.

Based on a review of the mergers and acquisitions, management, organizational behavior, and rhetoric and professional communication literature, I identify four major rhetorical challenges that need to be addressed in the early communications in mergers and acquisitions: setting the stage for cultural change, addressing emotions, dealing with uncertainty, and building an identity and encouraging identification.

I use early communications collected from two research sites (a seed company merged with a competitor and an accounting firm acquired by a public company) in examining how the rhetorical challenges were addressed in these situations. I use interview data to examine employee perceptions of the communications.

I use fantasy theme analysis, a method of rhetorical criticism developed by communications scholar Ernest Bormann, to determine how the communications worked in achieving a common understanding of the merger or acquisition within the organizations. I identify a number of themes used in the communications to address the rhetorical challenges.

I argue that fantasy theme analysis is a valuable method to use in analyzing professional communications; it provides a way of focusing on commonalities and differences in communications used in similar types of situations in different organizations. I argue that my analysis sheds new light on genre theory. Genres are generally thought of as recurring rhetorical responses to recurring rhetorical situations. I argue that fantasy theme analysis provides a way of identifying recurring responses (fantasy themes) to situations that recur in the organizational lifeworld as a whole, even though they may not recur frequently in any one organization. I introduce the notion of “thematic genres” to refer to these genres that can be identified through common fantasy themes. I also offer a heuristic based on my fantasy theme analysis that could be used by those preparing employee communications in mergers and acquisitions and other situations of major organizational change as well.
CHAPTER 1: INTRODUCTION

"1+1=3." Yeah, I do remember that. And there is some truth to that, and I think we ARE better than either company was alone. ... But there was also a little more cynical, what became cynical, word going around, there was a lot of talk about synergies, and the synergy meant that it was strictly a budget-related thing. ... I mean, that's a big motivation for mergers. You've got duplicated facilities. But what it means is that some people, and some budgets, are going to lose. And that's a challenge in the process we went through and, I think, in any merger. To keep communicating the opportunities at the same time that some people are going to be losing their jobs. ... [Themes like 1+1=3] are useful as long as they relate to concrete programs, concrete decisions. And when they become slogans without actions supporting them, then I think it's easy to become distrustful of what's trying to be communicated.

(NewSeeds research scientist and upper level manager; interview)

The preceding quotation comes from one of the participants in the research study I discuss in this dissertation. As this participant points out, the goal of mergers and acquisitions is often for organizations to take advantage of synergies to become more competitive. Although mergers and acquisitions can provide opportunities and benefits for employees, they can also involve negative aspects such as downsizing, extra work, and confusion. The dollar values involved in these business combinations are huge and are often the drivers behind the deals. In 1999, the dollar value of announced mergers and acquisitions totaled over $2.7 trillion (McNatt, 2000). Yet in addition to the money, there are human issues to consider, as many have pointed out (e.g., Buono & Bowditch, 1989; Cartwright & Cooper, 1996; Cornett-Devito & Friedman, 1995; Feldman & Spratt, 1999; Marks & Mirvis, 1998b). Acknowledging the human factors and dealing with them effectively are two separate matters. Many consultants and researchers have provided suggestions to managers for how to better deal with the resulting change (e.g., Feldman & Spratt, 1999; Joyce, 1999, Weber, Shenkah, & Raveh, 1996), yet large percentages (roughly 33-50%) of mergers and acquisitions do not meet projections and ultimately result in divestiture (Katz, Simanek, & Townsend, 1997, p. 32).

---

1 Technically, a merger is a business combination in which two organizations are blended together; in an acquisition, one organization takes ownership of another. Early research, however, found that employees often use the term “merger” to refer to acquisitions because the word “merge” seems less offensive than the word “acquire” (Mace & Montgomery, 1962, pp. 3-4). This semantic choice proved true for Firmco, one of the research sites in the study I present in this dissertation. Even though Firmco was acquired, the transaction was often referred to as a merger. Therefore, throughout this dissertation, the terms “merger” and “acquisition” are not always used in the technically correct sense. It is not, however, the distinction between merger and acquisition that characterizes the actual workplace situation. Buono and Bowditch (1989, pp. 59-86) identify three important dynamics in merger/acquisition situations that are more integral to the human effects of the transaction: strategic purpose, degree of friendliness or hostility, and level of desired integration.
During the 1990s, which will probably go down in history as the "decade of downsizing" and the "era of the corporate merger" (Deal & Kennedy, 1999, pp. 72, 111), employees in many organizations heard and read statements about "building a more productive future," "eliminating waste," and "rightsizing." Yet as Deal and Kennedy point out, sometimes these statements served to "rub salt in employees’ wounds" (p. 78). The effects of statements like these are part what I examine in this dissertation in which I focus on one aspect of mergers and acquisitions—the early communications\(^2\) to employees from management.

The early stages of mergers and acquisitions are generally times of much turmoil and uncertainty; the cultures, structures, and policies of the organizations are in flux, while at the same time employees and other stakeholders desperately want answers to questions such as "How will this impact ME?" "How will this impact my colleagues?" "How will the organization and its policies change?" These questions give rise to rhetorical quandaries: How do organizations go about trying to engage individuals in the benefits of change in the midst of the stressful circumstances that the change itself presents? And how do people both inside and outside of organizations respond to these communications? Additionally, how can organizations help people face and evaluate changes from which they may not personally benefit? These quandaries underlie the study I present in this dissertation.

My interest in the entire area of organizational change and the communications surrounding it originated when the company I worked for, NCR Corporation, became the target of a hostile takeover attempt by AT&T in late 1990. During the early part of the takeover battle, a set of lyrics entitled "Merger Wonderland" passed across my desk (around the December holiday season). A few verses of these lyrics appear below:

Ma Bell rings, are you listenin’?
Merger talk, hear her whisperin’
"Come on along, YOU’LL make us strong,
Working in our merger wonderland.

Chuck [NCR’s CEO] says no, I don’t buy it
It won’t work, if you try it
Just read my lips, you can’t have our MIPS,
We don’t want a merger wonderland.

Parachutes and poison pills may stop you
If not then Chuck has other things he’ll try
Give up on computers, they’re beyond you
Watch out or you’ll be caught by MCI.

\(^2\) I use the term "early communications" throughout this dissertation to refer to the communications disseminated early in the merger/acquisition process—from the announcement of merger/acquisition intent up to and including communications pertaining to the finalization and integration process.
Later on we'll conspire
As our stock rises higher
To face unafraid, the plans that you've made
Fighting off your merger wonderland.

These lyrics were credited to a group of NCR employees called the "Mideastem Division Muses." The Mideastem Division Muses, clearly affected by the fight for the ownership of their company, took the time and energy to compose and circulate these lyrics. When I received these lyrics, I was employed at NCR's world headquarters as a tax accountant. Unlike my colleagues (who probably crossed their name off the routing slip and went back to work), I made a photocopy of the lyrics. In the decade since I made that photocopy (which I coincidentally ran across while I was working on this dissertation) the lyrics have lingered in my mind. I was also intrigued by the other communications that my colleagues and I were bombarded with during that stressful time. For example, after the acquisition was accomplished, the messages in these communications became very different; instead of wanting us to rally around the fight for independence, they were designed to help us work to achieve a "Common Bond" with AT&T. We also received a periodic "Jerre-Line" newsletter from Jerre Stead, the AT&T executive who eventually became NCR's CEO. I have long wondered about the power and effects of these communications and the role they played in shaping the attitudes my colleagues and I ultimately formed about the changes taking place around us.

Although other researchers have argued for the importance of employee communication during periods of major organizational change, few have examined how specific kinds of communications work (or do not work) in getting stakeholders to "buy into" the process and keeping them "on board." I believe more in-depth analysis of the early communications in merger/acquisition situations is needed to enhance theoretical understanding of the communications within these and similar rhetorical situations of major organizational change and to improve the ways these communications are used within organizations.

The remainder of this chapter is divided into four main sections. First, I discuss the purpose of my research. Then I identify my research questions. Third, I overview some of the conceptual and theoretical areas I use in addressing my research questions. And finally, I introduce my methodological approach.

---

3 The acquisition of NCR by AT&T is a prime example of an acquisition that ultimately failed; NCR lost $4 billion in the five years after the merger (Sirower, 1997, pp. 34-35; Wasserstein, 1998, pp. 319-321). Many NCR employees (including most of the top managers—and, incidentally, me) left the company during the years following the acquisition. Jerre Stead (the AT&T executive eventually sent to run NCR, which was renamed AT&T GIS) helped the former NCR culture become more values-based and team-oriented (McCune, 1999), based on a set of values called "Our Common Bond." AT&T spun off AT&T GIS in 1996. For an analysis of the AT&T/NCR transaction from a public relations perspective, see Fudge (1995).
Purpose of this Research

In examining the early communications in mergers and acquisitions, I have three main purposes: to apply a rhetorical perspective to the early communications in mergers and acquisitions, to continue efforts to connect rhetoric and professional communication research with that of management, and to build theory with respect to the early communications in mergers and acquisitions. I next briefly explain each of these purposes.

Rhetorical perspective

An important reason for pursuing this topic is that it has not been explicitly addressed in depth from a rhetorical perspective. Researchers in several areas have investigated aspects of merger/acquisition communications (e.g., anthropology: Jordan, 1990; human resources: Astrachan, 1990; finance: Clark, 1991; management: Buono & Bowditch, 1989; Covin, Sightler, Lolenko, & Tudor, 1996; Schweiger & DeNisi, 1991; psychology: Marks & Mirvis, 1998b). Although previous studies enhance understanding of merger and acquisition communications, they do not examine how specific rhetorical challenges are addressed. In this study, I use the fantasy theme method of rhetorical criticism to closely analyze actual communications from two merger/acquisition situations. This close analysis gives me an explicitly rhetorical perspective that has been missing from previous studies.

Connection of rhetoric and professional communication with management

In this dissertation, I follow the lead of other researchers who have been working to connect rhetoric and professional communication research with disciplines that do not traditionally make such connections. Many researchers in professional communication have studied communication in workplaces. The results of these studies appear in edited collections of articles (e.g., Anderson, Miller, & Brockman, 1983; Bazerman & Paradis, 1991; Blyler & Thralls, 1993; Duin & Hansen, 1996; Odell & Goswami, 1985; Spilka, 1993), journals like Written Communication (e.g., Dunmire, 2000; Myers, 1985; Schryer, 1993); Journal of Business Communication (e.g., Huettman, 1996; Suchan, 1998); Journal of Business and Technical Communication (e.g., Sauer, 1996; Winsor, 1998; Zak, 1994) and books (e.g., Cross, 1994a; Dautermann, 1997). Some researchers have taken their analysis of workplace communication a step further by not only studying communications within these fields, but also integrating the rhetorical analysis with theories from other disciplines to obtain a more integrated perspective. For example, O'Connor (1997) applied narrative theory and methods to garbage can decision theory in studying decisions and actions within a defense manufacturer. Zachry (1998) integrated theories of management and technology in a sociohistorical study of the genres used at a meat packing plant, and Jackson (1999) used fantasy theme analysis to examine why management guru Stephen Covey's work has such great impact on managers in the workplace.
I believe studying the early communications in mergers and acquisitions provides a fruitful area for further enhancing these connections. Business disciplines, in particular, tend not to make connections with rhetoric and professional communication. Studies like those mentioned in the preceding paragraph are most often read by other professional communication scholars, and are read much less frequently by people actually in the disciplines or organizations being studied. Others have also called for more connections between rhetoric and professional communication and management research (e.g., Forman, 1998; Graham & Thralls, 1998; Locker, 1994; Yates, 1993). In addition, fantasy theme rhetorical criticism, which I use as the basis for my data analysis, is a method that is applicable to both social scientific and humanistic perspectives (Bormann, 1989, p. 450).

An important point to clarify at this juncture is the use of the term "fantasy." Just as terminology sometimes inhibits academic researchers from making connections with workplace professionals and vice versa, terminology can also be a problem when trying to make connections between rhetoric and professional communication and management research and practice as I hope to do in this dissertation. The term "fantasy," as it is commonly used, immediately brings to mind notions of fairy tales, science fiction, or propaganda. Using this term in connection with organizational communication may understandably cause some people to balk, as I initially did myself. However, the term, as defined by Bormann, is not intended to imply that the contents of the communications being analyzed are make-believe, untrue, unrealistic, or unachievable. The fantasy theme method of analysis stems from symbolic convergence theory, which is a way of examining how people come to a common understanding or "meeting of the minds" about confusing situations. Bormann (1983) explains symbolic convergence theory as follows:

If several or many people develop portions of their private symbolic worlds that overlap as a result of symbolic convergence, they share a common consciousness and have the basis for communicating with one another to create community, to discuss their common experiences, and to achieve mutual understanding. (p. 102)

Bormann uses the term "fantasy themes" to represent the elements of this common understanding. The idea of a common understanding ties in very well with the objective of organizational communication in times of change. For example, management consultant and psychologist Roger D'Aprix (1996) recommends a "strategic communication" approach to communicating change based on consistently and continually explaining the reasons behind change to employees. D'Aprix argues that achieving a common sense of focus among management and employees, based on the organization's purposes and goals in the marketplace, is a key objective of strategic organizational communication:
The real purpose of effective communication within an organization is to achieve a common understanding of and focus on what the organization is trying to achieve in the marketplace. Because change usually spawns confusion, anger, and skepticism, it requires a powerful rationale to help people understand why they must embrace it. (p. 3)

I argue that Bormann’s idea of “fantasy themes” are essentially at the essence of the goal of achieving a common understanding that D’Aprix describes. My study, then, by examining the fantasy themes in the early communications of my research sites, attempts to identify the elements of this common understanding and how it was achieved and perceived by both those who prepared the communications and those who received them. Despite its somewhat misleading name, I believe the fantasy theme method of rhetorical criticism provides a valuable way for identifying and examining the elements of the early communications in mergers and acquisitions and making connections between rhetoric and professional communication and management research and practice.

Theory building

Finally, I believe theory building is a sound goal for this dissertation. I define “theory building” in the manner discussed by Flower (1989) in “Cognition, Context, and Theory Building.” Flower explains that the purpose of research aimed at theory building is to “not propose a specific theory” but “to create a well-supported, theoretical understanding” (p. 283) of the interactions among context, cognition, and discourse. Flower argues that there is a need in writing and communication research for what ethnographers describe as grounded theory—“a vision that is grounded in specific knowledge about real people writing in significant personal, social, or political situations” (p. 283). Such “structured, explanatory accounts” of interactive processes help researchers go beyond their data to the “probabilistic reasoning that is at the heart of rhetoric” (Perelman & Olbrechts-Tyteca, 1969, qtd. in Flower, 1989, p. 296).

Flower’s conception of observation-based theory-building stems from Glaser and Strauss' concept of “grounded theory,” originally delineated in their book The Discovery of Grounded Theory (1967). Grounded theory has since become surrounded by confusion and controversy and has different meanings to different researchers. In fact, by 1990, even Glaser and Strauss could not agree on a definition for grounded theory (Dey, 1999, p. 2). It is not my purpose to grapple with the details of the grounded theory debate. Rather, the goal for my research is founded on the basic idea that grounded theory is “the discovery of theory from data” (Glaser & Strauss, 1967, p. 1). In a grounded theory approach, theory is discovered and conditionally verified through the systematic collection and analysis of data pertaining to a

---

4 See Dey (1999) for a thorough analysis of grounded theory.
particular phenomenon (Strauss, 1987; Strauss & Corbin, 1990). In a grounded theory approach, as Carmichael (1998) explains, "The scholar does not begin with theory and then attempt to prove or disprove it; instead, the research begins with an area of study and then data relevant to, or characteristics associated with, that area are allowed to emerge" (p. 140).

My theory building evolves out of my analysis of interviews and texts from the two merger/acquisition situations from which I draw the data for this dissertation. Like other researchers (Bazerman, 1985; Bereiter & Scardamalia, 1987; Freedman, 1988; Heath, 1983; Witte, 1987) that Flower (1989, p. 297) cites as using observation-based theory building, I develop ideas (based on practical experience) about how things work. For example, Flower (p. 297) explains how Heath's (1983) description of the deepening disjunctions that existed in the culture of home and school of the children she observed enabled the forming of ideas and hypotheses about the function and fit of different practices in different social settings. My theory building results from analyzing the ways the rhetorical challenges I identify in Chapter 2 were handled in the early communications used in the merger/acquisition situations of my two research sites.

**Research Questions**

The purpose of this dissertation is to build theory that will have both theoretical and practical value in helping organizational members deal more effectively with the rhetorical challenges presented by the early stages of mergers and acquisitions. My goal is not to come up with a sure-fire formula for handling organizational change communications or successfully orchestrating mergers and acquisitions. Instead, by narrowing my focus to the rhetorical challenges presented by the early stages of mergers and acquisitions and the ways these challenges are handled in early communications directed from management to employees, I enhance the understanding of rhetoric, professional communication, and management theory as it pertains to these communications. I do this by identifying and examining four rhetorical challenges that deal with issues important to both areas of study: organizational culture, uncertainty, emotions, and identity and identification. Additionally, I use the early communications in mergers and acquisitions to build on ideas about genre. Genre is an important area of study in rhetoric and professional communication, but these ideas also have ramifications for management and organizational research and theory because genres are at the basis of communications within organizations. I also present practical implications for those embroiled in merger and acquisition situations. I believe my study has applicability to communications in other situations of impending major organizational change, as early communications in all these situations have great impact on setting the stage for change and organizational members' responses to the situation. I, therefore, address two key research questions in this dissertation:
What are some of the recurring rhetorical challenges surrounding the early communications of mergers and acquisitions and what fantasy themes are used to address them?

What theoretical, methodological, pedagogical, and practical implications for rhetoric, professional communication, and management are suggested by a fantasy theme analysis of the early communications in mergers and acquisitions?

**Theoretical Overview**

I draw on concepts from the literature regarding human issues in mergers and acquisitions, rhetoric and professional communication, and management and organizational behavior. In this section, I briefly discuss the relevance of these areas to this dissertation.

Although much of the mergers and acquisitions literature focuses on financial, economic, and strategic aspects, beginning in the 1970s, both researchers and practitioners have been paying increasing attention to the "human" aspects (e.g., Barrett, 1973; Buono & Bowditch, 1989; Cartwright & Cooper, 1996; Larsson & Finkelstein, 1999). Much of this literature is prescriptive advice about human resource management issues in mergers and acquisitions and case descriptions written by consultants for managers and is based on anecdotes and experience. Other communication researchers have also conducted some empirical research studies specifically focusing on communication issues in mergers and acquisitions (e.g., Bastien, 1987, 1992, 1994; Cometti-DeVito & Friedman, 1995; Howard & Geist, 1995), although most previous research about these issues is found in fields such as human resources (e.g., Margolis, 1998; Napier, Simmons & Stratton, 1989), management (e.g., Covin et al., 1996; Schweiger & DeNisi, 1991), and industrial/organizational psychology (e.g., Astrachan, 1990; Overmyer Day, 1993).

Many researchers who have studied mergers and acquisitions have found that communications in mergers and acquisitions present many difficult and sometimes unanticipated challenges (Buono & Bowditch, 1989; Cartwright & Cooper, 1996; Gertsen, Söderberg, & Torp, 1998a; Gopalan, Dittrich, & Nelson, 1994). In identifying the major rhetorical challenges in mergers and acquisitions, I draw from the theoretical and practical merger and acquisition literature and management literature, as well as literature from rhetoric and professional communication. In Chapter 2, I discuss in detail the rationale and literature that led me to identify the four rhetorical challenges that formed the framework for my fantasy theme analysis of the early merger/acquisition communications: setting the stage for cultural change, addressing emotions, dealing with uncertainty, and building an identity and encouraging identification. In the following paragraphs, I briefly preview each of these rhetorical challenges.

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5 For a detailed review and critique of the merger and acquisition literature from the financial economics, industrial-organization economics, and strategic management fields, see Sirower (1997, pp. 145-166).
One rhetorical challenge I identify through my review of the literature is what I term "setting the stage for cultural change." In identifying this rhetorical challenge, I draw from discussions in the mergers and acquisitions literature about issues pertaining to implementing organizational culture change (e.g., Feldman & Spratt, 1999; Lubatkin & Lane, 1996; Marks, 1999). These discussions indicate that because culture involves organizational visions and values and other aspects that are at the core of the way people interact and work within organizations, the early communications are one way that people use to envision what the organization will be like after the merger or acquisition. As such, these communications play a key role in the acculturation process that employees go through as their organization changes (Berry, 1980; McEntire & Bentley, 1996; Sales & Mirvis, 1984).

Another rhetorical challenge I identify through my review of the literature is "addressing emotions." In identifying this rhetorical challenge, I draw from the work of other authors who have examined emotions in mergers and acquisitions from both practical and theoretical perspectives (Astrachan, 1990; Buono & Bowditch, 1989; Cartwright & Cooper, 1996; Feldman & Spratt, 1999; Ivancevich, Schweiger, & Power, 1987; Marks, 1994; Marks & Mirvis, 1985, 1986, 1997a, 1997b; Schweiger & DeNisi, 1991). Also, I draw upon the studies of others who have examined emotions in organizations in general including studies of stress, anxiety, and fear (Lazarus & Folkman, 1985; Mishra & Spreitzer, 1998; Ryan & Oestreich, 1998); trust (Elangovan & Shapiro, 1998; Jones & George, 1998; Whitener, Brodt, Korsgaard, & Werner, 1998); and loyalty (Byron, 1995; Flam, 1993).

I term the third rhetorical challenge I identify through my review of the literature "dealing with uncertainty." In identifying this rhetorical challenge, I draw from previous discussions about uncertainty in merger and acquisitions, including the effects of rumors and political maneuvering (Bastien, 1987; Buono & Bowditch, 1989; Howard & Geist, 1995; Marks & Mirvis, 1998b). I also draw from theories about uncertainty in organizations including social comparison theory (Festinger, 1954), uncertainty reduction theory (Berger & Calabrese, 1975), and strategic ambiguity (Eisenberg, 1984) and previous studies based on these theories (e.g., Kraatz, 1998; Kramer, 1994; Markham, 1996).

Finally, the last rhetorical challenge I identify is "building an identity and encouraging identification." The literature that led me to name this rhetorical challenge stems from the management, rhetoric and professional communication, and mergers and acquisitions literature. I draw upon discussions in the management literature of identity (Albert & Whetten, 1985; Ashforth & Mael, 1996), identification (Ashforth & Mael, 1989; Dutton, Dukerich, & Harquail, 1994), and image (Alvesson, 1990; Dutton & Dukerich, 1991; Gioia & Thomas, 1996; Gioia, Schultz, & Corley, 2000). I also consider theory and research about identity stemming from
rhetoric and professional communication (Cheney, 1983; DiSanza & Bullis, 1999; Faber, 1997, Vaughn, 1997) and cultural studies (Hall, 1996). Additionally, previous researchers have examined issues of identity, identification, and image in mergers and acquisitions, and I build upon those studies as well (Bastien, 1992; Margolis, 1998; McEntire & Bentley, 1996).

I structure my fantasy theme analysis of the early communications from my research sites around these four rhetorical challenges. This fantasy theme analysis enables me to make connections between genre and fantasy themes that have not been previously explored. In exploring theoretical, methodological, pedagogical, and practical implications of my analysis, I build on the genre literature by viewing merger and acquisition communication as a category of genre. I employ what Forman and Rymer (1999, p. 105) refer to as “the modern concept of genre,” which focuses on the social actions accomplished through a particular type of communication. This definition of genre stems from Miller’s (1984) seminal article “Genre as Social Action,” which builds on Burke’s (1973) concepts of motive and Bitzer’s (1968) concept of exigence in defining the “rhetorical situation” to argue that genre is “more than a formal entity; it [is] pragmatic, fully rhetorical, a point of connection between intention and effect, an aspect of social action” (p. 153). This modern concept of genre views genres as dynamic—they are changed by the community, but they can change the community as well (Forman & Rymer, 1999, p. 107). As such, genres are important “agents of change” (Faber, 1998, p. 224; Forman & Rymer, 1999, p. 107). I argue that the genres in the genre category of mergers and acquisitions are what I call “thematic genres” because they convey certain fantasy themes. I argue that these communications can be viewed as genres because even though they do not recur frequently within organizations, they recur in the business environment as a whole.

As the above discussion indicates, I draw from a variety of different theoretical bases in identifying the rhetorical challenges that form the basis for my data analysis. Thus, through my study, I am able to contribute to making connections between rhetoric and professional communication and management theory and research.

Methodological Overview

The study I present in this dissertation is a qualitative study of the practices of the members of a community (Forman & Rymer, 1999; Lincoln & Guba, 1985; Strauss & Corbin, 1990). In this

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I use the term “category” to refer to a subset of genres designed for actions related to a particular objective. I chose this term because I was not aware of an existing term in the genre literature that referred to various communications designed to accomplish a particular purpose. “Category” is distinct from “repertoire,” (Orlikowski & Yates, 1994) which refers to all of the genres used in a community and “system” (Bazerman, 1994; Russell, 1997) which refers to the interaction of repertoires among communities. As I see it, a genre category is an element of the genre “set” Devitt (1991) uses to describe the communications the tax accountants she studied produced in the course of their work.
section, I briefly overview the research sites and participants and the methods used. I present this overview here as just a summary. I address my methodology in more detail in Chapter 3.

**Research sites and participants**

I use a case study method (Lee, 1999, pp. 54-61; Yin, 1993) for this study, focusing on two different research sites. I chose to use two sites so that I would be able to identify aspects of the rhetorical situation that have might been “naturalized” and, therefore, unremarkable to the employees involved. Having two situations to compare and contrast increased the likelihood that I would be able to identify such items. This method of using two cases was also used by Putnam, Van Hoeven, and Bullis (1991) in their fantasy theme analysis of teachers’ contract negotiations.

My research sites for this study were two organizations recently involved in a merger or acquisition—Firmco and NewSeeds. Firmco, an accounting firm, decided as part of its long-term growth strategy to be acquired by Largeco, a public financial services company. NewSeeds, which develops, produces, markets, and sells agricultural seed, was formed as a result of a merger between two large multinational pharmaceutical companies (Bestco and Greatco). When Bestco and Greatco merged to form Newco, their subsidiary seed companies (BestSeeds and GreatSeeds) were merged to form NewSeeds. Thus, Firmco and NewSeeds have different types of business combinations, organizational structures, and cultures, making them good situations to compare and contrast for the purposes of my study.

**Methods**

I addressed my research questions through literature review, data collection, and textual analysis. I first identified the major rhetorical challenges in merger and acquisition communication by conducting the literature review presented in Chapter 2. I decided to identify the challenges in this manner because the literature review of empirical, theoretical and practitioner-oriented literature gave me access to descriptions of a variety of merger/acquisition situations and to the expertise of many other researchers and consultants. I believed this body of literature would give me a much stronger basis for identifying the rhetorical challenges than would the limited data I could gather about rhetorical challenges from my research sites.

In examining how the rhetorical challenges I identified based on the literature were addressed in actual merger/acquisition situations, I collected and analyzed data from my two research sites. In collecting the data, I used a case study approach. I conducted interviews with 43 employees and collected early merger/acquisition communications from both sites. In analyzing the data, I used the fantasy theme method of rhetorical criticism. The interviews also helped me increase my understanding of the documents and the contexts in which they were produced. Forman and Rymer

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2 Company names are pseudonyms.
(1999), in their study of the case write-up genre, advocate using interviews in conjunction with text analysis because it helps "reveal the complexity of the relationships among discourse, social purposes, and practices" (pp. 123-124). Because neither the texts themselves nor the social practices tell the whole story, researchers must go into the field and learn from practitioners of the genre in the situated contexts of the communities (Bakhtin, 1981). This knowledge that experienced genre users can provide is referred to as "genre knowledge" (Berkenkotter & Huckin, 1995; Forman & Rymer, 1999, p. 107; Swales, 1990).

Fantasy theme analysis, the method of textual analysis I used in my study, was developed by Ernest Bormann, a speech communications scholar at the University of Minnesota. As I discussed earlier in this chapter, "fantasy," as defined by Bormann, is not used in its popular sense. Rather, "fantasy" is a technical term used by Bormann and is at the basis of symbolic convergence theory, which Bormann developed by building on Bales' (1970) concept of "the dynamic process of group fantasizing." Bales found that groups often developed what he termed "fantasy chains" that consisted of characters playing out a dramatic situation in a setting either in the past or future. Bormann saw this concept as a way to study how communication creates a "meeting of the minds" or a "group consciousness," not only in small groups, but also in other situations such as organizations and the mass media. The essence of the symbolic convergence theory is that people give meaning to their experiences using symbols (which Bormann terms "fantasies"). When two or more people share these symbols and come to a common understanding about them (i.e., converge), this results in a "common consciousness" that provides the basis for creating community, discussing common experiences, and achieving mutual understanding (Bormann, 1983, p. 102). The group consciousness is created, grown and sustained as people get motivated about the visions represented by the fantasies and therefore often try to draw others in as well, thus developing the group's culture and drawing more people into the group, which Bormann (1985) terms the "rhetorical community" (p. 8).

One important reason why I chose to use fantasy theme analysis is that it was designed to provide "some threads of unity" between social scientific and humanistic studies (Bormann, 1989, p. 450). Fantasy theme analysis is an appropriate method for me to use in achieving my purpose of helping to connect rhetoric and professional communication research to management research. Although its initial focus is humanistic in the sense that scholars use rhetorical techniques to study communicative artifacts to understand how people come to share common understandings, the findings can then be verified empirically by social scientific methods such as ANOVA designs (Rosenfeld & Shrag, 1985) or Stephenson's (1953) Q-sort procedures (Bormann, Cragan, & Shields, 1994, p. 272; Endres, 1997).
According to Bormann (1983, p. 101), symbolic convergence theory has three parts: analyzing communicative artifacts for patterns that demonstrate the evolution of shared consciousness, describing the dynamic of people sharing group fantasies, and explaining why people share the fantasies the way they do. Bormann explains that there are three factors influencing how people share and join in fantasies: common ways of thinking and understanding that people bring with them to a situation along with their baggage of personal and shared group fantasies, common concerns that people have as group members because of their experiences in the group, and the rhetorical skill with which the fantasies are presented (1983, p. 101; 1986, p. 229-230). Bormann (1972, p. 358), joins Bales (1970), in referring to the culture of a group as “a fantasy established from the past, which is acted upon in the present” (p. 152).

I have chosen fantasy theme analysis because it was designed around determining how groups grow to reach a common understanding about a situation. Achieving this common understanding among employees seems to be one of the main objectives of the early communications in mergers and acquisitions, and other change-related communications as well. D’Aprix (1996) explains the need for this common understanding among organizational members in his book dealing with the importance of market-based strategic communication in times of change:

Today’s challenge is to determine how thought-leaders can get the attention of the rest of the organization and persuade its members to understand both the necessity for change and the means of changing. Thought-leaders may or may not be at the top of the organization chart, but what they possess in common is a vision of what the organization must become in a turbulent world. (p. 15)

For example, the “Merger Wonderland” lyrics I discussed at the beginning of this chapter played a role in communicating a vision of how NCR could fight off AT&T’s takeover bid. Investigating the “Merger Wonderland” lyrics through the fantasy theme analysis lens may have illustrated that themes in these lyrics were also present in communications from management to employees. The “Mideastern Division Muses” who wrote and circulated the lyrics thus joined in management’s vision and in turn generated further employee commitment to NCR’s fight for independence against AT&T’s takeover attempt. In my study, I examine the early communications of my two research sites to identify how ideas pertaining to the vision of what the organization would be like after the merger or acquisition were communicated and how these ideas (i.e., themes) functioned in gaining employee buy-in to this vision in the organizations.

In analyzing the information collected from my interviews and text analysis, I used QSR NUD*IST qualitative research software to help me code and interpret my data. The purpose of my coding was not to provide quantitative measures of occurrences. Rather, I coded to identify
patterns in the communications and the participants’ comments about them. In presenting my findings in Chapter 4, I use the participants’ actual voices as much as possible (Forman & Rymer, 1999, pp. 110-111).

Because I focus on only two cases, my purpose is not to generalize definitively to all merger and acquisition cases. Instead, I use my two cases to generate speculative claims for further investigation (Orlikowski & Yates, 1994, p. 570). I see this as a key goal of theory building.

**Conclusion**

This dissertation describes a study of the early communications in mergers and acquisitions. The overall issue with which the research concerns itself is what the rhetorical challenges are in this particular situation of change and how they are addressed in specific situations. It also aims to identify theoretical, methodological, pedagogical, and practical implications that can be used to connect ideas stemming from both rhetoric and professional communication and management.

Chapter 2 is a review of the literature that I used in identifying the four rhetorical challenges in the early communications in mergers and acquisitions around which I structure the fantasy theme analysis in my study. Chapter 3 is a description of the method of empirical investigation I used. Chapter 4 is a discussion of the results of my textual analysis using the fantasy theme method. Finally, Chapter 5 is a presentation of the theoretical, methodological, pedagogical, and practical implications of my research.
CHAPTER 2: REVIEW OF PERTINENT LITERATURE

This chapter sheds light on the literature I used to establish the rhetorical challenges commonly associated with mergers and acquisitions. This chapter also articulates the theory underpinning my textual analysis of the communications I gathered from my research sites.

In this chapter, I discuss the following:

• merger communication as a genre category
• fantasy theme analysis/symbolic convergence theory
• rhetorical challenges in mergers and acquisitions

In order to help fulfill one of the goals of my dissertation in connecting rhetoric and professional communication research and management research, each of these sections draws from both of these areas and other areas as appropriate.

Merger Communication as a Genre Category

In this study, I assume that the early communications in mergers and acquisitions are a particular category of genre, just as risk and crisis communication have become recognized and studied genre categories (see footnote 6 in Chapter 1 for an explanation of this term). Additionally, based on my fantasy theme analysis of the merger/acquisition communications used in my research sites, I argue that identifying fantasy themes generated in communications may be a valuable way of recognizing categories of communications that are not normally thought of as genres. In this section, I review the literature about merger/acquisition communication. Then I connect merger/acquisition communication to previous discussions of genre in the rhetoric and professional communication literature.

Merger and acquisition communication

Merger and acquisition communication has been discussed in the literature in a variety of contexts. Nearly all who write about merger and acquisition communication agree that communication is an important aspect of making a merger or acquisition work. For example, merger/acquisition consultant John Hayes (1996) states, “The cause of many post-merger ills can often be traced to one simple factor: communication” (p. 35) and PricewaterhouseCoopers partners Mark Feldman and Michael Spratt (1999) say “Poor communication is one of the top killers of post-deal value creation” (p. 65). Many authors stress the importance of having a communication plan. For example, Marks (1994) provides a “PROACTIVE transition management” plan; each letter in the PROACTIVE acronym stands for a different strategy, including “Rally people with a vision, “Communicate plans and actions,” and “Tell as you can and tell the truth” (p. 97). Other authors provide the following guidelines for developing communication plans: identify stakeholders, determine their information needs and concerns,
determine the channels most suitable to each stakeholder group and address the concerns in a consistent way tailored to each audience, and remember that each audience member’s concerns revolve around the question “How does this affect ME?” (e.g., Berk, 1996, p. 31; Feldman & Spratt, 1999, pp. 73-74; Napier, Simmons, & Stratton, 1989, p. 121).

Despite this agreement about the importance of merger and acquisition communication and the abundance of “how-to” material available, many managers still struggle to develop and implement effective rhetorical strategies. Buono and Bowditch (1989, p. 197) observe that virtually every case study of a merger or acquisition reports communication shortages at some point during the combination process (e.g., Napier et al., 1989, p. 120). Additionally, Feldman and Spratt (1999) observe:

Hyping, equivocating and hip-shooting tend to be the dominant tactics for managing communication during a major transition. The messages are usually 99 percent content-free. They are more about making pronouncements than connecting with people. They emphasize style over substance and confuse talking with communicating. Most important, they fail to connect with the real information needs of employees, customers, suppliers, investors, and other stakeholders. (pp. 56-57)

To help prevent such problems, Feldman and Spratt and several other authors offer advice about effective merger/acquisition communication. This advice takes many different forms, but the main ideas can be divided into three categories, which I overview next: timing and frequency of communication, type of communication, and content and source of communication.

**Timing and frequency of communication**

Several authors have discussed how mergers and acquisitions tend to follow a common sequence of events and that communication needs vary throughout the process. Buono and Bowditch’s (1989, p. 89) seven-stage breakdown is the most detailed. Other classifications are broader, identifying three or four stages (e.g., Comett-DeVito & Friedman, 1995, p. 52; Ivancevich, Schweiger, & Power, 1987, p. 24). Following Napier et al. (1989), I base my analysis in this study on the stages identified by Ivancevich et al. (1987):

- **Planning** (initial discussions about a possible merger)
- **In-play** (period after the intent to merge announcement when stockholders and government officials assess the feasibility/legal of the merger/acquisition)
- **Standsill/transition** (period just after the merger/acquisition deal is closed and becomes official)
- **Stabilization** (period after the transition when the two organizations are beginning to settle into a normal pattern of operation)

These stages are a helpful way of looking at communications because even though every merger or acquisition situation is different, these stages generally appear in most situations and each stage gives rise to different communication needs (Comett-DeVito & Friedman, 1995). For
example. Comett-DeVito and Friedman (1995) found when they compared four different merger situations that around the merger announcement, employees seemed to be interested in informative (rather than participative) communication to resolve their uncertainty. In later stages, these researchers found that employees were more interested in receiving information from their managers that helped them adjust to changes in values and practices resulting from the merger.

As far as frequency of communication, several authors state that overcommunication is one of the keys to a successful merger/acquisition communication plan (e.g., Farmer, 1996, p. 36; Feldman & Spratt, p. 78; Marks & Mirvis, 1997a, p. 26; Ulrich, Cody, LaFasto, & Rucci, pp. 98-99). Another common suggestion is to communicate with employees on a regular basis, even if just to say that there is no additional information (Cartwright & Cooper, 1996, p. 123). Of course, questions then arise concerning what should be communicated and how, and I review the literature pertaining to those questions in the following sections.

**Type of communication**

The practitioner-oriented literature contains much discussion about the type of communication that should be used. Marks and Mirvis (1997a) recommend that organizations undergoing a merger or acquisition develop a comprehensive communication program that provides overcommunication by repeating the same message through many different mediums. The literature identifies and discusses several different mediums including email, memos, letters, employee newsletters and/or magazines, information packets, question-and-answer documents, press releases, telephone hotlines, voicemail, Internet or intranet Web sites or other forms of electronic bulletin boards, videos, teleconferences, surveys, special events, and face-to-face meetings of groups of various sizes (Berk, 1996; Buono & Bowditch, 1989, pp. 201-203; Feldman & Spratt, 1999, p. 79; Greengard, 1997, p. 58; Marks & Mirvis, 1997a, p. 26). Several authors point out, however, that despite the wide variety of mediums available, face-to-face interaction is still the most important and other less personal channels should not be used to replace it (Farmer, 1996, p. 36; Greengard, 1997, p. 58).

Research has addressed the issue of choice of communication medium. Napier et al. (1989) studied the communications of two merging banks and found that even though management at both banks used a variety of media, most employees desired more information. Schweiger and Weber (1989) found in their survey of 80 human resource managers that holding meetings (small group and/or one-on-one) was the communication method used by the most firms (70%) and that special media such as newsletters (32%) and telephone hotlines (17%) were the least widely used methods. When asked which medium they perceived to be most effective, these managers indicated that face-to-face meetings were more effective than letters, memos, and videotapes. Lewis' (1999) study of the communication channels used by 89
organizations undergoing change produced similar results; general informational meetings and small group discussion were found to be the two most common ways of providing information. Cornett-DeVito and Friedman's (1995) study examined what specific communication activities distinguished more from less successful mergers. Although these researchers ultimately concluded that variability among merger/acquisition situations makes it very difficult to generalize across situations, they identified choice of communication channel as an influential characteristic in message effectiveness. Cornett-Devito and Friedman found that employees tended to be less satisfied when impersonal means (e.g., phone, memos) were substituted for face-to-face interaction. Cross (1994c) describes a study of what he refers to as "multiple media communications," where different media are used to provide the same message. Cross' study is relevant to merger/acquisition communications because most organizations use a variety of communication media in their efforts to follow the "overcommunicate" advice discussed earlier. As Cross (1994c, p. 215) notes, research on media choice has traditionally focused on the relative merits of one medium over another, rather than on the effects of using many different media. Comparing multiple media communication to a "seven-course meal" (p. 225), Cross points out that individual communications standing alone may be incomplete and may rely on other media to achieve their full effect, as indicated by statements such as "whoever is running the meeting can explain that" (p. 217). Cross found that it is important to consider how the various media in a communications program affect each other and rely upon each other. For example, Cross illustrates how different media have different qualities. Although paper communications have depth, they do not have the same visual effect as videos. Cross connects his findings to Thralls' (1992) study of corporate videos in observing that employees felt more identified with the organization when they saw speakers on videotape: "It was as if audience members were actually before the CEO, an effect that encouraged closer identification of viewers with the organization and its leadership" (Thralls, p. 389). Additionally, Thralls points out that videos can help bring employees together "both physically and psychologically" (pp. 389-390) because unlike written mediums, videos (particularly when viewed in a group) are generally viewed in their entirety. Thralls also argues that videos are often used as "rites of passage," (p. 390) helping employees in making the transition from one social role to another.

The issue of dialogic (two-way) vs. monologic (one-way) communication is also important to consider. Many authors recommend face-to-face communication as one of the most effective ways to communicate with employees in the early stages of mergers and acquisitions. For example, Feldman and Spratt (1999) state, "When organizational upheaval begins, with all its attendant fear, loathing, and paranoia, nothing is less helpful than one-way pronouncements that raise more questions than they answer. Two way talk is absolutely
essential" (p. 69). Additionally, Buono and Bowditch (1989) emphasize the need to "not only inform people but also provide them with the opportunity to raise questions, air fears and concerns" (p. 201).

The situation, however, may be that although organizations realize the need to communicate, the channels they choose do not satisfy employees’ needs for this two-way communication. For example, Greengard (1997) states, "Too often, the blitz of communication is one-way, and it's information overload. It involves management sending out information and memos based on what it feels is important" (p. 58). Greengard recommends more dialogic communications such as meetings, focus groups, and venting forums rather than monologic written communications and speeches. Lewis (1999) indicates that Greengard’s concerns about the lack of two-way communication are valid. Lewis studied managers’ communication channel choice in organizational change situations to determine whether managers devote more time to providing or soliciting information and found that they provided information more often than they asked for input or responses and also tended to use formal channels more frequently than informal ones. Previous researchers examining communications used in merger and acquisition situations have focused on identifying the types of communications used and have also attempted to assess the effects of various types of communication on merger or acquisition success. In my study, I go further by examining how various communications worked together in chaining fantasy themes in the merger/acquisition situations of my research sites.

The symbolic value of early merger/acquisition communications is another important consideration; the mere presence of communications may be just as important as their content (Schweiger & DeNisi, 1991). Merger/acquisition consultants Mark Feldman and Douglas Murata (1991) observe that if employees perceive that management is “making a good faith effort to communicate as much as it can, as soon as it feasibly can,” they will be “more, but not infinitely, patient” (p. 36). Researchers have also pointed to the symbolic value of these communications. For example, Cornett-DeVito and Friedman (1995) identify the symbolic value as an important message characteristic to consider when evaluating merger/acquisition communications. Margolis (1998, p. 338) argues that her study of the merging airline indicates that a message’s symbolic value may override the value of its content, as the presence of communication demonstrates that organizational leaders care about employees which in turn enhances trust and reduces uncertainty and stress. In my study, I use fantasy theme analysis to investigate the symbolic value of early merger/acquisition communications more specifically.

Content and source of communication

The third aspect of merger/acquisition communication addressed frequently in the literature is its content and source. Several authors offer sets of similar guidelines about content.
For example, Hayes (1996) states, “Employees [of both companies involved in the merger/acquisition] need to be told as soon as possible what is happening, why it is happening, and most important, what is in it for them. If there are job cuts and compensation changes coming, these need to be identified decisively, then communicated as quickly and completely as possible” (p. 37). Feldman and Spratt (1999) suggest the following guidelines: “no secrets, no surprises, no hype, no empty promises” (p. 69). They also caution against taking a “public relations approach” where “meaningful content” gets buried in “hype” by “public relations and marketing communications staff” (p. 63). Margolis (1998, p. 341) concludes that merger/acquisition communications should include information about employment status, organizational identity, and organizational culture and vision.

Tone and openness of merger and acquisition communications are also important considerations. Cornett-DeVito and Friedman (1995, p. 64) found that employees’ perceptions of the tone of the messages affect the value of these communications. If employees perceive messages to be written in an arrogant or patronizing way (even if that was not the writer’s intent), the messages can do more harm than good. Marks and Mirvis (1998a, p. 33) tell of an acquisition situation where the acquiring company’s management employed a bit of flattery and personal contact in conjunction with patience, logic, and power to bring the acquired company into a common vision with its acquirer. Overmyer Day (1993) found in her review of the merger/acquisition literature that there are differing viewpoints regarding openness. Most authors advocate open, honest, and immediate communication (e.g., Bastien, 1987; Ivancevich et al., 1987; Marks & Mirvis, 1985, 1986). For example, Farmer (1996) advises bank managers: “Although some news is unpleasant, candor is essential. The truth, clearly stated, shows respect for audiences, tending to win them to management’s point of view. In the absence of truth, moreover, people will create their own stories” (p. 36). Others, however, argue that open and immediate communication may not always be appropriate because it could cause political problems, alert competitors prematurely or prompt employees to make rash decisions to leave the organization (e.g., Buono & Bowditch, 1989; Eisenberg & Witten, 1987). As Farmer’s comments above about clearly-stated “truth” being effective in “winning” (p. 36) employees to management’s view indicate, early merger/acquisition communications are persuasive and not simply informative. Sometimes communications appearing on the surface to be factual can be interpreted by audiences as “feel good” propaganda (DiSanza & Bullis, 1999, p. 382) to which they do not give much credence.

In addition to providing general guidelines about the content of merger and acquisition communication, the literature also addresses three specific categories of communications: the announcement, the realistic merger preview, and the organizational vision statement.
Announcement. Because every merger/acquisition situation needs to be announced in some fashion, many authors discuss the content and delivery of the announcement specifically. Cartwright and Cooper (1996, pp. 117-125), for example, devote a book chapter entirely to discussing the style and content of the announcement. The initial announcement to employees is particularly important because it is often the means by which many employees first find out about the merger or acquisition. As Cartwright and Cooper explain:

It is important both in terms of its content and the manner in which it is communicated, not only in paving the way for change, but also in providing the opportunity to allay fears, dispel rumours and introduce the acquirer or other merger partner to its new employees. Most employees have a vivid recollection of the way they heard a merger/acquisition announcement because it is often a surprising and potentially life-changing event. (p. 118)

The announcement thrusts many employees into a process of change. Yet despite its importance, the announcement often does not contain a great deal of information, as Feldman and Spratt (1999) explain:

Generally it is virtually content-free—mostly promotion and hype. It is seldom more detailed than a press release covering the basics of the deal and a few cursory references to business opportunity, cost savings, and competitive advantage. Usually there is a promise of details to come. But details seldom come soon enough. (p. 60)

Because of the power that first impressions have, the announcement can set the stage for the entire merger/acquisition communication process. Coulter (1996/97) states, "If [the initial announcement] is found wanting, [management] may face an uphill battle in winning acceptance" (p. 24).

Realistic merger preview. Another main category of content discussed in the literature is the realistic merger preview. Research has shown that knowing what to expect can help make uncertain situations easier to handle. For example, Marks and Mirvis (1985, p. 54) point out that just as patients who are well-prepared for post-surgical pain generally have a quicker recovery than those who are not, employees who have a realistic idea of what to expect from a merger or acquisition generally are more satisfied with the process. Schweiger and DeNisi (1991) conducted an experiment in which they compared employee perceptions at a plant of a merging manufacturing company that received a communications program (consisting of a merger newsletter, a telephone hotline and weekly supervisor meetings) aimed at helping employees know what to expect from the merger situation to employee perceptions at another plant that did not have this communication program. Although the experimental realistic job preview was designed to be frequent, honest, relevant, fair, and complete, the researchers acknowledge that they couldn't verify whether it actually was. However, they found through
administering surveys that employee perceptions of uncertainty remained stable in the experimental plant, while uncertainty continued to increase in the control plant.

**Organizational vision statement.** The vision statement is another aspect of merger/acquisition communication content that is widely discussed. Marks (1994) explains:

A well articulated vision of where the organization is headed plays an important role in revitalizing employee spirit after a transition and, when coupled with guidelines for desired values and behaviors, can direct employee actions in line with the new organizational order desired by leadership. (p. 219)

Statements of organizational visions are key ways of helping employees develop images of what the future organization will be like. In my study, I use fantasy theme analysis to examine how statements of organizational vision contributed to the overall rhetorical vision presented in the early merger/acquisition communications.

The source of merger/acquisition communications can affect the meaning attached to their content by the audience. For example, Buono and Bowditch (1989, pp. 199-200) indicate that there is disagreement as to where communications should come from in mergers and acquisitions—existing management or the management of the new organization. They recommend that it come from both. Even though many communications traditionally come from top management, other authors emphasize that middle managers are a critical part of the communication process because often they are the ones who other employees come to with questions. If middle managers are not prepared to address those questions, employees may lose confidence in management in general (Feldman & Spratt, 1999, pp. 82-83; Marks & Mirvis, 1997a; Napier et al., p. 112). Marks and Mirvis (1997a) explain this connection:

Organizational leaders set the tone of communications and staff communications professionals make important contributions, but employees want to be kept informed by their immediate superiors. These are the representatives of management they see on a day-to-day basis, and employees know how to "read them" for the subtle signals and cues that help interpret the implications of facts being delivered. (p. 27)

Marks and Mirvis (1997b) stress the importance of top executives having "the charisma to win people over" and the "diplomatic skills to get individuals to work together as a team," because often employees are "more anxious than excited about the combination" (p. 36). Another important source of communication about mergers and acquisitions is informal channels such as the grapevine, customers or clients, and friends (Napier et al., p. 112). Feldman and Spratt (1999, pp. 56-58, 61), who view rumors as something to be vigorously avoided by management, attribute rumors to anxiety and lack of information and illustrate how business suffers when employees spend time worrying about rumors. Additionally, Berk (1996) offers managers five "tips for derailing the rumor mill" (p. 31). Rumors are a way of spreading fantasy themes when the official communication does not generate employee buy-in or does not provide
explanations that enable organizational members to make sense of the situation. Although researchers and practitioners provide suggestions about the kind of content that should appear in various communications, most do not provide detailed analysis of the communications in order to determine how content is communicated and by whom and the effects it has. That is part of what I do in my study, using fantasy theme analysis.

Silence is another aspect of communication discussed in the merger/acquisition literature. Feldman and Spratt (1999) discuss silence as follows:

Within days, sometimes hours of the announcement, suspicion grows that management is withholding negative information from employees. Why? The reasoning is obvious to the newly paranoid: "If there were good news, they'd be telling us." The sounds of silence don't last very long. The void gets filled with wild speculation—rumor and gossip fabricated from the prophecies of internal critics. (p. 57)

Feldman and Spratt (partners in a large international consulting firm) claim that rumors are spread by "critics" who disapprove of management's actions and "molehill men" who delight in making mountains out of molehills (p. 58). According to Feldman and Spratt, these critics and molehill men "feast on management's silence" by "providing their own explanations for why information is being withheld and why decisions aren't being announced" and "anxious and frustrated employees are all too eager to listen" (p. 58). Although rumors are indeed often spread by gossips and critics, other people simply trying to make sense out of confusing situations may also develop fantasy themes that turn into rumors. In my study, by exploring employee perceptions of early merger/acquisition communications, I examine the responses to silence a bit further and consider the role of silence in fantasy theme development.

Several linguists have studied silence, particularly as it pertains to speech (e.g., Jaworkski, 1993; Tannen & Saville-Troike, 1985). In one of the few studies in the rhetoric and professional communication literature that address silence, Huckin (1999) defines "textual silence" as "the omission of some piece of information that is pertinent to the topic at hand" (pp. 1-2) and identifies four categories: speech-act silences (those intended to be noticed by the reader/listener), discreet silences (those that avoid stating the confidential, tactless, or taboo), presuppositional silences (those used to create efficiency), and manipulative silences (those intended to conceal relevant information from the reader/listener). In merger and acquisition situations, many of these types of silence are used. For example, Security and Exchange Commission (SEC) regulations place limits on what can be communicated and when (Brandon, 1999; Marks & Mirvis, 1986). These silences, however, whether intentional "textual silences" or misinterpretations of the meaning of silence resulting from the audience having a differing "frame of reference" (Huckin, p. 9) than what was intended by the author (Huckin, p. 8), can give rise to rumors and fantasy theme development as employees try to provide their own
explanations for what is going on in the organization (e.g., Napier et al., 1989). Marks and Mirvis (1997b) take both perspectives into account in the following explanation:

Executives want to believe that no news is taken by employees as good news. But if they talk with the employees, they'll quickly find that no news is viewed as bad news, i.e., "What is management trying to hide from us? There must be something really bad going on if they are not talking to us." (p. 35)

Silence is a powerful rhetorical tool. However, if incorrect assumptions about its interpretation are made, silence can send unintentional messages or unintentionally encourage employees to develop answers on their own. For example, when managers do not provide updates to employees because there is no new information, employees may fill in that silence with rumors that can become widely accepted fantasy themes because there are no communications from management to counter them. Huckin (p. 8) indicates that authorial intent is a key element of "textual silence," but does not fully address the issue of silence that is interpreted as a form of textual silence when it may not have been intended that way by the communicator. Incorrect interpretations of intentionality can lead employees to develop their own fantasy themes, such as worst-case scenario rumors that can exacerbate the emotional strain everyone in the organization is experiencing. In my study, I consider the effects of silence.

**Genre**

The idea of genre as social action (Miller, 1984) is an important theoretical base in my examination of merger and acquisition communication. The preceding discussion of merger and acquisition communication is a start in identifying the overall purpose of the communications within this genre category, the recurring situations to which they respond, the actions writers and readers perform in preparing and using these communications, and the elements that make the communications coherent for writers and users (structure, rhetorical moves, and style) (Forman & Rymer, 1999; Pare' & Smart, 1994; Swales, 1990). In my study, I examine these genre characteristics further by identifying the specific fantasy themes present in the early communications in two merger/acquisition situations.

According to Miller's conception of genre as social action, which is now widely accepted among writing scholars (Forman & Rymer, p. 105), genre is based on "the action it is used to accomplish" rather than its "substance or form" (Miller, 1984, p.152). Genre consists of "typified rhetorical actions" (Miller, p. 159) and is "a complex of formal and substantive features that create a particular effect in a given situation" (Miller, p. 153).

**Genre categories and change**

Genres can both reflect and enact changes in the organization and environment (Bazerman, 1985, 1988; Forman & Rymer, 1999; Orlikowski & Yates, 1994; Russell, 1997).
Faber (1998) presents a model in which genre is a key factor in change, but few other studies have addressed the role of genre in organizational change.

There has been some discussion in rhetoric and professional communication about other categories of communication dealing with change. These include change communication, crisis communication, and risk communication. I review each of them briefly below because they each bear some similarities to the literature about merger and acquisition communication.

Change communication. The literature on change communication examines and recommends ways that various types of change can be communicated within organizations. Barker and Camarata (1998) use a case study to illustrate how communication can be used in getting organizations to change through organizational learning. They argue that communications play important roles in building trust, commitment, organizational support, maintaining positive organizational-employee relationships, showing employees they are empowered and valued, and building a shared vision. These roles are very similar to many of the rhetorical objectives of merger and acquisition communication. Larkin and Larkin (1994), in advising managers how to communicate change, offer much of the same basic advice discussed in the preceding sections of this chapter pertaining to merger/acquisition communication, including getting middle managers involved, using sufficient face-to-face communication, and addressing individual concerns.

Crisis communication. Like the literature on change communication, much of the literature on crisis communication consists of prescriptive guidelines for managers on how to communicate crises to the public (e.g., Dougherty, 1992). Coombs (1995) provides a synthesis of the literature on crisis communication, classifies rhetorical crisis response strategies and recommends appropriate strategies for various crises, focusing mainly on communication with the public. Kaufmann, Kesner, and Hazen (1994) and Tyler (1997) discuss the use of strategic ambiguity in crisis situations, and Stevens (1999) presents an analysis of the ethical issues of crisis communication, including the rhetorical rights and duties of managers and problems that can arise when the positive is emphasized to the point that truth is distorted. Sturges (1994) identifies several stages of crises and discusses appropriate content for crisis communications in the various stages. As with change communication, many of these discussions are similar to those pertaining to merger/acquisition communications. It is not surprising that crisis communication literature relates so closely to merger/acquisition communication because a merger can be viewed as a form of a crisis. Patrick Coulter (1996/97), the vice president of corporate communication for Bell Atlantic Corporation, states “A merger is nothing but a planned crisis” (p. 22) because mergers contain many of the characteristics of crises (i.e., require an immediate public relations response, draw media and public attention to the
organization, require decision-making at high-levels, and interrupt the organization's normal operations).

Risk communication. A final category of communication bearing some similarities to merger/acquisition communication is risk communication. Williams and Olaniran (1997) recommend using crisis communication strategies for risk communication. Grabill and Simmons (1998) critique the suggestions provided in the risk communication literature, argue that risk is socially constructed, and illustrate how power is an important aspect to consider in risk communication. They call for more theorizing about how power works in risk communication and argue that there should be a more dialogic and participatory assessment of the construction of risk. Stratman, Boykin, Holmes, Laufer, and Breen (1995) use rhetorical stasis theory to examine the definition of risk communication, present a case study concerning risk communication efforts, and suggest a more dialogic process, arguing that it should be viewed as "risk argumentation," (p. 35) rather than risk communication.

Fantasy theme analysis and genre

One focus of my study is considering how the fantasy themes promoted in communications may be another way of identifying and examining genres. I particularly consider how fantasy theme analysis can be a way of identifying genres I will call "thematic genres." Thematic genres can be thought of as communications that have not yet become routinized in any one organization, but that may be used in different organizations in similar ways—like the early communications in mergers and acquisitions, for example. I call them "thematic" because they are identifiable based on fantasy themes.

There seem to be connections between fantasy themes and genre that have not previously been explored. Berkenkotter and Huckin (1995) define genre as "the intellectual scaffolds on which community-based knowledge is constructed" (p. 24). Viewing genres as the basis for knowledge construction is consistent with the two key premises of fantasy theme analysis—communication creates reality and shared communication creates a shared reality (Foss, 1996). Genres can be viewed as the means through which reality is created and communication is shared. Therefore, I argue that because fantasy themes are developed as a way of constructing knowledge, or coming to a "common consciousness" (Bormann, 1985, p. 8), they are a key aspect of genre.

I see this connection between fantasy themes and genre evidenced in other ways in the genre literature. Miller (1984) observes that "recurring situations seem to 'invite' discourse of a particular type" (p. 162). Just as Bormann, Cragan, and Shields (1996) speak of fantasy type which they define as "a stock rhetorical vision that appears repeatedly in the rhetoric of a group" (p. 3), Miller also speaks of genre as being based on "type," defined as follows:
... the new is made familiar through the recognition of relevant similarities; those similarities become constituted as a type. A new type is formed from typifications already on hand when they are not adequate to determine a new situation. If a new typification proves continually useful for mastering states of affairs, it enters the stock of knowledge and its application becomes routine. (pp. 156-157)

Miller (1984) also states, “Successful communication would require that the participants share common types; this is possible in so far as types are socially created” (p. 157). Miller’s definition of “type” stems from Schutz and Luckmann (1973) who speak of types as being created and shared through communication as follows: “Whatever is typically relevant for the individual was for the most part already typically relevant for his predecessors and has consequently deposited its semantic equivalent in the language” (p. 234). Thus, the recurring sets of characteristics making up a genre are similar to the recurring sets of themes making up fantasy types. In my study, I identify recurring sets of themes in the two merger/acquisition situations I examine and argue that these recurrences suggest these communications are thematic genres.

“Rhetorical community” is another term common to Miller’s (1994) discussion of genre and Bormann’s discussion of fantasy theme analysis. Miller (1994) defines rhetorical community as “the community as invoked, represented, presupposed, or developed in rhetorical discourse. It is constituted by attributions of characteristic joint rhetorical actions, genres of interaction, ways of getting things done” (p. 73). In fantasy theme analysis, Bormann (1985) defines rhetorical community as a group of individuals who share a “common consciousness,” a “common symbolic ground,” (p. 8) and generally respond in similar ways that correspond with the rhetorical vision. While Bormann emphasizes the commonality of the community, Miller (1994) emphasizes the differences, stating:

It is this inclusion of sameness and difference, of us and them, of centripetal and centrifugal impulses that makes a community rhetorical, for rhetoric in essence requires both agreement and dissent, shared understandings and novelty, enthymematic premises and contested claims, identification and division (in Burke’s terms). In a paradoxical way, a rhetorical community includes the “other.” (p. 74)

Although Miller’s characterization emphasizes the “heterogeneous and contentious” rather than the “comfortable and homogenous” (p. 74) (as Bormann’s definition seems to), these two conceptions of “rhetorical community” point to relationships and similar lines of thinking. Contention is not absent in Bormann’s scheme; it exists prior to the sharing of fantasies. Bormann’s conception of rhetorical community is held together by shared fantasy themes and rhetorical visions. Miller’s (1994) is held together by genres, as this statement indicates:
In their pragmatic dimension, genres not only help real people in spatio-temporal communities do their work and carry out their purposes; they also help virtual communities (those that are not material or demographic), the relationships we carry around in our heads, to reproduce and reconstruct themselves, to continue their stories. (p. 75)

Here, Miller seems to be speaking in terms very similar to Bormann’s conception of shared fantasy themes. It is this “common consciousness” that holds a community together. Miller identifies three centripetal forces as holding rhetorical communities together: genre, metaphor, and narrative. These three elements, to use Miller’s words, (1994) “create similarity out of difference,” and “identification out of division” (p. 74). She goes on to say that genres are then used in “marshalling” (p. 74) rhetorical resources such as metaphor and narrative to perform the social actions needed to hold the rhetorical community together. This idea that narratives and metaphors are used to enact the genres, again, seems to point to a connection between fantasy themes and genres, as narratives and metaphors are also key elements of fantasy themes. As Miller states (1994), “We cannot fully understand genres without further understanding the system of commonality of which they are a constituent, without exploring further the nature of the collectivity” (p. 72). I argue that examining fantasy theme creation and chaining as I do in my study is a key step in this understanding.

**Fantasy Theme Analysis/Symbolic Convergence Theory**

As established in Chapter 1, I use fantasy theme analysis which is a method of rhetorical criticism based on symbolic convergence theory. Both were developed during the 1960s by Ernest Bormann, a speech communications scholar at the University of Minnesota. Although Bormann initially developed the fantasy theme method to analyze communication within small groups, it has been applied in many other ways as well. It has been used to analyze mass media (e.g., Foss & Littlejohn, 1986; Mayerle, 1987), press coverage (Bormann, 1982b; Duffy, 1997), and political movements (Bormann et al., 1996; Callahan, 1993), but it has also been used in a few instances to analyze organizational and business communication (e.g., Cragan & Shields, 1992; Jackson, 1999; Putnam, Van Hoeven, & Bullis, 1991).¹

Two key premises of symbolic convergence theory are that communication (i.e., rhetoric, which is accomplished through language or symbols) creates reality and that shared communication creates a shared reality (Foss, 1996). The notion that communication creates knowledge, or is “epistemic” (Scott, 1967), has long been debated.² Although this issue may be a “chicken-egg” question that will never be fully answered, there is agreement among

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¹ I provide brief summaries of these three studies in Chapter 3.
² See Foss (1996, p. 131, footnote 7) for a list of sources pertaining to this debate.
scholars that there is a connection between the symbols used to communicate and the reality experienced by the people sharing those symbols (Foss, p. 122).

Fantasy theme analysis is based on symbolic convergence theory. The essence of symbolic convergence theory is that people generally understand events in terms of actors with particular motivations taking action in particular settings. Bormann uses the term “symbolic convergence” to refer to people using a shared understanding of these actors, actions, and settings in order to come to a common understanding or “meeting of the minds” (convergence) about confusing situations. Bormann (1983) explains the theory as follows:

If several or many people develop portions of their private symbolic worlds that overlap as a result of symbolic convergence, they share a common consciousness and have the basis for communicating with one another to create community, to discuss their common experiences, and to achieve mutual understanding. (p. 102)

Bormann’s theory is based on the “symbolic” because it revolves around “the human tendency to interpret signs and objects by giving them meaning” (p. 102). There are three parts to symbolic convergence theory: (1) discovering recurring communicative forms and patterns that indicate the creation and presence of a shared group consciousness (2) describing how a shared group consciousness arises, is maintained, and declines, and (3) identifying the factors that explain why people share fantasies as they do (these factors may include common experiences and previously-shared fantasies brought to the situation, currently shared experiences and concerns, and the rhetorical skill with which the participants present the fantasies (Bormann, 1986, pp. 220-221).

The technical term “fantasy” is the basis for symbolic convergence theory:

Fantasy is a technical term in symbolic convergence theory that means the creative and imaginative shared interpretation of events that fulfills a group psychological or rhetorical need. Rhetorical fantasies may include fanciful and fictitious scripts of imaginary characters, but they often deal with things that have actually happened to members of the group or that are reported in authenticated works of history, in the news media, or in the oral history and folklore of other groups and communities. (Bormann, 1989, p. 452)

In fantasy theme analysis, the basic unit of analysis is the “fantasy theme.” Bormann (1983) describes “fantasy theme” as follows:

A fantasy theme consists of a dramatizing message in which characters enact an incident or a series of incidents in a setting somewhere other than the here-and-now of the people involved in the communication episode. (p. 107)

Fantasy themes are used to explain and make sense of current reality, even though the stories constituting the themes themselves take place outside of that reality.

Fantasy theme analysis is referred to as a “dramatistic approach” (Cragan & Shields, 1981) because it views fantasy themes like dramas, having setting, characters, and actions:
• Setting theme—describes where the drama is taking place
• Character theme—describes the actors in the drama (their qualities, motives, characteristics)
• Action theme—describes the plot of the drama

Bormann (1986, pp. 229-230) explains that there are three reasons why shared fantasies develop in groups: (1) group members bring common ways of understanding and interpreting symbols to a setting, including their “symbolic baggage” of previously shared fantasies (2) group members have common concerns because of their experiences in the group, and (3) the rhetorical fantasies are communicated in a skillful way that entices members to share in them.

Another basic concept in fantasy theme analysis is the “fantasy type.” When similar fantasy themes involving the same settings, characters, and actions have been shared within a community, they form a rhetorical vision known as a fantasy type, which is a stock rhetorical vision that appears repeatedly in the rhetoric of a group (Bormann et al., 1996, p. 3). For example, fantasy types like "Watergate" (a U.S. government scandal occurring during the Nixon administration) help explain other government scandals like the Carter administration’s “Billygate,” the Reagan administration’s “Irangate” and the Clinton administration’s “Whitewater” (Cragan & Shields, 1992, p. 201). Examples of fantasy types that are widely used within organizations are “being a team player,” “watching the bottom line,” and “creating stakeholder value.” As people become familiar with and accept fantasy types, they are motivated to use them to get other people to share the fantasy as well.

The concept of “rhetorical vision” is also essential to understanding fantasy theme analysis. A rhetorical vision is a “unified putting-together” of the various fantasy themes that “gives the participants a broader view of things” (Bormann, 1985, p. 8). Foss (1996) points out that a single situation can have competing rhetorical visions. For example, in the early 1970s debate over the Equal Rights Amendment (ERA), one rhetorical vision saw women fighting wars alongside men while the other saw women in the home caring for their husbands and children (Foss, 1979). Depending on their perspectives and which fantasies they shared, people viewed the situation with different setting, character, and action themes, thus resulting in these differing rhetorical visions. Usually a rhetorical vision is indexed by a slogan or a label (Bormann, 1983, p. 114; Bormann, 1985, p. 133). Widely known rhetorical visions in the United States have been “The Cold War,” “Generation X,” and “The New Economy.” Often the labels or slogans given to rhetorical visions take the form of a metaphor (e.g., “The Cold War”) because that provides a convenient way of tying together the fantasy themes that make up the vision (Bormann, 1982a, p. 299). Therefore, the presence of metaphors in organizational communication suggests the presence of rhetorical visions and shared fantasies.
In addition to unified setting, character, and action fantasy themes that enable participants to form a common and coherent interpretation of reality, a rhetorical vision also has a sanctioning agent and a master analogue. A sanctioning agent is something or someone that legitimizes the rhetorical vision. It can be something specific like the West Point honor code, a higher power like God, or a philosophy like Democracy, Capitalism, or Economic Development (Cragan & Shields, 1992, p. 202; Duffy, 1997, p. 130). A master analogue is the underlying philosophy of the rhetorical vision. Bormann et al. (1996, p. 4) say that a master analogue can be classified in one of three categories: righteous (emphasizing the right or moral way of doing things), social (emphasizing human relations such as friendship, empathy and compassion), or pragmatic (emphasizing expediency, practicality, utility, and efficiency). There is some disagreement as to whether conflicting master analogues can co-exist without being at “war” with each other (as were the two visions about the ERA). Endres (1994, p. 306), based on his analysis of the Knights of Columbus quincentennial publicity campaign, argues that all three types of master analogues can co-exist and complement one another within a given rhetorical community, although as he points out, Cragan and Shields (1981) and Bormann et al. (1996) argue in contrast that proponents of different types of master analogues will inherently be in conflict within a rhetorical community.

The participants in a rhetorical vision are referred to as a “rhetorical community” (Bormann, 1985, p. 8). As a rhetorical community, participants share a “common consciousness,” a “common symbolic ground,” and generally respond in similar ways that correspond with the rhetorical vision (Bormann, 1983, p. 114). In an organization, some members may be closed off from, or apathetic to, communication about fantasy themes. These marginal, uncommitted people may be unaware of or uninterested in rhetorical visions that other organizational members find exciting. Additionally, different groups within organizations (e.g., top managers) may share fantasies that other employees know nothing about and vice versa (Bormann, 1983, p. 120). These ideas relating to the different rhetorical communities within organizations and their different perceptions of fantasy themes and rhetorical vision are important to my study of the early communications in mergers and acquisitions. The fantasy theme method of analysis provides a means of examining how different communications worked in different subcultures within my two research sites.

Another concept relating to rhetorical vision that is highly relevant to my study is the “rhetorical vision/reality link” (Cragan & Shields, 1992, p. 202). This concept refers to the connection between the rhetorical visions (and their constituent fantasy themes) and the perceived reality surrounding them. People look for observable evidence to support fantasy themes. If the themes are not supported by reality, rumors, gossip or even paranoia may occur.
For example, as Cragan and Shields point out, a chaotic rhetorical environment is exactly what occurred in the early years of the AIDS crisis in the mid-1980s in the United States. Ultimately, communications supported by reality relieved this chaos (e.g., children who attended school with young AIDS patients did not catch AIDS through casual contact). The rhetorical vision/reality link is also important in merger/acquisition situations. For example, Farmer (1996) gives the following advice to bank managers dealing with mergers and acquisitions: “Actions speak louder than words” (p. 36). Marks and Mirvis (1997b) give similar advice:

> More potent than words will be [a senior executive’s] actions. The behaviors modeled by the senior executive ... tend to be the behaviors that are reinforced throughout the management ranks and integrated in the postmerger organization. (p. 37)

In my study, I use information obtained from my interviews with employees to assess the rhetorical vision/reality links in my research sites. This analysis provides insight into the effects of the fantasy themes employed in these communications.

Another element of fantasy theme analysis particularly relevant to my study is the concept of “symbolic cue” (Bormann et al., 1994, p. 281). The presence of symbolic cues provides substantial evidence that shared fantasies exist. A symbolic cue may be a key word, phrase, name of a hero or villain, story summary, or even a nonverbal sign or gesture that elicits previously-chained fantasies in the rhetorical community. One example of a symbolic cue is an inside joke (Bormann, 1989, p. 453) which elicits shared humor, but symbolic cues can generate other emotions as well. Other examples of symbolic cues that serve to trigger previously shared fantasies and emotions include “publish or perish” (common in academic communities where professors must publish to receive tenure), “read my lips” (a common symbolic cue during the administration of U.S. president George Bush) and various hand gestures (such as the one that is often given when one motorist is displeased with another motorist’s driving). The notion of symbolic cue is important to my study because the presence of various symbolic cues in the texts I examined and the interviews I conducted indicates the presence of shared fantasies in my research sites. By examining these symbolic cues and how they chained throughout the organizations, I gain insight into the ways fantasy themes were spread in the early merger/acquisition communications.

The idea of “organizational saga” also has relevance to my study. Cragan and Shields (1992) define “saga” as an “oft-repeated telling of the achievement and events in the life of a person, group, community, organization, or nation” (p. 201). Bormann (1983, p. 115) explains that an organizational saga includes the shared fantasies, the rhetorical visions, and the narratives of achievements, events, goals, and ideal states of the entire organization. When there is not a
consistent organizational saga among organizational members, there will be confusion. Bormann (1983) explains:

The organizational saga answers such questions as: What kind of an organization are we? What kind of people are members of our organization? What do we do? What is our purpose? What exploits of the past are we proud of? Why are we admirable? What great things do we plan to do in the future? (p. 116)

Information about organizational sagas can be found in recruitment brochures (such as those studied by Vaughn [1997]) intended to get new or prospective employees to identify with the organization or in communications aimed at employees in order to increase or maintain their identification (such as the employee magazines studied by Cheney [1983]). Bormann (1983) refers to these highly positive portrayals of organizational saga as the "front parlor elements of saga" (p. 117) and points out that these are used when members want to put their best face forward either for public consumption or for their own self-images.

Once a shared consciousness is created, people who already share the vision redramatize their shared fantasies for newcomers, interested parties, and even skeptics in order to continue its chaining throughout the rhetorical community. Often newcomers to the group join in the established fantasies in order to conform with the group and become members of the rhetorical community (Bormann, 1989, p. 455). Bormann et al. (1996) suggest several reasons why a particular vision may catch on and spread throughout a community:

- The here-and-now situation is such that many potential converts find the new fantasies do a good job of making sense out of a confusing time of troubles.
- The new individual psychodynamics of many people and their personal problems coincide so they have a common predisposition to have the kinds of fantasies that characterize the vision.
- The vision attracts some able rhetoricians who have the requisite artistry to develop dramatizing messages in ways that make them compelling and attractive.
- The vision has administrative and rhetorical staff with the means and tenacity to keep propagating the vision.
- The propagandists for the vision have access to sufficient means of communication and sufficient channels to reach many people. (pp. 10-11)

In other words, fantasy themes are likely to spread further and faster if dedicated and skilled rhetoricians devote themselves to this purpose.

The role of rhetoric and rhetoricians in spreading and maintaining fantasy themes and rhetoric is very important to my study. Bormann (1986) calls fantasy themes "organized and artistic," explaining that they are "artificial as opposed to natural and the results of human artifice" (p. 226). Fantasy themes are not objective, as they are created to explain reality in a
particular way and to entice others to share that understanding. Some fantasies do a better job persuasively than others, as Bormann (1985) explains:

The artistry with which the leading communicators for a community create the rhetorical fantasies that come to shape the social reality of participants may vary greatly. Some communities may share dreams in which cardboard characters enact stereotyped melodramas. Others may live in a social reality of complexity peopled with characters of stature enacting high tragedies. The dramas themselves, however, always interpret, slant, suggest, and persuade. (p. 10)

In other words, some fantasies are original and enticing while others (maybe most?) are simply recycled versions of old ones that worked in other situations. In fact, in their studies of small group communication, Bormann (1982a, p. 291) and colleagues found in case studies that group members actually did sometimes plan dramatizations prior to a meeting and that these skillfully developed dramatizations were generally successful in getting others to join in sharing the fantasy or in enticing new recruits to join in an established rhetorical vision. The main point is that rhetorical fantasies are inherently biased interpretations of reality and can be presented in rhetorically savvy ways with the intent of getting others to share in them. Bormann (1983) and colleagues found that organizations with highly-committed employees had a group of members "who communicated the organizational ‘big picture’ to the others," (p. 121) and that this group was rhetorically sensitive to the need to make the organization an important part of the consciousness of employees. This group continually kept “mentioning, reminding, and dramatizing the social entity of the organization and the commonality of being part of it” (Bormann, 1983, p. 121). In other words, organizations with strong identification and commitment generally put a great deal of effort into communicating their organizational sagas and triggering the necessary fantasy chaining throughout the organization. Gaining this identification is particularly important to leaders of organizations undergoing mergers and acquisitions or other major organizational change. In advice to bank managers undergoing mergers and acquisitions, Farmer (1996) stresses that managers “must clearly articulate visions for their combined organizations” and goes on to say that “every key constituency should understand the vision of the new organization,” and that this understanding “can only be achieved through repetition; saying something once is never enough” (p. 36).

Gaining buy-in to rhetorical visions and fantasy themes is important because once shared, fantasies and rhetorical visions provide the basis for further actions taken and decisions made by organizational members. Rhetorical visions have the potential to motivate members of the rhetorical community to act in a particular way. Bormann (1972) explains:

The born-again Christian is baptized and adopts a life-style and behavior modeled after the heroes of the dramas that sustain that vision. ... Likewise, the convert to one of the countercultures in the 1960s would let his hair and beard grow, change his style of dress, and his method of work, and so forth. (p. 405)
Particular events can also be used to spread the rhetorical vision. Members of rhetorical communities often plan their consciousness-raising efforts so that they end with the new converts' taking some action that publicly testifies to their conversion (Bormann et al., 1996, p. 12). In organizations, such consciousness-raising events may often be planned by consultants, communications departments, human resources departments, or public relations or marketing coordinators. In my study, I examine the presence of such events in my research sites and the effects they had on spreading fantasy themes.

In the next section of this chapter, I discuss my review of the literature that led to my identification of the four rhetorical challenges in mergers and acquisitions around which I organized my fantasy theme analysis. In the next paragraphs, I briefly preview how these rhetorical challenges connect to the fantasy theme analysis method I use in my study.

Building an identity and encouraging identification is one of the key rhetorical challenges in the early communications in mergers and acquisitions that I identified through my review of the literature. “We/they” and “us/them” issues inevitably arise in mergers and acquisitions. Because of its focus on fantasy sharing, fantasy theme analysis is a helpful way to identify and examine how early merger/acquisition communications encourage identification. As employees participate in fantasy themes, they begin to distinguish themselves from people who are not part of the group. As Bormann (1983) explains:

In the early stages of creating group self-awareness, the fantasies that distinguish who “we” are may take the form of “we are not ...” dramas. “We are not a typical engineering group in that we don’t ...” Usually, however, the sharing will involve positive dramas in which the personae who typify the group are celebrated in positive terms. (p. 106)

Fantasies can work to achieve identification, but while they are doing so, they are also spreading ideology to group members, either explicitly or implicitly, as is evident in this quote from Bormann (1986): “Fantasies that clearly divide the sympathetic good people (we) from the unsympathetic evil people (they) aid the group’s self-awareness and are crucial to the emergence of its consciousness” (p. 232). One useful device that Bormann (1983) identifies in developing fantasies that distinguish the “we” from the “they” is to base the fantasy on “personas” who represent each side (p. 106). For example, in an acquisition situation, the personas of the CEO of the acquiring company and the CEO of the company being acquired may be featured as characters in fantasy themes. “Persona” refers simply to the character in the message with whom people sharing the fantasy sympathize, empathize, or identify; this persona may or may not be similar to an actual individual (Bormann, 1982b, p. 135). Not all groups result in such extreme dichotomization of “we” and “they,” but this potential is an
important aspect of the rhetoric of fantasy themes that I consider in my study of the early communications in mergers and acquisitions.

The fantasy themes offered in official management communications are not the only ones that occur in organizations undergoing mergers and acquisitions. In fact, in order to cope with the uncertainty inherent in merger/acquisition situations, employees often develop fantasy themes of their own. Dealing with this uncertainty is another rhetorical challenge I have identified through my review of the literature. Marks and Mirvis (1997a) offer many examples of how rumors, gossip, and horror stories get started and circulate throughout organizations; this spreading of rumors is part of what Marks and Mirvis refer to as “the merger syndrome”:

The first sign of the merger syndrome is heightened self-interest—people become preoccupied with what the combination means for themselves, their incomes, and their careers. They develop a story line about the implications, often a mix of fact and fantasy. (p. 24)

Thus, rumors can be thought of as unofficial fantasy themes. Some of these rumors are based on other merger/acquisition situations employees may have experienced or heard about, as this statement from Marks and Mirvis (1985) illustrates:

Planners of the postmerger organizations not only must contend with expected levels of anxiety and inevitable rumors, but also with people’s perceptions of what “might” happen based upon horror stories from other situations. It is not uncommon for employees to circulate tales of bad personal experiences in previous combinations or about friends or relatives whose entire plant or division was closed down after a takeover. ... Media reports on business combinations often focus upon the sensational and unsavory cases. (pp. 52-53)

These previous experiences thus generate what can be thought of as fantasy types associated with mergers and acquisitions.

An additional aspect of symbolic convergence theory that makes it important to my study is its focus on emotions. Dealing with emotions inherent in merger/acquisition situations is another one of the rhetorical challenges in mergers and acquisitions that I have identified through my review of the literature. Fantasy theme generation and maintenance is very much tied in with emotions, as Bormann (1983) explains:

When members of the organization share a fantasy, they have jointly experienced the same emotions; they have developed the same attitudes and emotional responses to the personae of the drama; and they have interpreted some aspect of their experience in the same way. They have thus achieved symbolic convergence about their common experiences. (p. 104)

Therefore, the way the message is shared and perceived by the members of the audience is seen as being as important as the message itself (Foss, 1996, p. 123). In merger/acquisition situations, the potential emotional effects of communications on employees are particularly important. Marks and Mirvis (1997a) ask:
How do you get people to truly believe that one plus one can equal more than two in a combination and not just one and one half? The answer lies in moving employees on both an intellectual and emotional level. (p. 26)

In fact, one of the strategies for dealing with emotions and helping employees maintain morale throughout a merger/acquisition situation is having a clear "vision" statement, which can give employees a reason for working towards possible future benefits. Marks and Mirvis (1997a) stress the importance of considering emotions when developing vision/goal statements in merger and acquisition communications:

Visions have an emotional as well as an intellectual component. Despite all of the turmoil wrought by downsizings and mismanaged mergers in recent years, ... people have retained the human desire to make an important contribution in the work they do. However, people must be emotionally aroused to go the extra mile. (p. 26)

In my study, I illustrate how organizational vision/goal statements can themselves function as fantasy themes.

Fantasy themes are also important to organizational culture, as they create a group consciousness and a symbolic common ground which are essential elements of a group or organization's culture (Bormann, 1983, p. 100). Bales (1970) said, "The culture of a group is a fantasy established from the past, which is acted upon in the present" (qtd. in Bormann, 1972, p. 358). In merger and acquisition situations, the fantasy themes and rhetorical visions that are developed help shape the culture of the new organization. Setting the stage for culture change is the fourth rhetorical challenge I identified through my review of the literature.

In the next section, I discuss the literature review that led me to identify culture, emotions, uncertainty, and identity/identification as the four rhetorical challenges around which to organize my fantasy theme analysis of the early communications in mergers and acquisitions.

**Rhetorical Challenges in Mergers and Acquisitions**

As stated in Chapter 1, the first research question for my study is as follows:

- What are some of the recurring rhetorical challenges surrounding the early stages of mergers and acquisitions and what fantasy themes are used to address them?

I answered the first part of this question by examining the empirical, theoretical and practitioner-oriented literature related to mergers and acquisitions, management, and rhetoric and professional communication. In doing so, I have identified four rhetorical challenges in mergers and acquisitions:

- setting the stage for cultural change
- addressing emotions
- dealing with uncertainty
- building an identity and encouraging identification
Because these challenges serve as the framework for my study of the early communications in mergers and acquisitions, I next describe the literature that led me to identify each of them.

**Rhetorical challenge: Setting the stage for cultural change**

Through my review of the literature, I found that cultural issues arise whenever two previously separate companies become affiliated. I, therefore, determined that setting the stage for culture change is a key rhetorical challenge in the early communications of mergers and acquisitions. I divide my discussion of this literature into several non-mutually exclusive categories: organizational vision and value statements, alternative interpretations of culture's role in the outcome of mergers and acquisitions, and acculturation.

**Organizational vision and value statements**

Explicit or implicit statements of organizational values are often at the core of some of the early messages in mergers and acquisitions. This should not be surprising, since vision and value statements have long been recognized as being at the core of organizational culture (e.g., Deal & Kennedy, 1982, 1999; Jacques, 1952; Martin, 1992; Pettigrew, 1979; Schein, 1985). A simple way to describe culture is “our way of doing things,” and an articulation of organizational values can go a long way in explaining why people behave as they do.

Statements of organizational vision are another important part of the early messages pertaining to culture. Organizational vision has various definitions, but it can be summed up as “a mental image that portrays a desirable future state, an ideal, or a far-reaching dream” (Conger, 1989, p. 38) or “a signpost pointing the way for all who need to understand what the organization is and where it intends to go” (Nanus, 1992, p. 8). Because mergers and acquisitions often throw organizations into turmoil, organizational visions are a key way of giving employees an idea of why it will be worthwhile for them to endure the chaos. As Marks and Mirvis (1997a) explain, “A merger asks people to give their all for something for which they may not see immediate benefits” (p. 26). In a survey of 2,845 employees of an acquired manufacturing company, Covin, Sightler, Lolenko, and Tudor (1996) found that these employees experienced high levels of dissatisfaction with the merger despite having relatively high expectations for their future with the company after the acquisition. Covin et al. speculate that the employees felt this way because although they resented their company being acquired, they also saw the acquisition as a viable way for the business to succeed. Communicating organizational vision via the early communications is one way to begin providing a rationale that a new and better organization will emerge.

Several authors provide examples of the importance of sharing organizational vision and values in the early communications of mergers and acquisitions. For example, Marks (1999)
describes the process at American Century Mutual Funds (formed from the acquisition of Benham Capital Management Group by Twentieth Century Advisors):

A high-level executive task force was charged with defining values for the new company. It commissioned focus groups to explore what employees valued about their prior companies, what they did not value, and what they believed should be carried forward in the combined company. The task force used this employee input, along with their CEOs' vision and values statements, to define a desired culture for the combined organization. (p. 18)

Marks does not provide details about how well this process worked, although he quotes one senior executive as saying "Their 'Guiding Principles' and our 'Statement of Beliefs' were very similar. Both companies stated 'honesty' as a fundamental belief, and you don't too often see that both stated and acted out in the financial services industry" (p. 18). International management consultant John Hayes (1996, p. 36) argues that one of the reasons behind the successful acquisition of Manufacturers Hanover by Chemical Bank was the ability of the joint leadership to provide a powerful, common vision for the new company. And international consulting firm partner Randye Farmer (1996) advises leaders to be "quick and candid in their communications" and to "clearly articulate visions for their combined organizations" (p. 34).

Statements of visions and values in the early communications of mergers and acquisitions are generally portrayed as being neutral statements of fact (see Farmer’s quote in the preceding paragraph, for example). However, because these statements are essential elements of persuading employees that the new organization is one in which they will want to continue to work, discussions of visions and values are indeed highly rhetorical. In short, they are primarily persuasive rather than merely descriptive. Although previous authors discuss articulating vision and values in early communications, they do not investigate specifically how these ideas are communicated in ways that achieve the desired buy-in of potentially skeptical and cynical employees. In my study, I investigate the fantasy themes used in getting employee buy-in to organizational visions/goals and values.

The literature about communicating vision and values in mergers and acquisitions does not address how these communications work in the unique rhetorical situation of mergers and acquisitions. The early stages of mergers and acquisitions are turbulent times within organizations, and the short-term implications of mergers and acquisitions for employees are generally negative—there is confusion, resentment, annoyance, much additional work, insecurity, and frustration. One of the purposes of my study is to investigate the ways that fantasy themes in early communications work as employees come to (or do not come to) share a positive view of the future. My study suggests a tension between the negative short-term implications and the positive future that is displayed in the early communications of mergers
and acquisitions. For example, the situations of both Firmco and NewSeeds involved extra work, confusion and upheaval, and NewSeeds’ merger also involved layoffs and downsizing.

The fantasy theme analysis I use in my study is particularly helpful in examining the ways that statements regarding organizational vision/goals and values function to address the rhetorical challenge of setting the stage for cultural change. Based on the evidence I present in my study, I argue that statements of organizational vision/goals and values in the early communications of mergers and acquisitions are key ways of perpetuating fantasy themes, but as such are only part of the process of gaining employee buy-in.

**Alternative interpretations of culture’s role in the outcome of mergers/acquisitions**

Many authors argue that culture is one of the most important and most overlooked issues in mergers and acquisitions and that the lack of attention to cultural issues is the cause for many cases of merger/acquisition failure. Others say that culture is just a scapegoat for poor managerial decision-making and efforts spent on “building culture” or “promoting visions and values” would be better spent elsewhere. I discuss each of these views in the following paragraphs in order to illustrate that even though they seem different, they still both point to culture as an important rhetorical challenge in early merger/acquisition communications.

Many writers warn about the problems that can be caused by failing to pay attention to organizational culture early in the merger/acquisition process. For example, Lubatkin and Lane (1996, p. 31) discuss how culture clash can cause serious personnel and morale problems that can offset the synergies that prompted the merger in the first place. Several other authors cite instances of the period after a merger or acquisition as typically being a time of culture clash and culture shock; as employees from the different organizations begin working together, they become highly attuned to cultural differences that previously had not been noticed (Marks & Mirvis, 1985, 1986; Sales & Mirvis, 1984). Senior executives often rate “underestimating the importance and difficulty of combining cultures” as a major oversight in integration efforts (Marks, 1999, p. 15). In a 1996 PricewaterhouseCoopers survey of 124 recently merged or acquired companies, 49% of the respondents reported differences in operating philosophy as the most difficult post-deal challenge, and the respondents also perceived cultural differences to have caused substantial cost and lost business opportunities (Feldman & Spratt, 1999, p. 142).

The popular business press also contains evidence of these managerial perceptions of difficulty with cultural integration. Headlines such as the following have appeared quite frequently in recent years: “Another drug industry megamerger goes bust: Clash of cultures kills Monsanto, AHP Marriage” (Burton & Tanouye, 1998); “BankAmerica president says he will quit: Nationsbank merger leads to culture clash” (Holson, 1998); and “SBC Communications’ takeover of Pacific Telesis transformed company’s culture” (Ginsberg &
In an article entitled “Lessons from a casualty of the culture wars,” *Business Week* (Muller, 1999) reported on the cultural integration problems of DaimlerChrysler (created in 1998 by a “merger of equals” between Chrysler Corporation and Daimler-Benz). Thomas T. Stallkamp, the former head of Chrysler’s U.S. operations reportedly lost his job because of failure to integrate the cultures of the two companies. Although Stallkamp argued that a successful merger would require the two companies to create a new culture, many issues arose which made that process difficult. So, according to Stallkamp, “it became a question of comparing the styles of the two and picking one” (Muller, p. 198). Ultimately, the two companies put the efforts to integrate on hold.

The other viewpoint expressed about the role of culture in mergers and acquisitions is that although culture is important, it is seldom the main reason for merger/acquisition success or failure and the integration efforts centered around “merging cultures” are misfocused. For example, PricewaterhouseCoopers partners Mark Feldman and Michael Spratt (1999), argue that there are so many headlines like the examples given in the preceding paragraph because culture is an easy scapegoat for managerial errors or oversights. While wholeheartedly agreeing that cultural differences are challenges and obstacles, Feldman and Spratt (p. 143) point out that independent analyses more typically cite as the cause of merger/acquisition failure other factors such as poor strategic fit, overpayment, slow decision-making, or sloppy due diligence. Additional support for this argument comes from Larsson (1993), who analyzed 55 case reports of mergers and acquisitions and found that it was the integration process, rather than the cultural differences themselves that impacted the success of the combination.

Despite the disagreement as to whether culture is itself the cause of success or failure, this literature illustrates that culture is clearly an important rhetorical challenge that needs to be addressed in merger/acquisition situations. In my study, I examine how cultural issues are presented to employees in the early communications.

**Acculturation**

Many researchers examining the interaction of cultures in mergers and acquisitions build upon the anthropological concept of acculturation. Acculturation is defined by Berry (1980) as “changes induced in [two cultural] systems as a result of the diffusion of cultural elements in both directions” (p. 215). Acculturation is not an egalitarian process, however; cultures (and the subcultures within them) adapt to each other in different ways. Berry identifies four different forms of acculturation: assimilation (one group takes on the culture of the other, either willingly or by force), integration (one group becomes part of the other, but its diversity is valued) rejection (the dominant group forces the other group to remain separate) and deculturation (the non-dominant group loses psychological contact with both its own culture
and the dominant culture). In considering how acculturation occurs in mergers and acquisitions, Sales and Mirvis (1984) studied the “white knight” acquisition of an organization “very committed to participative management” by a multibillion dollar U.S. conglomerate with a culture “dominated by the power of aristocrats” (p. 107). Initially the acquisition was communicated to employees as a threat to culture. A significant early communication was a meeting to “grieve” the past and prepare for the future. Additionally, the top managers publicly promised to preserve the company’s values. These events were followed by cross-cultural contact, and ultimately the groups began to adapt. Sales and Mirvis found that Berry’s categories of acculturation are not mutually exclusive; they observed elements of integration, assimilation, and rejection. McEntire and Bentley’s (1996) study of merging travel agencies found that there had been no common articulation of vision or values because executives had operated with the assumption that “It is there in all of us, underneath,” (p. 162) which in turn left employees confused about what the merged company was trying to accomplish or who was in charge. The newly merged travel agency had no integrated organizational culture for members to learn—in short, all employees were newcomers experiencing the frustration of trying to figure the culture out for themselves. McEntire and Bentley recommend that management be proactive in telling employees how to adapt: “A merger transaction is not a negotiable event for employees; it is a strategic business decision that members must accept” (p. 169) if they choose to remain with the organization. McEntire and Bentley suggest that cultural information be communicated through training programs, new dress codes, strong leadership, and clearly communicated organizational plans.

Researchers, management consultants, and theorists have long pointed to the difficulties presented by integrating cultures in mergers and acquisitions. In an early study, Kitching (1967), although he did not mention organizational culture specifically, found that “size mismatch and organization” was frequently cited by executives as a cause for acquisition failure. He quoted one manager of an acquiring company as saying “We couldn’t get these little entrepreneurs to think like big businessmen” (p. 92), evidencing that there was a difference in cultures and values when a small company was acquired by a larger one. In another early study, Davis (1968) argued that a successful combination requires “compatibility of business styles” and described five areas of potential conflict in managerial style: company philosophy, time/return attitude, disposition of profits, delegation of authority, and functional emphasis. These early findings illustrate that culturally ingrained ways of thinking do indeed present significant challenges in mergers and acquisitions.

More recent research has used case studies to examine issues of cultural integration. For example, Bastien (1987) provides evidence of culture shock in each of the three
merger/acquisition situations he presents and stresses the importance of managers being aware of the key elements of the organizational cultures of both parties so that "differences in values and practices do not become sources of rejection and resistance" (p. 32). McEntire and Bentley (1996) provide another in-depth analysis of cultures coming into contact in their study of the two merging travel agencies (one catered to a cost-conscious clientele and the other provided high quality services to upscale customers).

Thus far, I have referred to "culture" as if each organization has only one. In fact, there are often numerous subcultures within organizations, which complicates merger/acquisition communication even further. Although most organizations have dominant cultural characteristics, subgroups within the organizations such as professions, departments, and managerial levels, may have cultures that differ from the dominant one (Martin & Siehl, 1983; Trice, 1993). Some merger/acquisition researchers have pointed out that members of different subcultures react to situations differently. Jordan (1990, pp. 211-212) found that not only were there two company cultures interacting in the ABC/DEF merger she studied, but there were also several subcultures (e.g., senior management, legal, secretarial, graphics, sales and marketing).

Buono and Bowditch (1989), in their study of a bank merger, found a counterculture (consisting of both former and current employees of one of the merging banks) that was issuing subversive communications of its own. In their survey study of post-merger satisfaction, Covin et al. (1996) found that factors such as union membership, job mobility, age, work experience, and salary affected attitudes towards the merger in general; they suggest using such factors to identify potential areas of resistance throughout the merger process. Napier et al. (1989) also found in their case study of a bank merger that communications may need to vary by employee group—their conclusion was that those employees more concerned about job security want realistic communications about their futures. It is important to consider subcultures when communicating about culture because communications that work successfully in one group may have totally different effects in other groups.

Much of the literature stresses the value of examining cultural issues both prior to and throughout the merger/acquisition process. For example, Kevin Walker (1998), a Managing Associate with Coopers and Lybrand Consulting, provides "eight critical steps to success" for meshing cultures in a consolidation; these steps emphasize involving employees in the integration process, dealing with obstacles caused by "ingrained behaviors," and recognizing the need for clear communication about changes. Organizational psychologists Sue Cartwright and Cary Cooper (1993, 1996) identify cultural incompatibility as being widely reported as a cause for poor merger performance and provide several recommendations for identifying and merging different types of cultures. Using a slightly different perspective, Gopalan, Dittrich, and
Nelson (1994) suggest cultural compatibility and cultural change strategies be analyzed by examining cultural strength and cultural similarity. Several other authors (Buono & Bowditch, 1989; Farmer, 1996; Marks, 1999; Marks & Mirvis, 1998a; Walker, 1998) recommend that due diligence teams charged with examining potential merger/acquisition partners include experts on organizational change, human resources, or communication to conduct cultural audits that can be used to identify and deal with key elements of organizational culture such as values; management style; heroes; myths and stories; organizational taboos, rites, and rituals; and cultural symbols (Buono & Bowditch, 1989).

Although mergers and acquisitions are generally investigated in terms of one culture interacting with another (e.g., Bastien, 1987; Marks & Mirvis, 1985, 1986; Sales & Mirvis, 1984), another perspective is that it is not cultures per se, but the individuals within them that interact. Bastien (1992) conducted a longitudinal study of a small rural equipment leasing firm acquired by a large regional financial institution and used a linguistic analysis of oral and written communication patterns and nonverbal communication to analyze cultural change within the organization. Bastien concluded that the culture conflict was not between organizations but between employees who were trying to accommodate and those who were not.

This focus on individuals has parallels in the research regarding the concept of organizational ethnicities. In Jordan’s (1990) case study of the ABC/DEF merger, even though only a few of the original DEF employees remained after the merger, the DEF culture remained distinct from ABC’s. Jordan points to similarities between the behaviors of the DEF employees in her case study and ethnic minorities. There were “boundary markers” (Nash, 1989) such as the name DEF, which defined and marked off the group from other groups. Jordan’s work is relevant to my study of early communications because it suggests that the manner in which cultural change is introduced and the way in which it is communicated impact the way people respond. Jordan says, “The fact that one is being forced makes one resistant; not all resistance is due to cultural heritage” (p. 223). This finding, I believe, suggests that the way impending change is introduced in the early communications can foster, prevent, or counter resistance.

Rhetoric and professional communication research can also illuminate this discussion about ethnicity by illustrating the need for employing rhetorical strategies to negotiate differences. Flower (1996) describes her experience in attempting to discuss the term “Black English” with a group of college students; she found that one young black woman in particular was resistant because this term did not match her mindset. Flower realized the need to instead negotiate a new meaning for that term with the young woman “to create new relations where none existed, acknowledging and articulating the link between conflicting or seemingly disparate ideas, agendas, attitudes” (p. 73). Flower says, “Negotiation is a rhetorical process in
which we not only recognize the validity of conflicting meanings but attempt to construct a new meaning that somehow accommodates multiple visions and the multiple consequences of ideas (p. 77). Wallace and Bell (1999), in their study of young black men’s experiences in first-year composition classes at a predominately white university, examine the strategies used by these men to assimilate and deal with being different. These issues are pertinent to mergers and acquisitions because when previously separate organizations begin to work together, employees are faced with working with people from different corporate ethnicities who behave differently and have different cultural practices. In fact, failure to rhetorically negotiate these cultural ethnicities may be one reason why collaborative “mergers of equals” often end in conflict (American Bankers Association and Ernst & Whinney, 1985, pp. 59-60).

Communication in the early phases of a merger or acquisition is one important way of addressing the challenges that the differing organizational cultures present. Cultural messages can be explicit (e.g., announcements, memos, speeches) or implicit (rituals, ceremonies, metaphors, logos, dress, metaphor) (Buono & Bowditch, 1989; Sathe, 1985). Fulmer and Gilkey (1988, p. 282) give the example of Allied Signal using a video to give employees a historical perspective of their merger partner as a means of beginning to build a new culture.

However, not all authors are as optimistic about integrating cultures through communication. For example, in a book chapter entitled “The ultimate scapegoat: Unconventional advice about culture,” Feldman and Spratt (1999) express a cynical viewpoint towards these explicit cultural messages:

Over the years, armies of change management consultants have brainwashed executives into believing that culture is a nearly intractable force that takes time, patience, and persistence to alter. Start, they say, by articulating a common vision. Agree on shared values. Craft the communications. Laminate the results and plaster posters everywhere. Conduct half-day workshops with middle management. Then wait. Eventually everybody will believe and behave differently.

Not a chance. (p. 142)

Feldman and Spratt’s argument is that communications themselves will not do the job; their biggest recommendation for handling cultural issues is the use of “cultural role models” (p. 155)—co-workers and highly visible managers who behave in new ways with the intention that other employees will emulate that behavior. Feldman and Spratt stress the importance of behavior in addition to communications. Although they claim their views are nonconventional, many other authors also stress the importance of supporting words with actions (e.g., Buono & Bowditch, 1989; Farmer, 1996). In fact, this idea relates to the notion in fantasy theme analysis of the rhetorical vision/reality link (Cragan & Shields, 1992).
My study argues for the vital role of communication in the acculturation process. This study differs from previous studies of acculturation in mergers and acquisitions that tend to focus mainly on perceptions of employees, with only thin descriptions of the texts leading to those perceptions. I use fantasy theme analysis to examine thoroughly the texts themselves as well as employee and author perceptions of their intent and effects.

Another way that my study helps illuminate issues of acculturation is that I examine two very different situations of cultural contact: BestSeeds was integrated completely with GreatSeeds to form NewSeeds, while Firmco planned to operate separately from Largeco and retain its own identity. These contrasting situations enable me to examine the similarities and differences between the ways culture is addressed.

Finally, previous studies of mergers and acquisitions have not examined in detail how communications affect different ethnicities and subcultures within organizations. Napier et al. (1989) touched on this issue, but did not examine specific communications and their specific effects on different ethnicities or subcultures. Each company contains many subcultures; for example, although Firmco is an accounting firm, not all the employees are accountants, and thus there are several professional subcultures within the firm, although the accounting profession has shaped the company's dominant culture. I examine the ways the fantasy themes in the early merger/acquisition communications developed and were perceived by different subcultures.

**Rhetorical challenge: Addressing emotions**

The second rhetorical challenge that I have identified that is common to the early communications in mergers and acquisitions is addressing emotions. Ever since Mayo's (1933) Hawthorne studies, organizational researchers have realized that emotions are relevant aspects of workplace life. Yet researchers have called for more studies addressing emotions (Fineman, 1993; Kreitner & Kinicki, 1998, p. 143). In this section, I address the literature that led me to identify addressing emotions as a key rhetorical challenge in the early communications in mergers and acquisitions.

Some studies of mergers and acquisitions address emotions under catchall terms like "morale" or "satisfaction." In Buono, Bowditch and Lewis' (1985) study of a "friendly" merger of two banks, post-merger surveys found that former employees of the bank whose culture was most displaced by the merger were less satisfied than those of the other bank, despite having initially had more favorable attitudes toward the merger. Likewise, Covin et al. (1996) used a survey approach to determine "post-acquisition satisfaction" of employees of a manufacturing company approximately two years after the acquisition. Similar to Buono et al.'s findings, Covin et al. found that employees of the acquired firm had significantly lower merger satisfaction scores than either employees of the acquiring firm or new hires. In addition, Covin
et al. found that factors such as union membership and job mobility also strongly affected merger satisfaction. They concluded that their study “provides further evidence that the pre- and post-merger attitudes of employees warrant careful consideration” (p. 140). Additionally, some case studies also address morale issues. For example, Buono and Bowditch (1989) found that the managers of one of two merging banks issued communications to employees indicating that no jobs would be lost if people performed well, even though the managers knew they would not be able to keep this promise. Buono and Bowditch quote the CEO of the bank as saying, “I’m still not sure it isn’t better to have a charade at first to get people involved. Perhaps we should have been more candid, but you have to keep the morale of the troops up, even if only for the short term” (p. 131). In the following paragraphs, I look more specifically at the emotions prevalent in mergers and acquisitions.

Sadness and grief

A common response to mergers and acquisitions is a sense of sadness which has been likened to the stages of grief defined by Kubler-Ross (1969): shock, disbelief and denial (“This could never really happen”), rage and resentment (“How could our leaders allow this to happen to us?”), emotional bargaining beginning in anger and ending in depression (“Why didn’t I see this coming?”; “Maybe if we can prove how important our department is, nothing will change,” “Maybe my skills won’t fit into the new situation”), and acceptance (“Things are going to change, but I’m ready”) (Buono & Bowditch, 1989; Cartwright & Cooper, 1996; Marks, 1994; Marks & Mirvis, 1986, 1998b). Employees who get stuck at any of these stages engage in unproductive behavior because they are preoccupied with the situation, or they may make hasty decisions to leave the organization. Some may even prematurely accept the merger without being emotionally committed to it, and thus go through the motions but not really believe in what they’re doing (Cartwright & Cooper, 1996).

Anger and hostility

Anger and hostility are also commonly associated with mergers and acquisitions. One determinant of anger and hostility frequently discussed in the literature is the relation between the merger/acquisition partners. Some researchers have argued that “hostile” takeovers, which are unwelcomed by the company being acquired, result in more conflict among employees because the focus is more on domination and less on integration, making “us vs. them” attitudes more prevalent (Ivancevich et al., 1987; Levinson, 1970; Overmyer Day, 1993). For example, Overmyer Day, in a survey of merged/acquired companies, found that hostility during the negotiation period exerts a negative influence on employee attitudes. However, hostility can also emerge in “friendly” agreements, as Buono and Bowditch (1989) found in their case study of merging banks where the employees of one bank perceived they were being dominated
by the other when the merger had initially been touted as a “merger of equals.” Additionally, Lubatkin and Lane (1996, p. 30) point out that mergers of related firms, though seemingly synergistic, also inherently create the need for downsizing and breaking up work groups, thus causing hostilities and conflicts. Anger/hostility presents rhetorical challenges, as Arnold (1983) concludes in a case study report in which he observed that communication directed at helping increase employees’ knowledge about their merger partners and the situation in general helped form common ground among potentially hostile parties.

Stress, anxiety, and fear

Stress, anxiety, and fear are cited by many authors as key emotional responses in mergers and acquisitions. The mergers and acquisitions literature is filled with evidence that the mere mention of a merger or acquisition can elicit these negative emotions. A 1991 study found that the fear of job loss because of a merger or acquisition was the top worry among senior executives in the 1,000 largest U.S. companies (Marks & Mirvis, 1997a, p. 24). In work-ethic based societies like the U.S., no matter how low the unemployment rates, the fundamental threat of unemployment and a loss of work identity exists (Flam, 1993, p. 68). Because mergers and acquisitions have traditionally been associated with job loss, past bad personal experiences or stories employees have heard of others’ negative experiences contribute to their fears (Marks & Mirvis, 1997a, p. 24). Astrachan (1990), using a simulation with business students, found that even employees who remain in their jobs after a merger or acquisition experience some form of separation anxiety. After interviewing and/or surveying about 800 employees, Cartwright and Cooper (1996, pp. 48-50) confirmed that mergers and acquisitions are indeed stressful events; they identified several common merger stressors including loss of identity, increased organizational size, poor or inconsistent communication, fear of job loss, changes in rules and procedures, ambiguous reporting systems, personality or culture clashes, and increased workload. Marks and Mirvis (1985, 1992, 1997a) point out that “signs of human stress are present in all combinations, even the friendliest and best managed ones” (1992, p. 16) and identify what they call the “merger syndrome,” which is a pattern of common emotional reactions to a merger or acquisition beginning immediately after the transaction is announced and continuing through the integration period. The merger syndrome is characterized by the following symptoms (Marks & Mirvis, 1992, pp. 17-18):

- preoccupation with the potential effects of the merger
- imagining the worst
- stress reactions
- crisis management
- constricted communication
Other literature addresses fear in organizations in general terms. In one of the most extensive studies of fear in organizations, Ryan and Oestreich (1998) interviewed 260 individuals at all levels in 22 different organizations about their experiences with workplace fear. Ryan and Oestreich place fear at the opposite end of trust on a trust-fear continuum and see fear manifesting itself in response to a sense of threat caused by such things as secretive decision making, lack of or indirect communication, inconsistency, or mixed messages. Other researchers also point out that fear is caused by changes in power relations (Flam, 1993, p. 60). In mergers and acquisitions, many acquirees have legitimate fears of being dominated by new owners and completely losing their previous identity and power.

Ivancevich et al. (1987) make the important point that not everyone is affected equally by stress. They define a merger stress process and argue that the stress a particular employee experiences depends on the type of merger, the stage of the merger process, the events that occur, the stressors that arise, and the employee’s individual characteristics and overall feelings about the situation. Ivancevich et al. (pp. 20-21) give examples of several potential responses identified by Lazarus and Folkman (1985) in their theory of stress:

- Irrelevant (merger perceived as having no effect): “It really doesn’t matter who is in charge. I still have to file, type, and answer telephones. As long as I’m paid on Friday, Flash Gordon could be in charge and it wouldn’t matter.”

- Benign-positive (merger perceived as an opportunity): “I know my job and I know I’m needed. It really doesn’t matter who’s steering the ship. The ship can’t get back to port without me, my knowledge and skills.”

- Stressful (perceived as causing harm/loss): “After 17 years of working hard, trying to work toward the top, I’m just not going to make it. This merger changes my whole life.”

- Stressful (perceived as a threat of anticipated hardship): “I don’t know if I am going to have a job and feed my family or what I am going to do if this merger goes through.”

- Stressful (perceived as a challenge): “I just can’t worry about this merger. I will find something to do if it happens. I’m a survivor.”
Mishra and Spreitzer (1998) apply Lazarus and Folkman’s theory of stress specifically to organizational downsizing and identify four types of responses: fearful, obliging, cynical, and hopeful. This classification again serves to illustrate that different people can have completely different reactions to the same situation. Mishra and Spreitzer argue that the way a situation involving threatening and ambiguous change is handled is crucial in determining how employees will react. These different types of reactions to merger/acquisition situations are important to my study because they indicate that different rhetorical strategies are necessary depending on the situation, the employees involved, and their potential responses.

Although early communications in mergers and acquisitions may inevitably play a role in causing fear, stress, and anxiety for employees, these communications have also been recognized as a way of reducing or channeling these negative emotions in productive directions (Buono & Bowditch, 1989; Ivancevich et al., 1987; Marks & Mirvis, 1985, 1997a, 1998b; Pritchett, 1985). In one of the few studies attempting to get actual measures of stress, Schweiger and DeNisi (1991) conducted a field experiment in which they provided employees in one plant of a merging company with a realistic merger preview consisting of communications intended to prepare the employees for the merger. Using a questionnaire developed by Cohen, Kamarck, and Mermelstein (1983), Schweiger and DeNisi then compared those employees’ perceived stress with employees in a control plant that did not receive the communications and found that stress levels were lower in the plant that received the realistic merger preview communications.

Other researchers have looked at how different types of communications are used at different stages of the merger/acquisition to relieve stress. In their study of the communication process during a bank acquisition, Napier et al. (1989) used the stages of mergers/acquisitions identified by Ivancevich et al. (1987) to examine how the communications in each stage of the acquisition addressed the stress that employees experienced. Through examination of the communications and interviews with employees, Napier et al. found that although some of the communications offered by the banks (i.e., a telephone hotline, formal communications) helped relieve stress, employees took their own stress-management measures such as gathering information on their own, holding informal get-togethers, seeking professional help, and updating resumes. Ivancevich et al. discuss several company interventions that can be made in various stages of the merger. Ivancevich et al. provide no empirical evidence of employee perceptions of the effects of these measures; they simply provide a list of how-to advice for human resource professionals.

Although the literature pertaining to stress, anxiety, and fear as it relates to the early stages of mergers and acquisitions discusses various forms of communication, there has not been much focus on analysis of the content of specific communications, as I do in my study.
Trust

Another important emotional state that arises in mergers and acquisitions is trust. Although no empirical studies of mergers/acquisitions appear to address issues of trust specifically, the merger/acquisition literature emphasizes that maintaining employee trust is a key issue. Additionally, there is theoretical literature dealing with trust in general.

Much of the theoretical literature addresses how trust is maintained and dissolved within organizations. For example, Jones and George (1998), in developing a model of trust within organizations, argue that trust is determined by the interplay of people's values, attitudes, and emotions, and when any of these elements change, trust levels can be affected. This model is particularly applicable to the situation of mergers and acquisitions because these situations often necessitate changes in each of these elements. Mergers and acquisitions also often require a great deal of extra work and time and offer no immediate reward, and employees who do not trust their management may not be motivated to put forth extra effort.

Because a merger or acquisition is a disruptive and often unplanned event, it can potentially affect trust levels of all employees, both those who had trust in the organization before the transaction and those who had some degree of mistrust (Pritchett, 1985; Buono & Bowditch, 1989). The literature addresses several ways that trust can be damaged by merger/acquisition events. One particular problem that arises is that positive statements are made at the beginning of the merger/acquisition by high level executives and these statements later turn out to be untrue, thus eroding employee trust. For example, in the recent merger of the companies of two management gurus, Stephen Covey (The Seven Habits of Highly Effective People) and Hiram W. Smith (Franklin Day Planner), Covey was quoted as saying, “We intend to apply our expertise to our own merger, thereby creating a model merger for corporate industry” (Grover, 1999, p. 125). In fact, the merger has been plagued with problems such as “a bloated bureaucracy, poor planning, and internal bickering,” leading Business Week to call the merged company a “poster child for highly ineffective organizations” (Grover, p. 125). Other types of positive projections, like underestimating the time needed to finalize the transaction or effect culture changes, can also result in a loss of trust (Napier et al., 1989). Cartwright and Cooper (1996, p. 43) found in their studies of several mergers that managements are invariably over-confident in their estimation of the speed and ease with which integration will occur. By communicating these overly-optimistic estimates to employees who then expect them to carry through as promised, managers risk dissolving employee trust.

A second category of potentially trust-damaging statements the literature cautions managers against is intentionally saying things that have little chance of becoming reality, such as reassuring employees that few jobs will be lost because of the merger/acquisition when job
losses are actually inevitable. For example, even though the bank executives in Buono and Bowditch’s (1989) study knew there would be layoffs, they assured employees there wouldn’t be in order to gain “early support” (p. 131). Employees who trust management will often believe such statements. Then when the promises turn out not to be true, the layoffs cause even greater negative feelings among not only those whose jobs are lost but also among those who are needed to help with the implementation of the merger or acquisition.

Another common problem discussed in the literature is managers in the acquiring company who “talk merger” by emphasizing ideas such as “this is a merger of equals” or “we are partners in this together” but “act acquisition” by culturally dominating the other organization (Cartwright & Cooper, 1996; Marks & Mirvis, 1998a). Although these statements may promote hope initially, eventually they can damage employee trust. Elangovan and Shapiro (1998) examine this issue of betrayal from a theoretical perspective. They view betrayal as a conscious decision made in self-interest, weighing the pros and cons; this seems to have been the case in the “no layoff” promise in Buono and Bowditch’s (1989) bank merger. From a rhetorical standpoint, communications may be structured to reduce the perceived risk of betrayal, yet as will be discussed in the next section on uncertainty, this presents a rhetorical challenge because often the very people who are being looked to for answers have no real answers yet. By providing overly optimistic information, management invites further distrust and eventually greater personnel turnover (Marks & Mirvis, 1986, p. 74). Although overly optimistic communications may help to generate enthusiasm initially, there is the risk that they will later turn out to be damaging to trust, thus creating the political jockeying and in-fighting that begins occurring as trust erodes (Pritchett, 1985; Buono & Bowditch, 1989); Harshbarger (1987) illustrates this effect by quoting an executive of a merged company as saying “... in the waning days of the old company, promises were made, then broken, by people I trusted. ... I learned to fight back” (p. 342).

Another element that the literature identifies as affecting trust is the perceived lack of communication. For example, Caudron (1996) describes an instance of employees hearing over the radio about a merger and the resulting 10% job cuts. Barmash (1971) describes the “mushroom treatment,” (which incidentally, I remember employees discussing during the merger/acquisition I experienced), quoting an executive of a recently acquired company as saying: “Right after the acquisition, we were kept in the dark. Then they covered us with manure. Then they cultivated us. After that, they let us stew awhile. And, finally, they canned us” (p. x). Additionally, Napier et al. (1989, pp. 114-115) also noticed this problem in their study of a bank merger. They found that after the initial communication about the intent to merge, employees felt they received little information and trust began to erode.
The literature provides many suggestions for ways to maintain trust. For example, Whitener, Brodt, Korsgarrd, and Werner (1998) suggest that the dimensions of trustworthy behavior they identify can be developed through organizational factors like structure, policies and procedure, culture, expectations, and socialization processes as well as through individual factors such as propensity to trust, self-efficacy, and values. Specific ways suggested for organizations to use to develop trust are meetings with the CEO, employee newsletters, employee surveys, suggestion boxes, employee focus groups, consciousness-raising workshops, and teambuilding efforts (Marks & Mirvis, 1998b). Overall, the literature agrees that consistent communication, supported by actions, is critical to maintaining trust (Buono & Bowditch, 1989; Cartwright & Cooper, 1996; Marks & Mirvis, 1998b). Thus, although the literature provides substantial evidence that trust is an important factor in mergers and acquisitions and suggests that communication is key in developing trust, more examination of the role of trust in these communications is needed.

Loyalty

Another important attitudinal element discussed by the literature is loyalty. Although loyalty may not be an emotion per se, it is certainly affected by the emotions discussed in this section. Loyalty is often a key determinant of whether an employee will remain with the organization rather than leaving for other opportunities. The literature discusses a common phenomenon in mergers and acquisitions, which is employees “jumping ship” at the mere mention of the merger or acquisition’s possibility. Although mergers and acquisitions are often associated with downsizing, many of those who leave do so voluntarily (Marks, 1982). Hayes (1996, p. 37) says that talented people may jump ship immediately or keep a low profile, thus stifling their creativity. Also, Baytos (1986) estimates that 50-75% of key managers from acquired organizations voluntarily left the new organization within a few years after the acquisition. In a discussion of loyalty, Flam (1993) points out that employees who are highly loyal will accept a variety of negative things from an organization. However, fear often forces even these people into doing things differently than they normally would (i.e., seeking other employment). Mergers and acquisitions give employees the impetus to re-examine their situations. Often the people most likely to consider other options are the high achievers—those who are most likely needed to make the business combination succeed.

Researchers have recently argued that U.S. workplace culture has changed and workers are not as loyal as they once were (Byron, 1995; Ettore, 1996; Filipczak, 1995; Kreitner & Kinicki, 1998). In the past, employers expected employees to be loyal, hard working, and obedient, and in return employees expected steady employment. Now, employees are constantly on the lookout for better opportunities. Feldman and Murata (1991) discuss how “trying to
buy commitment" (p. 36) by offering employees financial incentives when a merger or acquisition is announced does not generally work.

The mergers and acquisitions literature stresses how communication can contribute to employee loyalty. Brandon (1999, p. 23) points out that there is now often a need to "re-recruit" employees and persuade them to stay through the turmoil. Often headhunters hotly pursue the best employees of firms undergoing mergers and acquisitions. These employees are prime targets because they are often concerned about their future job security; therefore, it is essential for firms to maintain communication with these employees during the merger or acquisition process (Walker, 1998). Bastien (1987) in his study of the communications in three merged organizations concludes, "If communication is inadequate in quantity, quality or congruence for the acquired organization, rumor mills, a decrease in productivity, and an increase in employee turnover can result" (p. 32). Further study of the way the early communications in mergers and acquisitions address issues of employee loyalty is needed (Cornett-DeVito & Friedman, 1995, p. 49).

A variety of emotions were involved in the situations of Firmco and NewSeeds that I examine in this study. For example, employees in both situations experienced sadness as they were leaving their old situations behind and moving into new territory—Firmco employees were no longer solely employees of an independent partnership, and NewSeeds employees found themselves working in a new company with new colleagues. Stress and anxiety were present in both situations; both had a variety of the stressors identified by Cartwright and Cooper (1996). Employees in both situations also indicated evidence of the "merger syndrome" identified by Marks and Mirvis (1992). Additionally, the different stress responses identified by Lazarus and Folkman (1985) and discussed in the analyses of Ivancevich et al. (1987) and Mishra and Spreitzer (1998) were evident in both situations. Issues of anger/hostility were also present in both situations, although they were more subtle than the other emotions. For example, prior to the business combination, Firmco employees in general did not have a very high opinion of Largeco and its clientele. And prior to their merger, GreatSeeds and BestSeeds were competitors, so inevitably conflicts resulted when they began to merge business practices. Trust was also clearly an issue for both companies, as both business combinations were a surprise to the general employee group. The communications of both companies also dealt with issues of fear; although only the NewSeeds situation initially involved layoffs, Firmco employees also had fear of what would happen in the uncertain future. Loyalty was an important issue for both companies as the success of the transaction depended on having people stay with the companies in the midst of confusion, additional work, and uncertainty in order to effect the integration.
One of the purposes of the genre category of early communications in mergers and acquisitions is to address this wide variety of emotions. Although other researchers have observed the various emotions arising in merger/acquisition situations, they have not viewed them from a rhetorical perspective as I do in this study. Fantasy theme analysis aids in this process because, as Bormann (1972) explains, it is a means for providing a "critical analysis of the emotional" (p. 404). Identifying fantasy themes within the communications and comparing them to employee perceptions of the communications enables me to examine how the communications attempt to elicit various attitudes and emotions.

**Rhetorical challenge: Dealing with uncertainty**

Uncertainty is inherent in mergers and acquisitions, and nearly everyone who writes about mergers and acquisitions mentions the uncertainty associated with these situations and the difficulties it presents (e.g., Bastien, 1987, p. 28; Buono & Bowditch, 1989, pp. 87-107; Marks & Mirvis, 1998b, pp. 166-186). Therefore, dealing with uncertainty is the third rhetorical challenge I identified for the early communications in mergers and acquisitions. In this section, I review the literature which led me to identify this rhetorical challenge.

A basic argument of uncertainty theorists is that employees tend to attempt to reduce the uncertainty present in their situations. Berger and Calabrese’s (1975) uncertainty reduction theory holds that individuals seek information when they experience uncertainty. Other researchers have pointed out that there are many factors influencing people’s motivation to seek information and the amount of information they need to remove the stress and frustration associated with uncertainty (Kellermann & Reynolds, 1990; Sunnafrank, 1990). In a comparative study of the ways that new hires and existing employees who had recently been transferred into a new location of an organization sought to satisfy their uncertainty, Kramer (1994) found that both groups increased requests for information from others and used essentially the same strategies for satisfying their uncertainty. Kramer suggests that additional research be done to assist organizations in understanding the type of communication that will facilitate the adjustment of employees in various career transitions. A merger/acquisition is such a transition; many people in the involved organizations, even those who would normally be expected to have the answers, are in the situation of new employees trying to gather information about a new situation. Fantasy theme analysis provides a means of examining the role early merger/acquisition communications play in reducing uncertainty.

Festinger’s (1954) social comparison theory holds that uncertainty causes individuals to compare their behavior with that of relevant others and adjust their actions accordingly. Kraatz (1998) illustrates how organizational leaders in uncertain situations often look to those in other organizations who have gone through similar experiences as role models for how to behave.
Early merger and acquisition communications are often prepared according to models used in other organizations or according to suggestions from consultants (i.e., Berk, 1996; Cartwright & Cooper, 1996; Feldman & Spratt, 1999; Marks & Mirvis, 1998b). Thus, similarities in rhetorical strategies may lead to common fantasy themes being used within organizations. In my study, I examine the commonalities between the early communications used in Firmco and NewSeeds to identify the fantasy themes used to deal with uncertainty.

Rumors are a way of dealing with uncertainty. In a study of the communications in three organizations undergoing acquisitions, Bastien (1987) found that in all cases, respondents became distrustful of the acquirer and were always on the lookout for inconsistencies in what they were being told. When there was insufficient communication or the perception of conflicting meanings in the communications, rumor mills began working to “fill in the blanks” (pp. 31-32) with worst-case scenarios. Because employees respond to stress and uncertainty differently, they will assign different meanings to the rumors they hear (Ivancevich et al., 1987, p. 22). Thus, rumors are a key way by which fantasy themes develop in organizations.

The literature also indicates a connection between uncertainty, political maneuvering, and power within organizations undergoing mergers and acquisitions. Political maneuvering is triggered primarily by uncertainty, and major organizational change such as that caused by mergers and acquisitions is one of the most common causes of uncertainty (Kreitner & Kinicki, 1998, pp. 328-329). Howard and Geist (1995) found that power and political interests affect how employees feel about the uncertainty surrounding the merger/acquisition and how they perceive the early communications. These researchers listened to conversations and conducted interviews with employees in a utility company undergoing a merger. They found that the employees’ discourse related to the merger-related changes reflected four major ideological positionings: invincibility (active acceptance), diplomacy (passive acceptance), betrayal (passive rejection), and defection (active rejection). Howard and Geist found that these ideological positionings, in general, corresponded with employees’ power and rank in the organization—higher level employees felt invincible and relatively unconcerned about their future, mid-level employees felt ambivalent, and low-level hourly employees felt betrayed and resisted the change. The researchers cited evidence of political maneuvering such as that described in the following employee quote: “So even though the CEO smiles and says ‘we are in complete support of this merger,’ that’s not what he really means. He means ‘they’ve got us, and there’s nothing we can do about it.’ And the employees here know that. They’re just saying what they have to say” (p. 116). Other employees Howard and Geist quote also expressed cynicism about management’s communications, as in this employee quote: “There’s been a lot of paper put out that didn’t say a whole lot, but I don’t think there’s been the
communication there should have been" (p. 124). An important implication of Howard and Geist's study is that different employees respond differently to the merger situation, and often their response reflects their power within the organization. Howard and Geist focused only on employee comments and did not discuss in any detail the communications on which those comments were based. In my study, I go a step further than Howard and Geist by carefully analyzing the text of the communications as well as employee perceptions.

Strategic ambiguity, or intentionally-caused uncertainty, is another way that politics and power come into play in the early communications of mergers and acquisitions. There is some debate in the literature about the right degree of information to provide employees. In some cases, managers are legally constrained as to what types of information they can provide and when they can provide it. In other situations, managers have to decide how much to reveal. For example, in Buono and Bowditch's (1989) bank merger, management's decision not to tell employees about impending layoffs was a strategic one. According to Eisenberg (1984), one of the goals of strategic ambiguity is to encourage multiple viewpoints in order to facilitate change; however, as Markham (1996) points out, even if managers use ambiguity strategically, they cannot always predict employees' reactions. Markham argues that strategic ambiguity can be used in ways that are confusing and damaging to employees. Other researchers have also questioned the ethics and effectiveness of strategic ambiguity (e.g., Paul & Strbiak, 1997).

Because every merger/acquisition situation is different, each will have different types of uncertainty. Buono and Bowditch (1989, pp. 104-105) classify the uncertainty in mergers and acquisitions into four categories: environmental (concerning things external to the firm such as sociopolitical issues, market dynamics, technology) structural (concerning processes within the company), cultural (concerning interpersonal dynamics and cultural issues), and role (concerning individual issues such as “What will MY role in the new organization be? and “Will I even HAVE a role in the new organization?”). Because I am looking at mergers and acquisitions from a rhetorical perspective, these different types of uncertainty are important to consider because different people within organizations will experience and react to them differently because of their own unique situations within the organization and their varying personal tolerances for ambiguity.

Previous researchers focusing on merger and acquisition communications have concluded that communications are an important means of reducing uncertainty. Bastien (1987) found in studying three different acquisition situations that communication helped in generating positive reactions in acquired companies and in stabilizing volatile situations. Napier et al. (1989), in examining a merger involving two banks, concluded that employees never seemed to receive enough communication, particularly meaningful communications from top management,
but that different types of employees had different communication needs. In a study aimed at empirically demonstrating that mergers and acquisitions cause uncertainty for employees, Schweiger and DeNisi (1991) administered a 21-item survey to employees in two different plants undergoing a merger; the survey was given four different times during a five-month period surrounding the merger announcement. Schweiger and DeNisi found that uncertainty measures increased for both plants but that when realistic merger preview communications were administered to one of the plants, uncertainty leveled off while uncertainty among employees in the other plant continued to increase. Schweiger and DeNisi's study is valuable because it provides an empirical demonstration of increasing uncertainty while previous studies (e.g., Bastien, 1987; Napier et al., 1989) had simply assumed this increase. Yet none of these studies specifically examines the content of the communications and the ways they addressed uncertainty, as I do in my study.

Researchers and practitioners offer some advice about how to use communications to control uncertainty. For example, Barrett (1973) suggests information the CEO of an acquiring company should provide to employees of the newly acquired organization. Ivancevich et al. (1987, p. 30) discuss other information that should be communicated at various stages of the process such as changes in company policy, changes in management, and layoffs and provisions for job loss. Marks and Mirvis (1997a) encourage managers to "communicate what they know and be clear about what they don't know" (p. 27). Other authors point out that managers should not be afraid to say "I don't know" when employees ask questions they cannot answer. As Greengard (1997) points out, "Sometimes seeing an executive honestly struggle with a question goes a long way toward relieving tension" (p. 58).

In my study, uncertainty was a key element in the situations of both Firmco and NewSeeds. Although both companies had been through mergers and acquisitions before, neither had experienced an identical situation—GreatSeeds and BestSeeds had neither previously merged unexpectedly with a competitor and Firmco's acquisition by a large public company was one of the first of its kind in the accounting industry. Although the situations were different from others employees had experienced in the past or had heard about, employees drew from past experience and others' experience in forming opinions about what to expect in this situation and in satisfying their uncertainty. Those employees preparing early merger/acquisition communications also drew from past experiences or experiences of others in designing and writing these communications. In the situations of both Firmco and NewSeeds, the merger/acquisition was a surprise to most employees. Therefore, employees initially had many questions. In both companies, sometimes answers to employees' questions were available but management was either unwilling or unable to provide answers because of confidentiality
concerns, which resulted in the need for strategic ambiguity. Answers to some questions, however, were simply not known. Part of the job of the early communications in both situations was addressing carryover fantasy themes that employees brought from other merger or acquisition experiences and preventing rumors from spreading, while balancing employees' desires for answers to their questions with management's willingness and ability to provide information. In the situations of both Firmco and NewSeeds, the early communications made efforts to address employees' uncertainty. In my study, fantasy theme analysis enables me to identify the fantasy themes that were used in the early communications to deal with this uncertainty and examine employees' perceptions of those fantasy themes.

**Rhetorical challenge: Building an identity and encouraging identification**

The fourth category of rhetorical challenges that I have identified in the early communications in mergers and acquisitions is building an identity for the new organization and encouraging employee identification with it. I begin by discussing the literature pertaining to identification, image and identity in general. I next discuss merger and acquisition literature pertaining to these issues, and I conclude by discussing the rhetoric and professional communication literature.

**Identification**

As defined by most theorists in the management literature, identification occurs when an individual has the perception of belonging to a group (Mael & Ashforth, 1992, p. 104; Ashforth & Mael, 1989, p. 34). Identification provides a partial answer to the question "Who am I"? (Ashforth & Mael, 1989, p. 21). Individuals identify with an organization when their "self-concepts contains the same attributes as those in the perceived organizational identity" (Dutton, Dukerich, and Harquail, 1994, p. 239). Individuals compare an organization's qualities to their personal qualities in deciding whether they want to identify with it.

In organizations, identification is an end result of socialization processes. As Ashforth and Mael (1989) explain, "Identification enables the newcomer to reify the organization and feel loyal and committed to it per se, and facilitates the internalization of organizational values and beliefs" (p. 35). In a later article, Ashforth and Mael (1996, p. 48) define identification as the process by which the organization's identity becomes the individual's.

Another important point about identification is that it is always subject to change. Sociologist and cultural studies theorist Stuart Hall (1996) expresses this idea as follows:

The discursive approach sees identification as a construction, a process never completed—always 'in process.' ... Though not without its determinate conditions of existence, including the material and symbolic resources required to sustain it, identification is in the end conditional, lodged in contingency. Once secured, it does not obliterate difference. The total merging it suggests is, in fact, a fantasy of incorporation. (p. 2)
Bastien (1992) found in his case study of a merger that the process of accommodation to a new majority culture is “simultaneously a process of social integration and a process of social differentiation,” (p. 434), a finding that is reflective of Hall’s comments in the preceding quote. In mergers and acquisitions, many members of the affected organizations are forced into some form of socialization process and as a result, may go through a process of re-evaluating their identification with the organization. The early communications in mergers and acquisitions are a key element of this socialization and re-evaluation process, which is why encouraging identification is an important rhetorical challenge in these communications.

Identification can be an inconspicuous means of control, as Ashforth and Mael (1996) explain:

The more complete one’s identification, the greater the sense that cooperation is freely chosen. In this sense, a strong organizational identity simultaneously empowers and constrains the individual. Consequently, an organization’s identity and complementary strategies can act as a substitute for costly and intrusive control systems. (p. 49)

Once employees have identified with an organization, they are more likely to act in accordance with its values and goals. Tompkins and Cheney (1985) call this type of control “unobtrusive control” and argue that ongoing communications directed at employees develop and maintain this control. In my study, I use fantasy theme analysis to examine how the early communications in mergers and acquisitions are used in the efforts to develop this unobtrusive means of control through identification.

**Image**

The literature presents many different conceptualizations of image, which are important to understand because they illustrate how different perceptions of image come into play in shaping the ways people behave within organizations.

Image can be viewed as something deliberately designed to be received by particular audiences in a particular way. Alvesson (1990) defines image as a representation of reality created to present a particular, believable impression, with the relationship between the image and the reality it represents being “at best, ambiguous” (p. 377). The “corporate identity” of an organization (e.g., Love & Roberts, 1997; Schmidt, 1995) is probably the most visible and widely shared representation of an organization’s image. This identity is used both within and outside of organizations and is made up of organizational logos and slogans as well as other elements such as the organization’s physical presentation in its buildings and the way employees act and dress. Hall (1985), drawing from Althusser (1969), describes these “systems of representation”: 
Systems of representation are the systems of meaning through which we represent the world to ourselves and one another. It acknowledges that ideological knowledge is the result of specific practices—the practices involved in the production of meaning. (p. 103)

In other words, as organizations present themselves through words and actions to both internal and external audiences, they are portraying their values; whether these representations match up with reality is a separate issue left for the audience members to determine on their own.

Image can also be used to effect change. Gioia and Thomas (1996) found in their study of a university trying to become a “top 10 public university” (p. 375) that a “desired future image” (p. 383) was used in efforts to motivate employees. Additionally, Gioia and Thomas found that university management believed that this future image was the “key to change” (p. 383). Management’s intent was that as people worked toward making the image reality, identity would change, which would in turn affect image, and vice versa, ultimately resulting in the desired change. Gioia, Schultz, and Corley (2000) describe how two organizations changed their identity by working towards a desired future image: a Pittsburgh computer firm switched from hardware manufacturing to Internet publishing by changing from a “product-oriented company to a service-oriented firm” (p. 77) and Danish hearing-aid manufacturer Oticon used the “think the unthinkable” (p. 77) slogan to change from a production focus to a service focus. My study examines how perceptions of desired future image function as fantasy themes in the early communications in mergers and acquisitions.

Some researchers have defined image as something that individuals create from their own perceptions. However, outsiders’ views of the organization’s reputation (Fombrun, 1996, Fombrun & Shanley, 1990) have also been identified as having an impact on the way employees view their organizations, as Dutton and Dukerich (1991) and Dutton et al. (1994) found in their study of the Port Authority of New York. These researchers illustrate how employee identification can change when employees “look into the organizational mirror” and compare their own beliefs about the organization (perceived organizational identity) to what they believe outsiders think (construed external image). If the two images are out of balance and the employees believe that outsiders do not view their organization as favorably as they as employees would like, employees’ sense of identification may strength or weaken, motivating them to take action to balance the mismatch. In a study focusing on identification and image issues in the context of an airline merger, Margolis (1998, p. 323) identifies several specific types of future images and argues that employees use these multiple future images to envision where the organization may be headed.

These different conceptualizations of image are important because each represents a different way an organization can be represented or interpreted. In my study, I use the fantasy
theme method to examine how images are developed and used within organizations. Beach and Mitchell (1998, p. 16) note that much research on image has dealt with decision-making and screening of decisions, but not on the nature of the images. In my study, I examine how images develop and are perceived within organizations.

Identity

The main definition of identity used in the management literature comes from Albert and Whetten (1985, p. 265) who argue that organizational identity consists of three elements: qualities that represent the nature of the organization (central character); qualities of the organization that distinguish it from others (distinctiveness); qualities that remain relatively consistent over time (temporary continuity). When organizations have discussions about identity, the following questions generally arise: “Who are we?” “What kind of business are we in?” “What do we want to be?” (Albert & Whetten, p. 265). For example, Dutton and Dukerich (1991) found that the employees of the Port Authority that participated in their study identified six attributes used to characterize their organization. Interestingly, as Margolis (1998, pp. 43-44) points out, only one of these attributes (professionalism and technical expertise) was mentioned by 100% of the participants; the others were each mentioned by only 25% to 44%. Gustafson (1995) found similar results in a study of Intel Corporation; of 20 possible categories, only three were mentioned by more than half of the participants. These results indicate that organizational identity is viewed differently by different people, although there are some commonalities among the views.

Because organizational identity involves a great deal of persuasion, it is highly rhetorical. Ashforth and Mael (1996) present identity as a “claim” (p. 23); an organization’s identity only exists to the degree that people believe it exists. As Alvesson (1990) suggests, organizational identity often becomes an exercise in “social engineering” (p. 375). Albert and Whetten (1985) see the development of an identity statement as more a “political-strategic act than an intentional construction of a scientific taxonomy” (pp. 268-269). Leaders promote identity claims and try to create a persuasive identity that will elicit employee buy-in (Dutton et al., 1994, p. 243). Charismatic leaders are often very important in creating persuasive identities. For example, Alcoholics Anonymous (AA) and the National Council on Alcoholism (NCA) were both founded by charismatic leaders. The charisma of AA’s leader became part of the organization’s identity, while that of NCA’s leader did not, and AA was much more successful at building a strong identity both internally and externally (Trice & Beyer, 1986).

An important aspect of the way management presents its identity claim both within and outside of the organization is through what Ashforth and Mael (1996) term “symbolic management,” which they define as “selectively creating, highlighting, and interpreting events,
acts, plans, and so on to convey a desired organizational identity” (p. 36). Hall (1996) also expresses this viewpoint:

Precisely because identities are constructed within, not outside, discourse, we need to understand them as produced in specific historical and institutional sites within specific discursive formations and practices, by specific enunciative strategies. Moreover, they emerge within the play of specific modalities of power, and thus are more the product of the marking of difference and exclusion, than they are the sign of an identical, naturally-constituted unity. (p. 4)

This notion of identity as symbolic management by those in power also ties into symbolic convergence theory and fantasy theme analysis because as Ashforth and Mael (1996) point out, identities often have “a somewhat idealized or optimistic spin” and communicate “not a literal reality, but a visionary one” (p. 36).

Organizational identity claims lend themselves well to fantasy theme analysis. Ashforth and Mael (1996) state that organizational identities tend to have an “idealized cast so that they evoke positive feelings” (p. 43); this characterization of organizational identity ties into the purpose of fantasy themes to create a shared group consciousness in order to help organizational members make sense out of confusing situations. Additionally, Ashforth and Mael argue that “individuals are not passive recipients of managerial claims; they actively negotiate and validate such claims” (p. 21). Ashforth and Mael later go on to say:

If organizational identity claims are chronically contradicted by strategic choices or routine practices, or if an organizational identity is increasingly out of step with members’ preferences or environmental demands, then dissatisfaction and cynicism may result. (p. 41)

This comparison of claims to reality ties in well with the “rhetorical vision/reality link” (Cragan & Shields, 1992, p. 202) concept in fantasy theme analysis. In my study, I examine the fantasy themes used to present organizational identity claims in the early communications in mergers and acquisitions; I also examine employee perceptions of those claims.

Individual self identity is another level of identity to consider. Identity theorists generally argue that an individual’s sense of self comes in part from the perceived views of others (Ashforth & Mael, 1996, p. 39; Schlenker, 1986) or through reflecting upon one’s interactions with others (Giddens, 1991). Strong identification to an organization can cause employees to be resistant to change; in some cases, if employees are strongly identified with an organization, management’s attempts to change organizational identity may be like asking employees to change their own identities, and it may be necessary to change personnel to change the organization’s identity (Ashforth & Mael, 1996; Margolis, 1998). The closer an individual perceives the identity of an organization to be to his or her self-identity, the more likely that individual will internalize the organizational identity as a statement of self (Ashforth & Mael, 1996, p. 48). However, Hall (1985, p. 110) points out that statements of individual
identity are not objective; rather, they are political reflections of ideology and thus are highly rhetorical. Self identity is closely related to the concept of organizational ethnicity and may also explain why changes in organizational culture are sometimes so difficult to implement.

Professional or occupational identity is an important aspect of individual identity. Scott (1997) found that occupational identification may be stronger than organizational identification for many employees. Employees' perceptions of their organization and what they suspect others' perceptions are affect the way people view themselves as professionals (Dutton et al., 1994, p. 239). Ashforth and Mael (1996, p. 57) suggest that in today's environment of telecommuting and short tenure lengths with organizations, the prime locus of identification is shifting from the organization to the occupation, profession, or workgroup, which also ties in with Trice's (1993) discussion of the strength and influence of occupational subcultures. My research sites in this study included employees from various occupational subcultures; this diversity enables me to consider the effects of occupational subculture on employee perceptions of various fantasy themes in the early communications in mergers and acquisitions.

There are several discussions in the management literature about how the roles of identity, image, and identification combine in effecting change. Dutton and Dukerich (1991), in their study of the Port Authority's handling of the issue of homeless people in its transportation facilities, found that employees initially acted in accordance with a widely held internal organizational identity. When employees discovered that the organization's image in the eyes of outsiders (construed external image) was negative, they modified their actions in an effort to improve that image. These findings point to the interconnectedness between employees' self-identity and the organization's identity and how these identities can affect employees' perceptions, actions, and emotional responses.

Researchers have examined the effects of organizational change on identification, image, and identity (e.g., Albert & Whetten, 1985; Ashforth & Mael, 1996). Often, “identity only becomes an issue when it is in crisis, when something assumed to be fixed, coherent and stable is displaced by the experience of doubt and uncertainty” (Mercer, 1991, p. 43). Dutton et al. (1994, p. 259) use K-Mart's acquisition of Borders Books as an example of how perceived organizational identity and construed external image both changed. They suggest further studies of how future-based images work to effect change in merger and acquisition situations. Serious discussion and debate of identity issues arise when change and ambiguity disrupt routine functioning of an organization (Albert & Whetten, 1985; Dutton et al., 1994; Ashforth & Mael, 1996); a merger or acquisition almost always causes this type of disruption. In the next section, I discuss literature specifically pertaining to issues of image, identity, and identification in the mergers and acquisitions literature.
Identity, image, and identification in the mergers and acquisitions literature

Several authors have pointed to issues of identity, image, and identification as important aspects of implementing mergers and acquisitions. Covin et al. (1996, p. 127) found that loss of identity is one of employees' major concerns after a merger. Using a modified version of the Index of Organizational Reactions (Smith, 1976), Covin et al. (pp. 135-136) found that identification was a predictor of satisfaction for both acquired and acquiring company employees. Cartwright and Cooper (1996) found that loss of identity was one of the major stressors that immediately arise in a merger or acquisition:

The acquisition or merger marks the death of the organization as its members knew it. Previous organizational status, loyalty, commitment and hopes and promises for the future no longer count, or are considered unlikely to be honoured. (p. 48)

Another issue frequently mentioned in the mergers and acquisitions literature is the we/they situations that arise. Attempting to merge identities with another organization can set the stage for conflict (Albert & Whetten, 1985, p. 289). Marks (1999) states that mergers and acquisitions produce “we versus they” (p. 16) relationships, which elicit turf wars, polarized positions, and emphasis on differences rather than similarities between the combining organizations. Elsass and Veiga (1994) liken the merger/acquisition integration process to bringing together and attempting to stabilize opposing forces (Lewin, 1951) as groups and individuals try to maintain aspects of their old identities and form new ones. Elsass and Veiga use social identity theory (Tajfel & Turner, 1985; Ashforth & Mael, 1989) to argue that mergers and acquisitions result in an acculturation process where issues of differentiation and integration must be addressed in order to resolve identity issues. McEntire and Bentley (1995) observe, based on their study of merging travel agencies, that “‘we’ and ‘they’ are ethnocentric categories that lead to war” (p. 165). In their case studies of a bank merger and a computer company merger, Buono and Bowditch (1989) also describe how we/they issues caused difficulties, and point out that three years into the bank merger, a “merged” (p. 36) feeling had not been achieved. We/they issues were also very prevalent in my study. GreatSeeds and BestSeeds were competitors before their merger to form NewSeeds, and Firmco had traditionally seen itself as a very different kind of company than Largeco, so each of these situations challenged employees to reconfigure past notions of “we” and “they.”

Studies of mergers and acquisitions have also found that some people identify with the organization after the merger or acquisition, while others do not. Howard and Geist (1995), in their study of a merging utility company, concluded that mergers often present employees with a kind of identity crisis; in order to deal with the situation, they can adopt a variety of ideological positions. Howard and Geist identified four kinds of mindsets employees adopted (invincibility,
diplomacy, betrayal, and estrangement) in order to cope with the impending loss of their previous organization. There are many reasons employees may adopt these differing mindsets. One reason is that some employees may simply find it easier to identify than others. Mottola (1996), in an experiment using scenarios of merger situations and an identification instrument developed by Mael (1988), attributed these differences to a “propensity to identify,” meaning that some individuals are more easily able to identify with new or changed organizations than are others. Other factors contributing to differences in identification are what Mael and Ashforth (1995) call “biodata” and what Margolis (1998) calls “person-industry fit” (p. 336). In their study, Mael and Ashforth found that four factors indicated which recruits would more readily identify with the U.S. army, and in her study of a merged airline, Margolis found that some people believed themselves to be more adaptable to merger-related changes because they felt suited to aviation in general and therefore did not feel their identity was affected by the merger as long as they were still in the aviation industry.

Employees' identification with organizations has an impact on satisfaction with the merger or acquisition. Bastien (1992), in a linguistic study of the acquisition of a rural equipment leasing firm by a large regional financial institution, found that conflict resulting after the acquisition was not between employees of the two companies, but between those who identified with the acquirer and those who did not. The employees demonstrated their identification through the ways they communicated and the language they used and also through nonverbal cues such as dress. Some people struggled to identify, while others tried to carry on business as usual. In their survey-based study, Covin et al. (1996) found that both acquiring and acquired firm employees who identified with the new company were more satisfied with the merger/acquisition than those who did not.

Other researchers have addressed the impacts that the various types of image (Gioia et al., 2000; Gioia & Thomas 1996, Margolis, 1998) have on identity issues in mergers and acquisitions. McEntire and Bentley (1995) found in their study of merging travel agencies that the very different reputations (Fombrun, 1996; Fombrun & Shanley, 1990) of the two agencies caused confusion about the image and identity of the merged entity. One of the agencies was reputed to be a discounter, the other a high-quality service provider; McEntire and Bentley quote an employee as saying, “We've merged Nordstrom's and K-Mart” (p. 163). The merger caused conflicts in employees’ perceptions of their organization’s image. These findings support Dutton and Dukerich (1991) and Dutton et al.'s (1994) conclusions that the perceived perceptions of outsiders affect employees’ perceptions of identity and image. Margolis (1998, pp. 318-319) argues that future images that employees develop in mergers and acquisitions do not originate completely from their own imaginations, but rather stem in part from images they
have experienced or observed. Although these studies shed some light on the ways images develop within organizations involved in mergers and acquisitions, I build on this work in my study by using a fantasy theme approach to analyze the actual communications used in addressing the rhetorical challenge of creating an identity and encouraging identification.

Researchers have pointed to identity and image issues as a key element in effecting organizational change in mergers and acquisitions. In her study of an airline that was acquired in order to lose its name recognition after a high-profile plane crash, Margolis (1998, p. 305) found that if a significant component of organizational identity is altered, as is often the case in mergers and acquisitions, the organization will have a new identity. Fox-Wolfgramm, Boal, and Hunt (1998) argue, based on their study of banks seeking mergers or acquisitions, that an organization's envisioned identity and image must change if a major organizational transformation is to be sustained. Results vary as to how well identities actually change. Fox-Wolfgramm et al. offer the notion of "plasticity" to explain why some identities remain relatively intact after mergers and acquisitions while others change drastically: "some identities and images, like some balloons, can be expanded more than others without breaking" (p. 121). Buono and Bowditch (1989) point out that there was a problem with inconsistent images in the bank merger they studied: "Managers and employees alike felt initially that they had relatively clear perceptions of what would transpire during the merger; [after the merger took place], they began to discover that the images they held were quite different from those held by their co-workers" (p. 31). In other words, a consistent fantasy theme was not created by the early communications in the merger of these two banks. In my study, I examine fantasy theme development and its effect on the various types of images in mergers and acquisitions.

Several scholars have identified communication as a way of facilitating identification in mergers and acquisitions. Because valued employees may choose to leave the organization if they do not identify with it after a merger or acquisition, Ivancevich et al. (1987, p. 31) recommend that events such as informational meetings, socials, and luncheon speeches be held to help make employees feel part of the new organization. Margolis (1998) identifies several "levers" (pp. 312-313) for identity change that contain strong communicative elements, such as leaders' actions, training, and celebrations. Margolis also argues for the need for clear communication of a shared vision to enable members to change their identification and calls for more research into the content of vision statements and the ways images can best be transferred to others. In my study, I point to specific fantasy themes in the early merger/acquisition communications of Firmco and NewSeeds that were used to communicate vision and encourage identity change, and I examine employee perceptions of the communications in which those themes were used.
Many authors stress the importance of managing organizational symbols (e.g., name, logo, language, dress) in the early stages of mergers and acquisitions. The name chosen for the company is a key symbol and can be interpreted by employees as a sign of domination of one organization by the other (Marks & Mirvis, 1992, p. 129). When issues of symbolic representation are not adequately addressed, they can cause difficulties, as McEntire and Bentley (1995) found in their study of the merging travel agencies. The merged agency experienced an “identity crisis” caused by things such as changing the company name and not formalizing the organization’s values, image, and goals. Margolis (1998, pp. 342-343) argues that management can use organizational symbols such as the company’s name and logo in both expressive and instrumental roles (Gioia, 1986; Pfeffer, 1981) to promote change and identification with the new organization and to ease the loss of identity that often occurs with mergers and acquisitions. Kleppestø (1998) argues that communication should be used to establish identities of merging/acquired companies early in the integration process, because hidden messages become very important if there is a lack of trust:

The more uncertainty and conflict the relationship carries, the more sensitive everyone will be to everything taking place in the integration process. As both parties are involved in this process, there will be an exchange of descriptions of the situation at hand—my understanding of myself, my understanding of you, my understanding of you seeing me, etc.—in a theoretically endless regression. (p. 164)

Kleppestø links the question of identity to communication and takes the approach of Feldman and Spratt (1999) by making the basic argument that it is the implementation of the integration process and not the culture clashes themselves that cause problems in mergers and acquisitions. Communication can carry important symbolic value. Margolis (1998, p. 352) calls for more research on the symbolic value of communication, and Bastien (1992) makes this same call based on his study of realistic merger previews, which he concluded by wondering whether it was the content of the realistic merger previews or simply their presence that helped improve employees’ perceptions about a merger situation. In my study, I investigate the symbolic value of fantasy themes in the early communications in mergers and acquisitions.

Communications are not by any means a panacea in solving identification, image, and identity problems in the early communications in mergers and acquisitions. Howard and Geist (1995) found that the ambiguity inherent in many merger/acquisition situations can contribute to the sense of a loss of identity even when management communicates extensively with employees. These researchers quote an employee anticipating a merger as saying “The whole issue was forced upon us and never made any easier to swallow. We just had to grind out our jobs and do the best we can with all this over our heads” (p. 124). Howard and Geist found that
the communications designed to build identity were viewed by some employees as an attempt to "brainwash" them into accepting the new identity.

The research findings reviewed in this section illustrate that issues of image, identity, and identification represent a major rhetorical challenge to be dealt with in the early communications in mergers and acquisitions. I build on this previous research in my study by focusing specifically on the early communications used in two merger/acquisition situations. In contrast to many of the studies discussed above, which draw mainly from management and other business literature, I draw from the rhetoric and professional communication literature as well, as I discuss in the next section.

Identity, image, and identification in the rhetoric and professional communication literature

Several researchers have examined the ways various organizational communications are used in the identification process. Cheney (1983) studied the employee magazines of several corporations using the three identification strategies from Burke's "rhetoric of identification" (1972, p. 28) as a theoretical lens: the common ground technique, identification through antithesis (uniting against a common enemy), and the assumed "we" (insiders) and the corresponding "they" (outsiders). Cheney found the common ground technique to be the most commonly used and identified six different strategies for applying it in the employee magazines: expression of concern for the individual, recognition of individual contributions, espousal of shared values, advocacy of benefits and activities, praise by outsiders, and testimonials by employees. Through these communications, organizations tell employees "we are similar, we are of the same substance" (Cheney, p. 153). In another study dealing with identification strategies in organization documents, DiSanza and Bullis (1999), following a method similar to Cheney, also examined newsletters, but focused on one organization (the U.S. Forest Service) and also included interviews with employees and surveys of employee identification using Mowday, Steers, and Porter's (1979) Organizational Commitment Questionnaire to learn employee responses to the identification strategies employed. They classified the strategies in the same categories used by Cheney and added some refinements, finding that 87% of the strategies they identified were of the "common ground" type. They categorized employee responses into four types: nonidentification (reading for interest, rather than responding to identification inducements), textual identification (identifying with specific elements in the text), contextual identification (identifying with people, places, or events brought up by the text) and dis-identification (expressing negative perceptions about the newsletter content). They concluded that organizations do indeed attempt to encourage identification through these communications. They also found that the newsletters operated as "feedback loops" (p. 393) by enabling employees to reaffirm or disaffirm their pre-existing feelings of
Vaughn (1997) examined the recruiting documents of eight high-tech companies and identified five values (innovation, quality, equality, individualism, teamwork) promoted in these documents; she argues that by communicating these values, the organizations were attempting to generate and maintain identification of potential employees. I build on the work of these previous studies by using fantasy theme analysis to identify how the early communications in mergers and acquisitions encourage organizational identification.

Additionally, like DiSanza and Bullis (1999), I not only examine the texts themselves but also examine employee perceptions of the communications and their effects.

Scholars have identified communication as a key element in changing identity. In the rhetoric and professional communication area, there have been few discussions of identity and change. One of the main researchers to address this issue is Faber (1998), who posits a model of organizational change based on five elements: organizational identity, discourse, narratives and images, discordance, and realignment. Faber views organizational identity, the “visible, performed interpretation of organizational culture,” as “highly contested terrain during times of change” (p. 222). In Faber’s model, identity is reflected in two forms of discourse: narratives (organizational member understandings and explanations of culture) and images (the perceptions of those outside the organization). When there is a conflict (discordance) between the internal narratives and the external images, Faber argues that change must occur to bring them back into alignment.

Management researchers seem to agree with Faber’s (1998) argument that a disconnect between external and internal images can give rise to organizational change. Although Faber’s definition of identity and image are more general than those of the management researchers (e.g., Albert & Whetten, 1985; Dutton & Dukerich, 1991; Dutton et al., 1994; Gioia et al., 2000; Gioia & Thomas, 1996; Margolis, 1998), I believe his work provides a means of connecting their ideas about image, identity, and identification and organizational change to rhetoric and professional communication research. For example, Albert and Whetten (1985) say “the greater the discrepancy between the way an organization views itself and the way outsiders view it ..., the more the ‘health’ of the organization will be impaired” (p. 269). Additionally, Dutton and Dukerich (1991) and Dutton et al. (1994), in their study of the Port Authority, argue that if organizational members perceive a difference between their construed external image and the perceived organizational identity that they deem significant (i.e., they don’t like what they see when they look in the “organizational mirror”), they will take some action to reduce the magnitude of the discrepancy. These findings all support Faber’s rhetorical model. In my study, I examine how fantasy themes in the early merger/acquisition communications were used to resolve discrepancies between the various conceptions of image and identity. For example,
one concern with Firmco was that its externally projected image of being associated with Largeco (a low-cost mass-marketer) might conflict with its internally produced narrative of being a high quality provider of financial services.

Organizational narratives are a key element in Faber's rhetorical model. Although there have been some discussions of narrative in the management literature (e.g., Barry & Elmes, 1997; Martin, Feldman, Hatch & Sitkin, 1983), narrative theory (which comes largely from literary and rhetorical analysis) has not been widely used by management researchers as an analytical tool, although occasional references are made to narratives. For example, Ashforth and Mael (1996) view organizational identity as "unfolding and stylized narratives about the 'soul' or essence of the organization, advanced by stakeholders as claims about meaning" (p. 21). In their study of the Port Authority, Dutton and Dukerich (1991) illustrate how stories were used to effect organizational change and say "Whether the substance of the stories was accurate is less important than the values that the stories conveyed" (p. 545).

Although there has been some discussion about the definition of narrative (Barry & Elmes, 1997, p. 431; Rappaport, 1993), I use the definition coming from the "communication" perspective, where readers and their interpretation of the story are as important as its structure or author (Booth, 1983; Iser, 1989). From this perspective, narrative is defined as a "thematic, sequenced account that conveys meaning from implied author to implied reader" (Barry & Elmes, p. 431). Analyzing narratives, like analyzing fantasy themes, involves looking at the units of analysis of characters, actions, and settings. Narrative analysis also involves investigating additional dimensions such as the narrator and the audience (Foss, 1996, pp. 403-404). In my study, I apply aspects of narrative criticism to fantasy theme analysis, because I examine audience perceptions and author intentions as well as the texts themselves, as do some other researchers who have used a fantasy theme approach (e.g., Putnam et al., 1991).

Although there are some differences between fantasy themes and narratives, some ideas pertaining to narratives can be applied to the development of fantasy themes in organizations as well. Both concepts involve intertextuality, which refers to the way the texts and the various images they represent and interpretations that members make of them become interconnected to create meaning within organizations (Porter, 1986). The concept of intertextuality is illustrated in O'Connor's (1997) study which shows how the multiple, ongoing narratives within an organization contribute to the way organizational members make sense of their organization. Mumby (1987) also seems to express this notion of intertextuality and its effect on discourse:

It is too simplistic to assume that a particular narrative cluster asserts a consistent, monolithic organizational reality, such an analysis must regard the cluster in the context of other clusters, relevant organizational practices, conflicting sub-cultures, economic conditions, and so forth. (p. 125)
Hall (1985) also gets at this notion of intertextuality:

Ideologies do not operate through single ideas; they operate, in discursive chains, in clusters, in semantic fields, in discursive formations. As you enter an ideological field and pick out any one nodal representation or idea, you immediately trigger off a whole chain of connotative associations. Ideological representations connote—summon—one another. (p. 104)

Hall refers to the issue of chaining, which occurs with fantasy themes as well, which again points to the appropriateness of using fantasy theme analysis as a means of studying the ways ideologies are spread and maintained via the early communications in mergers and acquisitions.

The metaphors often used in narratives also tie in with the ideas discussed earlier about image. Witten (1993, p. 98) points out that narratives have persuasive effects as they are used to create images of organizational behavioral norms. Metaphors, jargon, and slogans frequently incorporated in narratives become shorthand for thinking, discussion, and action (Witten, p. 109). Pearce and Osmond (1996) suggest a model for using metaphors as the impetus for cultural change at all organizational levels. In addition, Barry and Elmes (1997) explain how a garden metaphor was used to effect change at Karmoy Fabrikker (a large European aluminum producer) (cf. Parker, 1990). Barry and Elmes describe how Parker helped the company implement “Garden Seminars” where employees discussed how best to make their “garden grow”; these discussions were facilitated using a “Guide to Gardening” and the different ideas came together in a “complex, dialogical way with many interconnected yet separate tales having been told” (p. 446) and the company emerged as a leader in aluminum production, making the employees satisfied with “how their garden had bloomed” (p. 446). These previous studies have not specifically analyzed the texts promoting these metaphors. In this study, I examine how metaphors are used as symbolic cues to spread fantasy themes in the early merger/acquisition communications of both Firmco and NewSeeds.

Scholars have also studied how power is reflected in narratives. Mumby (1988) argues that stories are not simply “information conduits”:

Stories do not simply tell people about what goes on in their organizations; rather, they should be examined in terms of their role in creating perceptual environments for organization members. In other words, they play a fundamental role in the creation and reproduction of organizational reality. (p. 18)

Mumby also gets at the notion of narratives as unobtrusive control (Tompkins & Cheney, 1985) by pointing out that narratives are a way of communicating “truth” (p. 108) that is persuasive and memorable and is shielded in part from evaluation. Mumby argues that organizational discourse is not “politically neutral” or “informative” but rather “functions as a means by which certain power structures in an organization are produced, maintained, and reproduced” and serves the purpose of “articulating and embodying a particular reality” (p.
In a study dealing with the ways ideologies are disseminated in organizations, Martin et al. (1983) identified seven types of common organizational stories and found that even though the stories circulated within organizations seem to be unique, they actually are not. Often, they reflect traditional hierarchical relationships or emphasize the importance of employee loyalty to the organization. As Mumby (1987) explains, "Ideology and power are inextricably tied together insofar as ideology articulates social reality in terms of the interests of the dominant social groups" (p. 119). Faber (1998, pp. 234-235) calls for more research examining the connections between power and change, particularly in situations where one group of employees changes things at the expense of another or change threatens those in power themselves—mergers and acquisitions are often this type of situation. There is also a close connection between narratives and fantasy themes, as fantasy themes are often in narrative form. In fact, Bormann (1983, p. 110) makes the point that the "scripts" (p. 441) Martin et al. refer to as underlying the categories of organizational stories they identified are equivalent to what he defines as fantasy types. In my study, I build on this connection by identifying fantasy themes in the early communications from those in power in two merger/acquisition situations; additionally, I examine the persuasive value of those themes by evaluating employee perceptions of the communications in which these themes appeared.

In the merger/acquisition situations of Firmco and NewSeeds that I focus on in my study, issues of identity, identification, and image were indeed present. In Firmco's situation, the association with Largeco was at the core of these identity-related issues. Largeco's name had traditionally not been well-respected in the public accounting industry. Also, Largeco's public image was very different from Firmco's, as much of Largeco's business came from preparation of individual tax returns, while Firmco's business was centered around providing high quality service to mid-sized businesses and high-income individuals. Therefore, when the accounting professionals in Firmco learned that Largeco was the acquisition partner, issues of organizational and individual identity and image immediately came to the forefront. A key challenge in Firmco's early communications, then, was helping employees come to a common understanding of what Firmco's image and identity would be after the acquisition was consummated. As accounting professionals, many did not want a professional identity associated with Largeco, so part of the challenge of the early communications was getting employees to come to envision how they would be perceived externally as professionals after the Largeco acquisition as well as how Firmco's identity would be related to Largeco's. For NewSeeds, the nature of the identity, identification, and image issues was a bit different. GreatSeeds and BestSeeds, who prior to the merger had been competitors, were joining together to form a new company. The initial concern of employees from both companies was that one
company would dominate the other and the merger would feel more like an acquisition. Also, a new brand identity was needed, which also drew attention to how the company would be represented externally. The early communications needed to deal with all of these issues. In my study, I examine the fantasy themes used in both situations to address the rhetorical challenge of building an identity and encouraging identification.

In this chapter, I have illustrated how I synthesized literature and theory from both rhetoric and professional communication and management to identify four rhetorical challenges in mergers and acquisitions. This literature, most of which did not specifically address merger and acquisition communication, led to my identification of these rhetorical challenges. This synthesis of this literature to identify these rhetorical challenges is a beginning of the theory building process that I undertake in my study. Also, it is a start at achieving my purpose of making connections between rhetoric and professional communication and management research and practice. I continue this process in Chapter 4, which is organized around the four rhetorical challenges that I identified in this chapter: setting the stage for cultural change, addressing emotions, dealing with uncertainty, and building an identity and encouraging identification. In Chapter 3, I explain the methodology and design of my study.
CHAPTER 3:
METHODOLOGY AND DESIGN

I employed three categories of methods in addressing my research questions. First, I determined the major rhetorical challenges in mergers and acquisitions by conducting the literature review described in Chapter 2. I collected and analyzed data from two research sites to examine how these rhetorical challenges were addressed in actual merger and acquisition situations. In collecting the data, I used a case study approach featuring 43 employee interviews and the early communications I gathered from these sites. In analyzing the data, I applied the fantasy theme method of rhetorical criticism to the early merger/acquisition communications I collected. In this chapter, I describe and justify the methodology and design of my data collection and analysis. In doing so, I address the following:

- rationale for using a qualitative case study approach
- selection of research sites and participants
- data collection methods for texts and interviews
- nature of fantasy theme analysis
- limitations of this study
- methods for establishing rigor and quality

Rationale for Using a Qualitative Case Study Approach

I chose to use a qualitative case study approach because it enabled me to get the close-up perspective needed to understand and theorize about the ways the early merger and acquisition communications worked in my research sites (Glaser & Strauss, 1967; Flower, 1989). Also, many researchers in both professional communication and management have called for in-depth studies to understand communications within organizations (Dyer & Wilkins, 1991; Smeltzer, 1993; Tucker, Powell, & Myer; 1995; Yates, 1993). More specifically, I chose this case study approach because the method fits with past studies of merger and acquisition communication and it is suitable for the purposes of my research, as I illustrate in the next sections.

Fit with past studies of merger/acquisition communication

In Chapter 2, I discussed previous research addressing the early communications in mergers and acquisitions. There have been few previous empirical studies specifically addressing merger/acquisition communication; Table 1 lists those I located. In addition to the studies listed in Table 1, there are also some studies that address communication tangentially, but focus mainly on the organizational culture and stakeholders’ psychological reactions to mergers (e.g., Buono & Bowditch, 1989; Margolis, 1998; McEntire & Bentley, 1996).

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1 See Tables 3 and 4 in Chapter 4 for a list of the early communications I analyzed in my study.
Table 1. Summary of empirical studies of merger/acquisition communication

<table>
<thead>
<tr>
<th>Author</th>
<th>Method</th>
<th>Theoretical basis</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bastien (1987)</td>
<td>Case study of communication outcomes in three merged companies—based on 21 interviews with employees</td>
<td>Literature on employee retention, culture clash, rumors, and motivation (e.g., Marks, 1982; Marks &amp; Mirvis, 1986)</td>
<td>Inadequate communication quality can result in rumor mills, a decrease in productivity, and an increase in employee turnover.</td>
</tr>
<tr>
<td>Schweiger &amp; Weber (1989)</td>
<td>Survey of human resource managers of 80 firms involved in mergers/acquisitions</td>
<td>Literature on human resource issues in mergers and acquisitions (e.g., Marks &amp; Mirvis, 1985)</td>
<td>Exhibits 5-7 of this study summarize communication philosophies, frequency of usage of various media, and information communicated.</td>
</tr>
<tr>
<td>Napier, Simmons &amp; Stratton (1989)</td>
<td>Longitudinal case study of a bank merger (24 interviews, analysis of documents, a written survey of 124/304 employees)</td>
<td>Ivancevich, Schweiger &amp; Power's (1987) framework explaining the phases of a merger (planning, in-play, standstill/transition, and stabilization)</td>
<td>Employees took much of the responsibility for managing stress and acquiring information. They wanted more communication from top management; different employees had different needs.</td>
</tr>
<tr>
<td>Schweiger &amp; DeNisi (1991)</td>
<td>Longitudinal survey-based field experiment involving two manufacturing plants of a merging Fortune 500 company</td>
<td>Realistic job preview literature (Premack &amp; Wanous, 1985)</td>
<td>Mergers and acquisitions lead to uncertainty and other dysfunctional outcomes; realistic merger previews reduced such outcomes.</td>
</tr>
<tr>
<td>Bastien (1992)</td>
<td>Case study of a small leasing firm acquired by a large financial institution. Conducted interviews at three intervals and used linguistic methods to analyze indications of cultural adaptation (e.g., dress and word choice)</td>
<td>Speech accommodation theory (Giles, Mulac, Bradac, &amp; Johnson, 1987); code switching (Gumperz, 1982), and Labov’s (1972) studies of speech communities (e.g., Black English)</td>
<td>Culture change happens not gradually, but either quickly or not at all. Conflict in mergers and acquisitions occurs not between organizations, but among individuals who choose to accommodate culturally and those who do not.</td>
</tr>
<tr>
<td>Bastien (1994)</td>
<td>Case study of two theaters merging and effects on customers—interviewed eight ticket buyers</td>
<td>Feedback loop literature (Masuch, 1985)</td>
<td>Mergers can have several results: loss of customers, increased competition, and further organizational change.</td>
</tr>
<tr>
<td>Howard &amp; Geist (1995)</td>
<td>Case study of employee discourse in a merging utility company</td>
<td>Structuration theory (Giddens, 1982)</td>
<td>Discourse is central to the change process and reveals members' ideological positions.</td>
</tr>
<tr>
<td>Cornett-DeVito &amp; Friedman (1995)</td>
<td>Case study (using surveys and interviews) of the communication of four mergers to determine processes used in the more successful mergers</td>
<td>Literature (largely practitioner-oriented) on types of merger communication at various stages of a merger</td>
<td>Because of the variability among merger/acquisition contexts, no clear relationships or generalizations could be made; identified important contextual variables for future researchers to consider.</td>
</tr>
</tbody>
</table>
My choice of the case study approach follows that of many of the previous studies. As Comett-DeVito and Friedman (1995) point out, most of the research on the communications of mergers and acquisitions involves case studies. As can be seen in Table 1, nearly all of the studies I located, with the exception of Schweiger and DeNisi (1991) and Schweiger and Weber (1989) involve a case study approach. Yin (1993) states, “The case study is the method of choice when the phenomenon under study is not readily distinguishable from its context” (p. 3). It is not surprising that most of the studies of merger and acquisition communications have involved case studies, because every merger/acquisition context is unique. As Comett-DeVito and Friedman found when they tried to determine which communication strategies would lead to a successful merger, each merger/acquisition situation differs in many aspects such as purpose, industry, communication style, and organizational culture. The case study approach enables the researcher to pay attention to the specific aspects of each situation.

Both Comett-DeVito and Friedman (1995, p. 67) and Schweiger and DeNisi (1991, p. 130) call for further research investigating the communication in mergers and other change phenomena from both symbolic and content perspectives. My study is designed to help fill both those gaps. By combining interviews with textual analysis, I was able to analyze not only the content of the communications, but also user perceptions of their symbolic value.

I examine two merger/acquisition situations and thus use a case comparison approach, which I believe builds well on the previous studies. As Table 1 shows, Comett-DeVito and Friedman (1995) and Bastien (1987) both used multiple cases in their studies. Bastien examined three situations and Comett-DeVito and Friedman focused on four. I chose to study two different organizations rather than just one so that I would be able to compare and contrast the two situations, the communications used, and the employees’ perceptions of those communications. Additionally, by studying two cases, I was more likely to notice any aspects of the early communications that may have been naturalized in either setting.

**Match with the purposes of my research**

The qualitative case study approach that I describe in this chapter matches the purposes of my research. As described in Chapter 1, I have three main purposes for my study:
- apply a rhetorical perspective to the early communications in mergers and acquisitions
- continue efforts to connect rhetoric and professional communication research with that of management
- build theory about the early communications in mergers and acquisitions.

In the following paragraphs, I briefly discuss each of these purposes and why a qualitative case study approach is suitable in achieving it.
Rhetorical perspective

In order to take a rhetorical perspective in examining the early communications in mergers and acquisitions, I needed to perform a close analysis of texts and understand people’s responses to those texts. Because quantitative research aims at “quantification,” while qualitative research is aimed at “interpretation” (Cassell & Symon, 1994, p. 4), a quantitative approach to this study would have focused on counting instances of particular phraseology or tallying survey responses. In fact, some of the researchers whose studies are included in Table 1 (Napier, Simmons, & Stratton, 1987; Cornett-DeVito & Friedman, 1995) used a quantitative approach to analyze survey-based data in conjunction with other qualitative aspects of their studies. However, I did not include a survey in this study because I wanted to narrow my focus to specific rhetorical choices and how they were perceived rather than attempting to precisely determine how often various fantasy themes occurred.

The previous studies focus largely on the frequency of and/or stakeholder perceptions of the communications rather than on the communications themselves. Although all of the studies listed in Table 1 refer to specific communications, none of them analyze the texts in detail, as I do in my study. For example, although Cornett-DeVito and Friedman’s (1995) study involved a linguistic analysis of observations and interviews and Howard and Geist’s (1995) and Schweiger and DeNisi’s (1991) studies examined employee responses to communications, neither presented a detailed analysis of those communications. Bastien (1987) interviewed participants about their responses to the frequency and type of early merger communications, but presented no analysis of the communications. Schweiger and Weber’s (1989) survey determined how often various types of communications were used, but did not examine their specific content or effects. And although Napier et al. (1991) examined communications and gathered participants’ perceptions, the study did not address the communications’ content—the focus, again, was on employees’ reactions to the communications. My study, by focusing directly on actual communications as well as on employees’ (both authors and users) perceptions of them, enables me to go a step further than these previous studies and to examine the details of the communications and their rhetorical elements and impact.

Connection of rhetoric and professional communication with management research

I designed this study to help connect rhetoric and professional communication and management research. Both areas are in need of more qualitative research (Dyer & Wilkins, 1991; Smeltzer, 1993; Tucker et al., 1995; Yates, 1993). Some rhetoric and professional communication researchers have been considering not only communications, but also the workplace context surrounding them (e.g., Blyler & Thralls, 1993; Duin & Hansen, 1996). Management research, on the other hand, tends to focus only tangentially on the
communications, as is evidenced by many of the studies in Table 1. By including both text analysis and interviews that enable me to understand the business situations in which the communications were used, I have designed my study to provide an understanding of the communications, the people who used them, and the contexts surrounding them. In addition, I use a managerial and a rhetorical perspective in analyzing and interpreting my study.

**Theory building**

The other main purpose of my study is to build theory about the early communications in mergers and acquisitions that will be useful to both researchers and practitioners. In building theory from my analysis of two cases, I do not pretend to make a definitive statement about all merger/acquisition situations. As Normann (1970) points out, case studies can, however, generate "a fundamental understanding of the structure, process and driving forces rather than a superficial establishment of correlation or cause-effect relationships" (p. 53).

It is also important to make the distinction between theory building and theory testing. The purpose of my study is not, as is traditional in quantitative research, to propose a theory and test it. Rather, I seek to build theory based on my observations. As Eisenhardt (1989) explains:

Theory building research is begun as close as possible to the ideal of no theory under consideration and no hypotheses to test. ... Investigators should formulate a research problem and possibly specify some potentially important variables, with some reference to extant literature. However, they should avoid thinking about specific relationships between variables and theories as much as possible, especially at the outset of the process. (p. 536)

In conducting my study, I followed the grounded theory concepts of Glaser and Strauss (1967) and the observation-based theory-building discussed by Flower (1989). I use my empirical observations pertaining to the early communications of my two research sites to provide the grounding for new conceptual ideas about these communications and how they work. In so doing, I intend my study to be part of the initial work on this subject rather than the final word. As Flower (1989) explains, "Observation-based theory building is a cumulative effort. It is shaped by a community of observers working from different points of view, with different methods, and in different contexts of observation" (p. 309).

I designed my study to follow the interpretive paradigm advocated by Dyer and Wilkins (1991). Dyer and Wilkins, in critiquing Eisenhardt's (1989) framework for theory building through case studies which calls for using several cases (four to ten) in order to assure "replication" of results, argue instead for the "good story" provided in "classic" case studies (e.g., Whyte, 1943; Kantner, 1977). These classic studies, rather than providing testable theory, involve rich description of the social scene and context, revealing what Light (1979) calls the "deep structure" of social behavior. In my study, rather than providing surface descriptions and seeking to generalize to a larger population, I attempt to provide a "thick description"
(Geertz, 1973, p. 6) of the context in which the communications were developed and used. If case studies provide enough detailed description, readers should have little difficulty seeing the same phenomena in their own experience (Dyer & Wilkins, p. 617). My fantasy theme analysis of the texts I collected, supplemented by my discussion of data from my interviews with employees who prepared and used those texts, enable me to provide the detailed analytical view that readers can then use to make connections to their own situations.

Selection of Research Sites and Participants

In this section, I discuss my process in selecting research sites and participants. I also describe the sites and participants.

Process

In the process of conducting my study, I encountered two key reasons why there may be little empirical research focused on merger/acquisition communication: difficulty of gaining access to research sites and issues surrounding organizational consent. I structure my discussion of my process around these issues and describe how I addressed them in my study.

Gaining access

The challenge of gaining access to merging or acquired organizations is very real. Mergers and acquisitions are very stressful situations for employees (Marks, 1994; Marks & Mirvis, 1985, 1997a), and organizations are understandably reluctant to have researchers entering the scene, asking questions, and taking up valuable time. One way to address the challenge of obtaining access is to use a quantitative, survey-based approach that is relatively unobtrusive and requires minimal time from participants. I initially considered this approach but decided it would not enable me to focus on the detailed elements of specific communications. My inquiry required a more in-depth analysis and probing than a quick and easy survey could provide. Other researchers have tried survey-based approaches. For example, Overmyer Day (1993) used a survey to study human issues in mergers and acquisitions (including some aspects of communications) and received responses from only 45 of 274 firms (16.4%)—the main reason Overmyer Day offers for the low response rate is the length of her questionnaire (four pages total, to be completed by six high-level participants from each company). I would have needed a questionnaire at least that long. Additionally, survey length is not the only deterrent to receiving substantive responses to such surveys. Mergers and acquisitions are sensitive situations and many aspects are highly confidential. Organizations realistically will not be forthcoming with much specific information until the researcher has built a degree of trust.

Therefore, I chose to use a case study approach. Instead of focusing on just one case, I chose to study two because I was intrigued by the similarities and differences among the communications used in the mergers and acquisitions I have encountered. I also wanted to
focus on at least two situations so I would able to identify aspects of one rhetorical situation that might have been naturalized and unremarkable to the employees involved. By having two situations to compare and contrast, I was more likely to identify such items.

I dealt with the challenge of gaining access by persistently approaching several different organizations and explaining my study and its potential value. Although many of the people I approached were willing to meet with me and briefly discuss their organization’s merger and acquisition communications and provide samples of them, most were hesitant to commit to participating fully. The process of searching for research sites was important, however, because I was able to use the interviews I conducted with potential participants as opportunities to pilot test and develop the interview questions for my actual research sites. The two organizations I ultimately included in this study, Firmco and NewSeeds, both agreed to provide me access to both interviews and documents. Most likely, it would have been easier to obtain participants for a quantitative survey-based approach, but the findings would have only skimmed the surface of the type of information needed to address my research questions.

Organizational consent

Obtaining organizational consent for a study of merger and acquisition communication is also a challenge, and this challenge becomes doubly difficult if the researcher is investigating the communications of both partners to the transaction. In my study, NewSeeds was the merged entity, so I did not face that difficulty because I began my study after the merger was finalized. As for Firmco, I focused only on Firmco’s communications with its employees, so I did not seek consent directly from Largeco as none of its communications or personnel were directly involved in my study.

Once I obtained access, I obtained written consent from each organization. The consent form and confidentiality agreement (see Appendix A) were signed by NewSeeds’ legal counsel and by Firmco’s communications director. Both organizations had the understandable concern that proprietary or confidential information not be revealed. I agreed with both organizations that a representative would have the opportunity to review a draft of my dissertation.

Research sites

I focus on two research sites, Firmco and NewSeeds. I describe each briefly below.

Firmco

Firmco is an accounting firm headquartered in the United States. As part of its long-term growth strategy, Firmco agreed to be acquired by Largeco, a public financial services company. The acquisition was particularly challenging and unique because Firmco and Largeco

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2 The company names are pseudonyms.
have very different images and clienteles. Firmco had operated as a partnership, so the partners sold a large portion of their interests to Firmco. For legal and regulatory reasons, after the acquisition, part of Firmco still continued to operate as an independent partnership.

**NewSeeds**

NewSeeds develops, produces, markets, and sells agricultural seed. NewSeeds resulted from a merger of two competing seed companies (BestSeeds and GreatSeeds) when their parent companies (Bestco and Greatco, both multi-national pharmaceutical companies), merged to form Newco. Because this merger was orchestrated at the parent company level, it was something that “happened to” NewSeeds, rather than something that was strategically planned.

**Characteristics of NewSeeds and Firmco’s business combinations**

Even though the situations of Firmco and NewSeeds seem on the surface to be very different, I chose to examine both because I believe they provide interesting differences and similarities in several areas, as I describe in the next paragraphs.

**Degree of friendliness or hostility.** Both NewSeeds’ and Firmco’s business combinations were “friendly;” neither company was “taken over” against its will. The situations are contrasting in that NewSeeds did not plan its merger, while Firmco’s acquisition was a deliberate part of its growth strategy. Both business combinations can be characterized as friendly, yet surprising to most employees. NewSeeds’ merger was planned at the parent company level, so even BestSeeds’ and GreatSeeds’ CEOs did not know about it until shortly before it was announced. Even though Firmco’s acquisition was planned, the planning took place at a very high level in the organization.

**Timing.** Roughly the same chronology of events occurred in NewSeeds and Firmco. Because the situations came as a surprise to the general employee group in both companies, there was a stressful period of intense uncertainty initially after the surprise announcement and both companies used communications to address this uncertainty and its accompanying emotions. Also, both companies had a long waiting period before finalization and then an integration period; during these periods, both companies used communications to address the situation. These roughly similar time lines facilitate comparison of my two cases.

**Types of communications.** Both companies used a variety of messages throughout the early communication process, which again provides me a basis for making comparisons between the two different situations. These communications are listed in Tables 3 and 4 in Chapter 4.

**Level of desired integration.** Here NewSeeds and Firmco differed substantially. Because NewSeeds was involved in an actual “merger,” the level of desired integration with its partner was very high—the companies were combined in what was both publicly and internally termed
a "merger of equals." In contrast, Firmco agreed to be acquired on the condition that it would not lose its identity and become integrated into Largeco. Even though these situations are very different, they both draw attention to the issues of identity and identification—NewSeeds was losing its previous identity and negotiating a new one with its merger partner, while Firmco needed to negotiate a way to maintain an identity separate from its acquirer. These issues of identity and identification were addressed in the early communications of both companies, thus providing an opportunity for comparison and contrast.

Organizational and professional cultures. Because NewSeeds and Firmco are in completely different industries, they have different organizational and professional cultures. Both have many different subcultures within them, although neither has a collective bargaining unit. For example, although all of the NewSeeds employees I interviewed were mid to upper level managers, some were Ph.D.-holding research scientists while others were specialists in management, marketing, or agricultural production. The Firmco participants also represented many different subcultures. Some were young staff accountants in their first job after college; others were managers, senior managers, or partners with many years invested in the firm and in the accounting industry; and others were administrative employees such as receptionists, administrators, or information technology, marketing or human resources professionals. The diversity both within and between Firmco and NewSeeds is valuable for my study because it provides the opportunity to compare the ways early communications were used and perceived by members of these different cultures and subcultures.

Effects on employees. Even though Firmco’s and NewSeeds’ situations were different in many ways, they were both very stressful for the employees involved. Not all employees experienced the same types of challenges, of course. For example, NewSeeds’ merger involved downsizing, while Firmco’s acquisition was aimed at growth. Nevertheless, many Firmco participants expressed the potential for downsizing as an important initial concern.

Participants

In finding participants for my study, I first located a gatekeeper in each company. In NewSeeds, the gatekeeper was the company’s CEO, who had participated in previous research I had done with NewSeeds. The CEO gave me permission to contact the participants, who had also taken part in my previous research. In Firmco, my initial contact was a partner who then referred me to the company’s communications director, who acted as my gatekeeper.

For both NewSeeds and Firmco, I used a form of the snowball approach (Lindlof, 1995, p. 127) in initially obtaining research participants. For NewSeeds, the snowballing actually took place in the previous study I conducted. At that time, the initial gatekeeper (a research scientist at a NewSeeds research station) gave me the names of several managers located in the corporate headquarters or in other research stations. I contacted those people and interviewed them. For
the current study, I simply contacted the participants in my previous study. All of those who had not left the company or relocated agreed to participate. Seven of the participants were located at NewSeeds' corporate headquarters and five were located at research stations.

I followed a similar process for Firmco. My initial contact referred me to the communications director who gave me some names of people to contact throughout the company who met the criteria I specified for participants. Because the potential participants were in several different locations, I found someone (an administrative assistant, office manager, or human resources director) at these locations who was willing to contact potential participants at that site. I gave these local gatekeepers a summary of my study to provide to the potential participants (see Appendix B for a sample). The local gatekeepers then assisted me in arranging interviews. I conducted interviews at five different offices. In using the snowball approach, I asked participants to suggest other potential participants. My aim was to achieve what Glaser and Strauss (1967) term “theoretical saturation” (p. 61) and what Lincoln and Guba (1985) refer to as “redundancy” (p. 202). The essence of these concepts is to seek additional participants until new participants add no new information. I quickly realized that complete “theoretical saturation” would be impossible to achieve unless I interviewed everyone in the company because each participant had different perspectives and different viewpoints. Therefore, I kept soliciting participants until I had a wide representation of subcultures.

When contacting the gatekeepers about identifying potential participants, I stated that I desired to talk with two groups of people: those who had a role in preparing and/or delivering communications to employees about the merger or acquisition and those who received the communications. I also indicated that many people would fall into both groups and that I would tailor the questions accordingly. The only other requirement I specified for participants was that they had been employed by the company when the merger/acquisition was announced. For Firmco, I also requested that I get a variety of participants with different demographic characteristics, such as different experience levels and different tenures with the company. For NewSeeds, my set of participants was already established because I was doing follow-up interviews from my previous study.

I considered three criteria for assessing potential participants: appropriate experience in the cultural scene, the ability and willingness to articulate experiences, and the time to devote to being interviewed (Lindlof, 1995, p. 179). I believe these criteria were fulfilled: my request that participants had been employed by the company at the time of the merger helped fulfill the first criterion, and because the interviews were completely voluntary, participants in effect self-screened themselves for the ability, willingness, and time criteria.
The demographics of the participants in my research are shown in Table 2. It is evident from Table 2 that the NewSeeds group of participants was much more homogenous than the Firmco group. The overall participant group, however, gave my study a good basis for comparison and contrast. In obtaining participants, I was not attempting to achieve a representative sample in order to claim to generalize findings to the entire company and similar companies. Rather, my aim was to gain an understanding of the communications these participants encountered or prepared in the early stages of the merger or acquisition and their perceptions of the communications (Lauer & Asher, 1988, pp. 54-81).

### Table 2. Demographics of research participants

<table>
<thead>
<tr>
<th></th>
<th>Firmco</th>
<th>NewSeeds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of interviewees</strong></td>
<td>31 (18 women, 13 men)</td>
<td>12 men</td>
</tr>
<tr>
<td><strong>Approximate age</strong></td>
<td>Early 20s through mid 50s</td>
<td>Mid 30s through mid 50s</td>
</tr>
<tr>
<td><strong>Tenure with company</strong></td>
<td>Less than 1 year to 20+ years</td>
<td>10-20+ years (with exception of the CEO, who joined approximately five months before the merger announcement)</td>
</tr>
<tr>
<td><strong>Positions</strong></td>
<td>Accountants: partners (4); senior managers, managers (4); staff (8) Administrative: (15) (including clerical, sales, marketing, finance, communications)</td>
<td>All managerial level— participants included the CEO and 3 members of the executive team</td>
</tr>
<tr>
<td><strong>Locations</strong></td>
<td>city LC: 7 participants</td>
<td>field station G: 3 participants</td>
</tr>
<tr>
<td></td>
<td>city QB: 6 participants</td>
<td>field station S: 2 participants</td>
</tr>
<tr>
<td></td>
<td>city L: 9 participants</td>
<td>NewSeeds headquarters:</td>
</tr>
<tr>
<td></td>
<td>city C: 6 participants</td>
<td>7 participants</td>
</tr>
<tr>
<td></td>
<td>city A: 3 participants</td>
<td></td>
</tr>
</tbody>
</table>

Data Collection Methods for Texts and Interviews

My goal in collecting data for this study was to obtain as many early communications as possible and to obtain the perceptions of several users and/or authors of these communications. I next describe my procedures for collecting the texts and interviews.

**Texts**

Collecting a complete set of early merger/acquisition communications would be nearly impossible, because these communications are produced at so many different levels. For example, in large companies with many locations, there are both firmwide communications and local communications at specific sites. My goal in this study was not to obtain a complete set of
early communications from each company, but to obtain an understanding of the overall means for communicating the merger/acquisition to employees and to collect as many of the individual communications as possible. I narrowed my focus to the early communications directed to employees from management, although I also obtained some communications directed to other audiences. In classifying communications as “early,” I included communications beginning with the initial announcement of the business combination intent up to and including those pertaining to the merger/acquisition finalization and the integration process.

**NewSeeds text collection**

During my previous research with NewSeeds (right after the merger was completed and the integration process was in full swing), I obtained several early merger-related communications from NewSeeds’ CEO. In addition, while conducting my interviews for this study, I asked every participant if he had retained communications from the early period of the merger. About half of the participants were able to provide me with additional communications. Table 4 in Chapter 4 lists the NewSeeds communications used in my study.

**Firmco text collection**

My collection process for Firmco was more centralized. I asked my first Firmco contact (a partner giving a presentation at my university) to send me some of the early communications. He did so and referred me to Firmco’s communications director, who then provided me with many more communications. In addition, if participants mentioned communications unique to their office, I asked for copies of those as well, and obtained some local communications in that manner. Table 3 in Chapter 4 lists the Firmco communications used in my study.

In addition to the early employee communications I obtained from both companies, I also obtained information from public sources such as professional journals, newspapers, and the companies’ Web sites. I used this information as background for my study.

**Interviews**

The purpose of the qualitative research interview is to “gather descriptions of the life-world of the interviewee” (Kvale, 1983, p. 174). Kvale further explains that “neither in the interview phase nor in the later analysis is the primary purpose to obtain quantifiable responses” (p. 175). In conducting my interviews for this study, my goal was to gain insights into how Firmco and NewSeeds’ early communications were developed, used, and perceived.

In conducting the interviews, I used the interview guides shown in Appendixes C and D. Although the interview guides appear to be lists of discrete questions to be asked word-for-word, I did not use them that way. Rather, I used them as Lindlof (1995) describes:

An interview guide simply organizes a menu of topics to be covered and leaves the task of determining their exact order and articulation to the interviewer in the field. ... Freedom exists for the interviewer to employ optional questions,
pass on others, and depart briefly to go down an unexpected conversational path. Especially when it comes to interviewing [those] whose experiences can vary widely, the interviewer may reshuffle topics to pursue new ideas. (p. 185)

I classified the questions in the interview guide into main categories based on the research literature, my own personal knowledge and experience, my experience in doing pilot interviews, and the actual interviews themselves (King, 1994, p. 19).

In designing the interview questions, I kept in mind my research questions and the extant research on this topic. In particular, I sought to understand and identify the fantasy themes present in the communications, the symbolic cues used to perpetuate those themes, and the effects those themes had within the organizations.

In designing the interview guides, I realized I needed to be able to adapt the interviews to the particular situation of each participant, so I drew on my previous knowledge of NewSeeds and Firmco. I had done previous research with NewSeeds and had become familiar with its industry and its merger situation. I had also conducted previous interviews with all of the participants, so I was aware of their positions and roles in the company. As for Firmco, I initially became aware of the company at a presentation given by some of its partners at my university. I used that background in learning more about Firmco's acquisition. In addition, because I had worked as an accountant for several years, I already understood the public accounting culture quite well. I believe my background made it easier for me to develop questions and empathize with the participants' situations. I suspect that I would have had more difficulty gaining access to Firmco without this background. Also, if I had not previously done research with NewSeeds, I would most likely not have been able to gain access for this study either. My previous experiences were, therefore, instrumental in enabling me to successfully anchor the questions in the participants' cultural reality (Glesne & Peshkin, 1992, p. 66).

I initially developed the interview guides by a form of pilot testing. When I was looking for research sites, I met with the human resources director at one potential site and the communications director at another potential site. These interviews gave me the opportunity to form my questions and get an idea of how participants might respond to them. Based on the pilot interviews, I realized that I would need to adapt the questions for each company and each participant because every merger/acquisition situation is different and every participant would have a different role as a user and/or author of early communications in mergers and acquisitions. As Glesne and Peshkin (1992) put it, "The greatest challenge is to create useful questions, ones whose answers provide pictures of the unseen, expand understanding, offer insight, and upset any well-entrenched ignorance" (p. 67).

I saw the development of the interview guides as an ongoing process. As Glesne and Peshkin (1992, p. 68) point out, formalized piloting is not always practical. I did not think it
would be appropriate to take up the participants’ already scarce time for a separate pilot testing. Since I had already done a form of pilot testing at the potential research sites, I did not pilot the interview guides separately in NewSeeds and Firmco. Rather, I did as Glesne and Peshkin (p. 68) recommend and used my first few interviews at each site as a period in which I was critical of my questions and open to revising them, substantially if necessary. Although I adapted each interview guide a bit after I had done a few interviews at each site, I did not make major changes in either one. For example, in NewSeeds, after the first few participants pointed out that their most memorable merger communication pertained to the announcement of their role in the merged organization, I added a section about that topic to the interview guide.

I provided the interview guide to the participants in advance so they would have an idea of what to expect in the interview. I also made sure they had a copy to refer to during the interview. Before starting the interview, I explained to the participant how I would be using the interview guide. I designed the interview guide to apply to both those who had a role in preparing or delivering the communications and those who did not. At the beginning of the interview, I explained to each participant that I would try to adapt the interview to his or her particular situation as we went along, and I asked for the participant’s help in doing so. Throughout the interview, I asked each participant to reflect on the usability of the interview guide’s questions and categories (Glesne & Peshkin, 1992, p. 68), saying “If a particular category or question doesn’t seem to fit your situation, perhaps we can find a way to adapt it so it is more relevant.”

I tried to conduct the interviews as “conversation with a purpose” (Bingham & Moore, 1959, qtd. in Lindlof, 1995, p. 164). Rather than simply asking each question verbatim in the order listed on the interview guide, I probed for explanation, clarification, description, and evaluation (Glesne & Peshkin, 1992, p. 84). If new and relevant lines of conversation arose, I followed them. A key feature of theory-building case research is the freedom to make adjustments during the data collection process (Eisenhardt, 1989, p. 539).

I kept in mind that the participants were “socially situated speakers” (Lindlof, 1995, p. 165). Each participant’s comments were not an objective report of the world, but rather a “rhetoric of his or her experience” (Lindlof, p. 166). As Glesne and Peshkin (1992) state, “The respondents, the presumed possessors of information, answer questions in the context of disposition (motives, values, concerns, needs) which the researcher needs to unravel in order to make sense out of the words that the questions generate” (p. 64). Therefore, I tried to gain a good understanding of each participant’s role in the company and particular worldview.

The interviews (with the exception of one Firmco interview which, at the participant’s request, was held at a restaurant) were conducted at the participants’ work sites, either in their
offices or in a conference room. I arranged the interviews in advance, generally trying to schedule more than one per location per day, although I did go to most sites more than once because it was difficult to schedule all participants on the same day.

Most of the interviews were from 30 to 60 minutes long, although some were as short as 20 minutes and others as long as 90 minutes. Because time was understandably a great concern for many of the participants, before each interview began, I asked them how much time they had, laid my watch on the table, and made sure that we got through the questions by the time they specified. All of the interviews were face-to-face. Although some potential participants indicated a willingness to do phone interviews, in order to keep interview conditions consistent among participants, I did only face-to-face interviews. The face-to-face element was important; because the focus of the interviews was the early communications, we could easily refer to them and ensure we were talking about the same ones.

I established rapport with the participants in three main ways: establishing a clarity of purpose, judiciously using "self disclosure," and active listening (Lindlof, 1995). In order to establish a "clarity of purpose" (Lindlof, p. 180), I explained my study to the participants and made sure they knew that I was doing this research to complete my dissertation and was not a paid consultant of the company. I also ensured them that their names would not be associated with their comments and told them of the confidentiality agreement I had signed with their company (see Appendix A). I asked them to read a brief description of my study and sign a consent form (see Appendix D). I then addressed any questions or concerns they might have about my study. In judiciously using "self disclosure" (Lindlof, p. 182), I told the participants of my own experience as an employee of an acquired company and how that experience interested me in this line of inquiry. I mentioned my previous experience in the accounting field to Firmco participants to present myself as knowledgeable about their industry. I used examples from my own experience as appropriate throughout the interviews. Lindlof (p. 183) argues that active listening is the most crucial way of establishing rapport. One technique I used was similar to Rogers' (1942) nondirective counseling; when possible, I took opportunities to empathize with the participants and assure them that I understood their viewpoints. In addition, I used the active listening technique of forming my questions based on their responses, rather than sticking strictly to the questions listed on the interview guide. When a conversation thread ended, I would then go back to the interview guide, doing my best to ensure that all relevant questions were addressed during the available time.

The therapeutic aspect of interviewing may be one of the key things researchers can return to participants (Glesne & Peshkin, 1992). Most of the participants seemed to genuinely enjoy the interviews, and some even told me so. I had interviewed all of the NewSeeds
participants before and they agreed to be interviewed again, which suggests that the previous interview was a positive experience. As for the Firmco participants, I had interviewed none of them previously and some initially seemed a bit uneasy. But once the interview was underway, several volunteered to extend it well beyond their originally specified time. Several participants indicated that they believed the topic of early communications in mergers and acquisitions was important and requested a summary of my final product.

I audiotaped the interviews and took notes. I asked permission before turning on the tape recorder. Although all participants agreed to be recorded, a few addressed certain topics after I turned the recorder off or while I was turning the tape over.

I transcribed all of the interviews myself so that I would have an opportunity to review all of my data. I transcribed the interviews completely, although complete transcription is not essential (Glesne & Peshkin, 1992, p. 74; Strauss & Corbin, 1990, p. 30). I decided to generate a complete transcription so that I would have a full record of the interviews and be more likely to identify comments that may have been hidden, particularly when participants' responses contained embedded topics and symbolic meanings.

Nature of Fantasy Theme Analysis

The main method I used to analyze my data is fantasy theme analysis. I described the basic concepts behind fantasy theme analysis in Chapter 2. In this section, I describe some other studies that have used fantasy theme analysis in studying business and organizational communications. Then I discuss how I used fantasy theme analysis in my study.

Examples of fantasy theme analysis in business and organizational communication

Several researchers have used fantasy theme rhetorical criticism to analyze various types of communication. Although Bormann originally developed the fantasy theme method for analyzing small group communication, it has been used in many other situations, such as in analyzing movies and television series (e.g., Foss & Littlejohn's [1986] analysis of the movie The Day After and Mayerle's [1987] analysis of the failed Norman Lear situation comedy aka Pablo), press coverage (e.g., Duffy's [1997] analysis of the Iowa legislature's approval of riverboat gambling and Bormann's [1982b] analysis of the television coverage of Reagan's inaugural and the Iranian hostage release) and political movements (e.g., Callahan's [1993] analysis of Jesse Jackson's speeches and Bormann, Cragan and Shields' [1996] discussion of the Cold War rhetorical vision). In my study, I follow the lead of other researchers who have applied the method to business and organizational communication. I next summarize three of these studies.

First, Putnam, Van Hoeven, and Bullis (1991) use a "case comparison approach" (p. 86) to compare and contrast the fantasy themes of two teachers' negotiation units in two school
districts. Similar to the approach I use in my study, these researchers used fantasy theme analysis on interviews and texts to study similar communications at two different research sites.

A second example is Cragan and Shields' (1992) description of their use of fantasy theme analysis in a consulting assignment involving a company that required a new organizational vision. They were hired to provide suggestions about company name, identity, positioning, and advertising strategies and used a survey to determine customer types and predict rhetorical visions that would engage customers. The information from Cragan and Shields' study not only provided theoretical value, but also helped them suggest a rhetorical vision for the company to use as the basis of its advertising campaign. Although Cragan and Shields were studying the case of a newly independent company rather than a newly merged company, their task was quite similar to mine in this study—to examine how rhetorical visions are formed and the effects these rhetorical visions have within the rhetorical community.

A third example of the use of fantasy theme analysis that informed the design of my study is Jackson's (1999) study of the effects of Stephen Covey's books (i.e., *The Seven Habits of Highly Effective People*). Jackson examined the rhetorical appeal of Covey's work among businesspeople and within organizations. Like Jackson, I identify fantasy themes in a particular kind of communication and also consider the effects of particular communicators in delivering and spreading those fantasy themes.

**Using fantasy theme analysis**

My goal in using the fantasy theme method was to examine how rhetors in merger and acquisition situations "create community, discuss common experiences, and achieve mutual understanding" (Bormann, 1983, p. 102) to create a shared worldview among groups of rhetors. In applying this method, I looked for fantasy themes—words, phrases, or statements that indicate a particular way of interpreting the world—in the data I collected. I then used these fantasy themes (setting, character, and action) to identify how rhetors both reflect and create reality for particular groups and thus create shared meaning; Bormann calls this shared meaning "symbolic convergence," and calls symbols used within the community to signal this understanding "symbolic cues." In Chapter 2, I discussed many other elements of fantasy theme analysis: fantasy types, master analogues, rhetorical visions, and rhetorical community.

Because these rhetorical elements are present not only in texts but also in oral and nonverbal communications, I examined both the texts and the interviews for evidence of fantasy themes. The interviews also helped me understand how employees responded to certain themes and helped me identify symbolic cues used within the research sites to perpetuate the fantasies. Foss and Littlejohn (1986) suggest the importance of analyzing fantasy themes as they appear in more than one form of discourse because it is then possible to study the development of the
rhetorical vision more fully. Therefore, I analyzed as many forms of early merger/acquisition communications as possible.

In conducting my fantasy theme analysis, one of my main tasks was to find evidence that symbolic convergence had taken place—that participants in the group shared a group consciousness (Bormann, 1986, p. 226). Evidence of symbolic convergence includes symbolic cues such as word play, narratives, figures, and analogies that keep cropping up in the rhetorical community’s communications and discourse (Bormann, 1986, p. 227). I looked not only for symbolic cues in the communications and interviews, but I also looked for evidence of the larger rhetorical visions taking shape. In evaluating the presence of rhetorical visions and the fantasy themes that made them up, I looked for evidence of shared group consciousness such as symbolic cues and common emotional reactions, rhetorical vision/reality links that demonstrated that the visions and themes being perpetuated in the early communications matched the reality occurring in the research sites, and fantasy theme artistry, or the variations in the rhetorical skills of the people delivering the early messages. Bormann (1989, p. 466) points out that there is more to rhetorical criticism than just describing the discourse and its use. A critic needs also to evaluate and judge the discourse and provide added insights into how it works. That is the goal of the theory building approach I use for my study.

Coding

I used QSR NUD*IST software to assist me in identifying the fantasy themes in the data. QSR (Qualitative Solutions and Research) is a software development company in Melbourne, Australia, that works with researchers in over 40 countries. NUD*IST stands for Non-numerical Unstructured Data Indexing Searching and Theorizing. NUD*IST was designed to aid researchers in handling qualitative data analysis by supporting the process of coding a set of data in an index system, searching text for patterns of coding, and thus aiding researchers in building theory about their data (QSR NUD*IST User’s Guide, 1997, p. 2). I used the software to help me organize my coding of the potential fantasy themes in both my text and interview data (Foss, 1996, pp. 127-129).

I made my first pass at coding in an informal fashion before I conducted an interview with a participant. Prior to the interview, to the extent possible, I examined early messages relating to that individual. In this way, I was familiar with the kinds of messages that individual had prepared, received, or delivered and was then able to follow up on or ask for further information about items that appeared to be potential themes.

I used NUD*IST as a way for organizing my analysis of themes. Once I collected all of my interview data, I assembled it in the NUD*IST program and also scanned in the texts of some of the artifacts, as practical. I listed the other texts as external documents so they could be
included in the analysis as well. However, because the NUD*IST program is mainly a device for assembling data, searching data for various characteristics, and organizing data, I also did much analysis outside of the program. I used a procedure similar to that used by Putnam et al. (1991, p. 93) in their fantasy theme analysis of teachers' bargaining discourse.

I coded for evidence of the four rhetorical challenges I identified and discussed in chapter 2: setting the stage for cultural change, addressing emotions, dealing with uncertainty, and building an identity and encouraging identification. I also paid attention to the forms of communication used. Additionally, I looked for patterns that would assist me in comparing and contrasting the NewSeeds and Firmco situations. I discuss the results and implications of my analysis fully in Chapters 4 and 5.

Limitations of My Study

Qualitative research is inherently messy and every study has its limitations. In this section, I discuss the limitations I see in my study and the measures I took to counter them.

Reliance on perceptions

Because of the nature of my research and methods, I did not obtain much "objective" data. I also was not able to gather much data through personal observations (other than the site visits for the interviews and the face-to-face meetings with the participants) because by the time I entered the scene, the merger/acquisition had already taken place and most of the communications we were discussing had initially taken place some time ago. In any case, it would not have been practical for me to be present as people were receiving or creating the early merger/acquisition communications, and even if I had been, my presence would have created its own complications. So there really was no other viable alternative to relying on participants' perceptions and memories. Other researchers studying the communications in mergers and acquisitions have faced a similar situation (Napier et al., 1989, p. 109). By interviewing a number of people at each site and using common interview guides, I was able to gather a variety of perceptions so that I could look for commonalities and differences.

Researcher situatedness

Because this study is based on interpretive rather than positivist methods, much of the data and analysis relies not just on the participants' perceptions, but also on my perceptions of their perceptions. As Doheny-Farina (1993) states, "Our 'results' are not what is 'out there' in the field. Our results are, in a large part, what we, as researchers, bring to the research event" (p. 254). My own situatedness as a researcher is unavoidable.

The main way to deal with such situatedness is for the researcher to be aware of it and reflect on how it bears on the ultimate results and interpretations made of the data. For example, a researcher who had not previously been an employee of an acquired company or an
accountant most likely would have captured different data or would even have interpreted the same data differently than I did.

**Participant situatedness**

The participants in my study were all volunteers, and I was essentially a stranger (although all of the NewSeeds participants had been previously interviewed by me about 18 months prior). The participants, as do all participants in qualitative studies, engaged in self-censoring; in other words, they regulated their statements to me based on what they believed was appropriate to say. Although the consent form they signed (see Appendix D) stated that their names would not be associated with their comments in any published reports, this self-censoring could not be prevented. Different participants will engage in different types of self-censoring depending on their personal situation. For example, several of my participants were “high status”—“people such as senior managers and professionals who are used to being treated with a degree of deference in most of their daily interactions” (King, 1994, p. 23). These participants, wanting to present their organization in the best light, can sometimes offer “shallow, surface level” answers (King, p. 23). In fact, I decided not to attempt to schedule interviews with the very highest people in Firmco because after inquiring into the possibility, I determined that their schedules were so hectic that they would most likely not have the time to give me the kind of information I needed. This omission is a limitation of my study, as I could only obtain information about these leaders’ behaviors second-hand from other Firmco participants. I was, however, able to interview several other high-level decision-makers within the company. The risk of shallow, surface level answers exists for participants at other levels as well. Individuals at any level may avoid revealing certain information, concerned that comments that could be perceived as negative may get back to their superiors. Although this self-censoring cannot be avoided and is inherent in qualitative research, I tried to avert it as much as possible by presenting myself as nonthreatening, knowledgeable, and respectful.

**Timing**

The timing of my research affected the data I was able to gather. For Firmco, timing was not a huge issue because my interviews took place within a year of the initial announcement, so participants’ memories were very recent. For NewSeeds, the merger was finalized in late 19N1, and I conducted my interviews in 19N4. Although this represents a significant time lag, I believe that I was still able to gather useful data because the merger was a highly significant event for the participants and involved a very long integration process, which most participants indicated had only recently been completed. The perceptions I captured were mainly the strong.

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3 I have removed actual dates to preserve anonymity.
memorable ones—but that is also an indication that the fantasy themes I identify are strong as well. I also believe that having the communications available during the interviews helped generate participants’ memories about them. Also, because I had discussed the merger with all of the participants in previous interviews conducted in 19N2 and 19N3, I was able to refresh their memories by referring back to specific items we had discussed in those earlier interviews.

Survivor bias

Related to the issues of timing and participant situatedness is the issue of “survivor bias” (Cornett-DeVito & Freidman, 1995, p. 66). This limitation refers to the fact that the participants in my study were those who remained with the companies after the merger or acquisition. Obviously, if I had interviewed people who had left the company, I most likely would have obtained different perceptions. For example, based on my discussions with participants in Firmco, some people who left the company shortly after the acquisition was announced decided to do so because they did not agree with the direction the acquisition was taking the company (i.e., they did not participate in the same rhetorical vision as those employees who chose to remain with the company). In NewSeeds, all of the corporate communications staff at the time of the merger had left the company. I had, however, during my previous research twice interviewed the former vice president of communications and was able to use some of the perceptions provided from that research as background for this study.

I addressed survivor bias by asking participants about former colleagues who had left the company and why they might have left. In this way, I was able to obtain their perceptions of how people who chose not to remain with the company perceived the early communications. Ideally, I would have obtained names and contacted previous employees (an option I considered and one which a few participants recommended), but I ultimately decided there would be too many complicated ethical issues surrounding that type of data-gathering (as a few participants also pointed out), so I limited my data-gathering to current employees only.

Scope limitations

Although my research sites provided many opportunities for making comparisons and contrasts, I necessarily had to limit my scope to only small aspects of each company because of geographic and time constraints. With NewSeeds, I limited my research to participants in my previous research with the company, viewing it as a follow-up study. I may have gotten different perceptions if I had interviewed a more diverse group of employees, but I decided that since the merger had been final for over two years, I was more likely to get valuable data from participants with whom I had already built a relationship—these participants were already familiar with me and my study and had discussed the topic of the merger with me before, enabling me to compare their current comments to their comments made closer to the time of
the merger. Additionally, because the merger was a somewhat traumatic time, completely new and unfamiliar participants would be less willing to reflect in a meaningful way on the situation. For Firmco, the participants were more demographically diverse, but they were still located in a limited geographic area. In order to keep my scope manageable, I also did not investigate the international aspects of either research site. Other researchers have investigated the international aspects of mergers and acquisitions and continue to do so (e.g., Gertsen, Söderberg, & Torp, 1998b).

Incomplete data

Although I obtained a variety of communications from each research site, I did not obtain everything. Although obtaining everything was my ideal goal, I quickly realized it would be impossible. Two factors impeded my goal: time and confidentiality concerns. With NewSeeds, because of the time that had passed since the merger, some of the communications were no longer available (particularly since the communications staff at the time of the merger was no longer with the company). I had, however, obtained several early communications during my previous research. Even with Firmco where the business combination was more recent, some communications were no longer available. But recency can be a double-edged sword. Because of the recency of Firmco's business combination, some of the communications were not available to me for confidentiality reasons. If more time had passed, these confidentiality concerns might not have been relevant. In dealing with the limitation of incompleteness, I simply gathered as many artifacts as I could, realizing that a complete set was an impossible dream. Instead, I revised my goal to obtaining a representative set of communications, and I believe I achieved that goal.

Methods for Establishing Quality and Rigor

There seem to be almost as many ideas about what makes quality and rigorous qualitative research as there are qualitative researchers. I designed my methodology to follow the five standards of Howe and Eisenhardt (1990) for rigor in qualitative research:

- Data collection and analysis techniques appropriate for the research questions—the research questions determine the research methods and not vice versa.
- Competent, technically correct application of data collection and analysis techniques.
- Complete literature review and recognition of the researcher's own subjectivity.
- Balancing of the research with other bodies of knowledge and any inconsistent theory or evidence.
- Assessment of the value of the research findings in light of external constraints (presence of "so what" and accessibility to relevant audiences) and internal constraints (ethical issues such as confidentiality, privacy and truth-telling).
In addition to these standards for rigor, I also considered the issues of reliability and validity, the traditional criteria for research based on objectivist assumptions. Reliability refers to whether a research instrument, testing the same thing in the same way, will achieve the same results time after time; validity addresses the question of whether the research instrument is accurately reporting on the object of interest (Lindlof, 1995, p. 237). Lindlof explains why these strict notions of reliability and validity do not fit qualitative research based on interpretive, rather than positivist assumptions:

The interpretive paradigm recognizes the constantly changing character of cultures, perceptions, and forms of action. Because what can be observed of a scene is profoundly contingent on time, and on the individual human-as-research-instrument (whose properties change as time in the field increases), little is gained from trying to achieve reliability. Applying the concept of validity to qualitative inquiry is also difficult. A world consisting of multiple, constructed realities does not permit the researcher to identify any single representation as the criterion for accurate measurement. (p. 238)

Even though the concepts of reliability and validity, as used in quantitative research conducted from a positivist paradigm, cannot strictly be applied to qualitative research conducted using an interpretive paradigm, the core of the issue is how the concepts of “reliability” and “validity” are translated to qualitative research. These concepts are “socially constructed, pluralistic, and compatible with multiple and coexisting worldviews” (Lee, 1999, p. 154). As Lincoln and Guba (1985) explain, “Criteria defined from one perspective may not be appropriate for judging actions taken from another perspective, just as, for example, it is not appropriate to judge Catholic dogma as wrong from the perspective of say, Lutheran presuppositions” (p. 293).

Although researchers differ on the terms employed and the definitions of those terms, the goal of most qualitative research is to generate credible, dependable data that leads to interpretations readers will view as well-supported, logical, and useful (Lincoln & Guba, 1985; Lindlof, 1995, p. 238). For example, Blakeslee, Cole, and Conefrey (1995) argue that an important criterion for determining the value and usefulness of qualitative research is whether researchers and participants “believe in the findings and are willing to act on them” (p. 126). Packer and Addison (1989) argue that a valid or good account is coherent, fits with external evidence, is convincing, and has the power to change practice. Doheny-Farina (1993) argues for a practical validity determined through reader responses, because “validity is determined through a range of readings by audiences located within the researcher’s discipline, as well as those located within the research sites” (p. 261). And Cross (1994b, p. 120) believes that a valid account seeks to balance, rather than to privilege, input from participants, the research community, the data, and the researcher. These researchers all express different aspects of the
same idea: qualitative research should generate credible, dependable data that leads to interpretations readers will view as well-supported, logical, and useful.

"Establishing trustworthiness" (Lincoln & Guba, 1985, pp. 289-331) can be considered to be the overriding criterion for effective qualitative research. Lincoln and Guba explain the basic issue relating to trustworthiness as "How can an inquirer persuade his or her audiences (including self) that the findings of an inquiry are worth paying attention to, worth taking account of?" (p. 290). They identify four aspects of trustworthiness: credibility, transferability, dependability, and confirmability. Several qualitative researchers (e.g., Margolis, 1998) consider these areas in designing their research. I next describe how I incorporated these four aspects of trustworthiness into the design of my study.

**Credibility**

Credibility is the first aspect of establishing trustworthiness identified by Lincoln and Guba (1985, p. 301), who suggest several ways of achieving credibility in qualitative research. Below I discuss those I used in my study: triangulation, prolonged engagement, peer debriefing, negative case analysis, and member checking.

**Triangulation**

Triangulation involves a comparative assessment of more than one form of evidence about an object of inquiry (Lindlof, 1995, p. 239). There are four basic types of triangulation: multiple sources, multiple methods, multiple investigators, and multiple theories (Denzin, 1978; Lincoln & Guba, 1985, p. 305). In this study, my main means of triangulating were through the use of multiple sources and multiple methods, as I discussed earlier in this chapter.

**Prolonged engagement**

Prolonged engagement (Lincoln & Guba, 1985, p. 301) refers to the investment of enough time to build trust and to learn the culture well enough to be able to assess the quality of data obtained. With NewSeeds, I had built trust and learned about the culture in my previous research with the company, which spanned approximately 18 months and involved several site visits and interviews. My previous interviews with the NewSeeds participants gave me a basis for comparison for this new round of interviews. As an informal "memory check" of participants, I asked them some of the same questions I had asked in the earlier interviews to see if the answers were consistent. The answers were remarkably consistent, providing evidence that the participants' perceptions of the early communications in the merger were reliable. With Firmco, my accounting background and my understanding of the accounting profession gave me a headstart in building trust and learning about the culture. I was able to ask more intelligent questions and speak more in the "language" of the participants than I would have been had I not had this background. I believe once I built trust with my initial contact (a Firmco partner
introduced to me by the chair of the accounting department at my university), that trust was able to snowball in helping me gain further access. The partner put me in touch with Firmco’s communications director, who was then able to provide support for my contacts with other Firmco offices. I realize my status as an outsider and a stranger may have increased the likelihood that the participants would engage in self-censoring. I did my best to counter it by interviewing a number of people in different levels, positions, and locations and assuring participants that their names would not be associated with their comments. I continued to build trust and learn about Firmco’s organizational culture as I conducted my interviews. Because my Firmco interviews were conducted within a year of the events and communications being discussed, I believe the data I obtained was as free from distortion or misinformation as possible.

**Peer debriefing**

Peer debriefing, another way of achieving credibility, is “a process of exposing oneself to a disinterested peer in a manner paralleling an analytic session and for the purpose of exploring aspects of the inquiry that might otherwise remain only implicit within the inquirer’s mind” (Lincoln & Guba, 1985, p. 308). Peer debriefing gives the researcher an opportunity to identify biases that may impact the interpretation of the data and to explore issues pertaining to research design and progress. Throughout my research, I periodically discussed my progress with colleagues who served as both devil’s advocates and critics.

**Negative case analysis**

Negative case analysis is a means for achieving credibility that involves “revising hypotheses with hindsight” (Lincoln & Guba, 1985, p. 309). The goal of this technique is to modify arguments until they fit all cases examined. As Kidder (1981) explains, “Negative case analysis requires that the researcher look for disconfirming data in both past and future observations” (p. 241). In employing negative case analysis in my study, I continued to revise my arguments as I examined my data so that my arguments incorporated all evidence.

**Member checking**

Member checking is the process of checking interpretations with research participants. Member checks are, in effect, “critiques from individuals who are both ‘insiders’ (to the culture) and ‘outsiders’ (to the project) (Lindlof, 1995, p. 241). I conducted member checking in two ways. First, while conducting my interviews, I would periodically say, “So you’re saying ....” and then paraphrasing the point I understood them to be making. In this way, I continually verified with participants that I had the correct understanding of their statements. Sometimes they would agree with my paraphrase, but other times they would not and would provide further clarification. At the end of my study, I used another form of member checking. I made a draft of
my study available for downloading on the World Wide Web and asked the previously agreed-upon representatives from Firmco and NewSeeds to review it to ensure there were no confidentiality concerns. In addition, I sent an email to each participant quoted, indicating the Web address at which the draft could be downloaded. I asked the participants to review the draft and contact me if they had any feedback, suggestions, or concerns.

It should be noted here that Lincoln and Guba (1985) view credibility as the qualitative research equivalent of “internal validity” which is traditionally defined as “the approximate validity with which we infer that a relationship between two variables is causal or that the absence of a relationship implies the absence of a cause” (Cook & Campbell, 1979, p. 37; qtd. in Lincoln & Guba, 1985, p. 290). Lincoln and Guba identify member checking as “the most crucial technique for establishing credibility” (p. 314). Other researchers, however, disagree that participants’ perceptions should be elevated to the highest status. Doheny-Farina (1993), for example, argues that researchers who suggest that their interpretations of the data are more valid because they are closer to the perceptions of the participants are carrying forward the “myth” (p. 260) that internal validity can actually be achieved in qualitative research. Doheny-Farina asks, “Does satisfying the natives balance the distortions that we [as academic researchers] may bring to events as a result of our discipline-specific agendas?” (p. 261). Doheny-Farina instead argues for a “practical validity” determined through the responses of not just participants, but of all of the potential audiences of the research (such as disciplinary colleagues, potential readers in other fields, and practitioners). I agree with this interpretation of validity and also considered these potential audiences as part of the peer debriefing process.

Transferability

Transferability is the second aspect of establishing trustworthiness identified by Lincoln and Guba (1985). The concept of transferability is the qualitative research equivalent of “external validity,” which is “the approximate validity with which we infer that the presumed causal relationship can be generalized to and across alternate measures of the cause and effect and across different types of persons, settings, and times” (Cook & Campbell, 1979, p. 37). Qualitative research can never be exactly replicated, particularly since all researchers, research sites, and participants bring different things to the table. Therefore, qualitative researchers should not aim for replicability, but for transferability, as Lincoln and Guba explain:

The naturalist cannot specify the external validity of an inquiry; he or she can provide only the thick description necessary to enable someone interested in making a transfer to reach a conclusion about whether transfer can be contemplated as a possibility. (p. 316)

As Lindlof (1995) explains, “the qualitative researcher studies social action and cultural sensibility situated in time and place; the move to generalize in the traditional sense is neither
warranted nor particularly desirable” (p. 238). Therefore, in reporting my study, I provide as much detail as possible to enable readers to make their own decisions about the manner in which they wish to apply my findings to their own situations.

**Dependability and confirmability**

Lincoln and Guba’s (1985) final two aspects of establishing trustworthiness are dependability and confirmability. They use the analogy of a financial audit to explain these concepts (pp. 318-327). To determine that financial reports are dependable and reliable, independent auditors check the process by which the accounts are kept and also the product—the accounts themselves and the resulting financial reports. In qualitative research, the issue is whether an independent researcher, in examining the records of the research, would agree that the process is dependable and that the results can be confirmed, based on the data collected. Although, realistically, this type of audit is seldom done in qualitative research, the idea is that researchers should conduct their research with the assumption that an audit could be done and maintain an “audit trail.” The main elements of my audit trail in this study are the audiotapes from the interviews, the interview transcripts, the signed participant consent forms, the texts collected from the research sites, the NUD*IST coding and analysis, and the resulting research report as presented in this dissertation.

In Chapter 4, I present the results of my fantasy theme analysis. The analysis in Chapter 4 is organized around the four rhetorical challenges I identified through my examination of the literature presented in Chapter 2.
CHAPTER 4: PRESENTATION AND INTERPRETATION OF RESULTS

In this chapter, I discuss the results of my fantasy theme analysis of the early communications in the merger of BestSeeds and GreatSeeds to form NewSeeds and the acquisition of Firmco by Largeco. First, I provide a description of the artifacts on which I base my analysis. Then I provide a summary of the overall communications strategy used by each company to communicate the merger/acquisition to employees. I then discuss each of the rhetorical challenges I identified in Chapter 2 in terms of the specific communications used to address the challenge and the fantasy themes used within those communications. In my discussion of the fantasy themes, I also include employee perceptions of the communications.

Artifacts

As discussed in Chapter 3, my data consists of the early communications I collected from Firmco and NewSeeds, along with interviews of employees of these organizations. The focus of my fantasy theme analysis is on how the rhetorical challenges I identified and explained in Chapter 2 were addressed in communications directed to employees, although I collected and analyzed some communications directed to other audiences as well.

The artifacts I used in my analysis came from various sources. In some cases, I was able to obtain the actual artifact. In other cases, I only obtained descriptions of the artifact from the participants in my study. Some of these participants had also been involved with devising the rhetorical strategies used in the communications, so their perceptions were useful in helping me understand the context in which the artifacts were developed and used. In my analysis, I cite from both the actual artifacts and from interviews. In some cases, the interviews provided not only perceptions of artifacts, but also descriptions of the artifacts. In these cases, the reports concerning the communications hold value to the extent that they obviously carried forward certain fantasy themes (in the interviews themselves by word of mouth). In the following analysis, the excerpts from interviews sometimes illustrate employee perceptions, sometimes describe documents, and sometimes serve both purposes.

The artifacts I included in my analysis are listed in Table 3 (Firmco) and Table 4 (NewSeeds). This list excludes interviews, which were discussed in Chapter 3. The overall communications strategy summary in the next section serves to contextualize these artifacts.

Overall Communications Strategy

As can be seen in Tables 3 and 4, the artifacts I received from both research sites indicate that each organization used an overall communication strategy much like that recommended by many of the authors discussed in Chapter 2 (e.g., Berk, 1996; Buono & Bowditch, 1989; Feldman & Spratt, 1999; Greengard, 1997; Marks & Mirvis, 1997a). Each
### Table 3. Firmco early communications included in this study

<table>
<thead>
<tr>
<th>Artifact(s)</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Email from Barry Dunleavy (Managing Partner, Firmco) to all employees</td>
<td>Quotes from Largeco's press release about talks, expresses excitement, asks for employees not to discuss the issue, requests that questions be directed to the firmwide communications office</td>
</tr>
<tr>
<td>announcing talks about a potential business combination with Largeco (4/24/F1)</td>
<td></td>
</tr>
<tr>
<td>Slide presentation of strategic communication plan (4/30/F1)</td>
<td>Describes general plan for communicating the merger to various stakeholder groups; presented to partners by the communications director at the end of Cincinnati partners' meeting at which business combination was approved</td>
</tr>
<tr>
<td>Marketing Minutes (newsletter for economic unit marketing directors from Firmco's national marketing office) (5/F1, 6/F1, 7/F1, 9/F1, 10/F1)</td>
<td>Includes updates on communications pertaining to the business combination</td>
</tr>
<tr>
<td>OMP Online electronic newsletter from the office of the managing partners of Firmco (CEO Barry Dunleavy and the COO Bob Zimmerman) to all employees (5/F1, 6/F1, 7/F1, 9/F1, 10/F1, 11/F1)</td>
<td>Includes updates on the business combination from the perspective of Firmco's top leaders</td>
</tr>
<tr>
<td>Email from Firmco communications director to meeting coordinators about &quot;Celebrating Our New Vision&quot; all-employee meetings (5/3/F1)</td>
<td>Explains how to run the &quot;Celebrating Our New Vision&quot; meeting</td>
</tr>
<tr>
<td>Purple economic unit’s Firmco Online online newsletter (5/6/F1, 5/27/F1, 6/17/F1, 7/29/F1)</td>
<td>Includes periodic updates on the business combination for the employees of the Purple economic unit</td>
</tr>
<tr>
<td>Videotape of &quot;Celebrating Our New Vision&quot; meeting from Green economic unit (5/10/F1)</td>
<td>Shows employees watching the video and slide presentation (see next two items) and participating in a question and answer session and a toast; meeting was led by the partner in charge of the Green economic unit</td>
</tr>
<tr>
<td>Video shown during &quot;Celebrating Our New Vision&quot; meeting (5/10/F1)</td>
<td>Features brief excerpts of Strategic Advisory Group members speaking at the Cincinnati partners' meeting; also includes comments about the business combination from other firm leaders</td>
</tr>
<tr>
<td>Presentation and speaker notes from &quot;Celebrating Our New Vision&quot; meeting (5/10/F1)</td>
<td>Describes strategy behind business combination and provides basic explanations about concepts and future plans to employees</td>
</tr>
<tr>
<td>Key messages (5/F1)</td>
<td>Lists the key messages developed to ensure that managers and other media contacts provided a consistent message about the business combination to people inquiring</td>
</tr>
</tbody>
</table>

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1 In this chapter, dates are altered and "F1" and "N1, N2" are used to represent the years of each organization's merger/acquisition to preserve anonymity.
Table 3. (continued)

<table>
<thead>
<tr>
<th>Artifact(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Combination database samples (from LotusNotes database) (5/F1)</td>
<td>Includes questions and answers pertaining to the business combination (an Integration database was available 11/F1)</td>
</tr>
<tr>
<td><em>Firmup</em> online newsbulletins (5/17/F1, 6/2/F1, 8/9/F1, 9/3/F1, 10/22/F1)</td>
<td>Includes updates on the business combination</td>
</tr>
<tr>
<td>Press release: “Largeco and Firmco sign agreement” (8/31/F1)</td>
<td>Announces finalization of business combination and describes the potential benefits and the rationale behind it</td>
</tr>
<tr>
<td>Letters to clients and centers of influence (also included copy of press release [see previous item]) (9/1/F1)</td>
<td>Announces business combination to clients and centers of influence (e.g., sources of referrals such as attorneys, bankers, and universities) and explains potential benefits</td>
</tr>
<tr>
<td>Promotional item for clients and centers of influence; “Large” item (9/F1)</td>
<td>Reinforces the business combination and encourages them to visit Firmco’s Web site</td>
</tr>
<tr>
<td>Employee invitation and instructions for “Living Large” event (including bag of Legos); sent from the firmwide communications department to all employees via the managing partners of economic units (10/F1)</td>
<td>Describes “Living Large” event for employees and invites them to participate</td>
</tr>
<tr>
<td>Followup emails about “Living Large”; sent from firmwide communications department to all employees via the managing partners of economic units (10/F1)</td>
<td>Reminds and encourages employees to participate in the “Living Large” event</td>
</tr>
<tr>
<td><em>Firmco Expressions</em> employee magazine (special edition, devoted entirely to the business combination) (10/F1)</td>
<td>Includes a picture of the Largeco and Firmco CEOs reviewing the business combination agreements, provides several articles relating to the business combination</td>
</tr>
<tr>
<td>Email announcing finalization: “It’s official—the deal with Largeco was finalized today!”; sent to all employees from the Firmco communications director (10/4/F1)</td>
<td>Announces finalization of the Largeco deal</td>
</tr>
<tr>
<td>Email about name usage: “Important information about name usage”; sent to all employees from the Firmco communications director (10/8/F1)</td>
<td>Explains usage of the Firmco name</td>
</tr>
<tr>
<td>Marketing Professional and Partner business combination toolkit tables of contents (10/F1)</td>
<td>Provides detailed instructions and resources regarding name usage and other issues pertaining to the business combination</td>
</tr>
<tr>
<td>“Living Large” launch instructions; sent to the coordinator of the event at each office from firmwide communications (10/14/F1)</td>
<td>Explains how to implement the “Living Large” event</td>
</tr>
<tr>
<td>Roleplay video (10/F1)</td>
<td>Demonstrates how to explain the business combination to clients, centers of influence, and prospective employees</td>
</tr>
<tr>
<td>Artifact(s)</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Email from resigning partner in one economic unit: “My resignation from Firmco”; sent to partners in that economic unit from the resigning partner (10/24/F1)</td>
<td>Explains the partner's reason for leaving the firm—discusses its nonrelationship to the Largeco business combination</td>
</tr>
<tr>
<td>Email from the managing partner of an economic unit where two partners resigned shortly after the business combination finalization: “Change Happens”; sent to all employees in that economic unit from its partner in charge (10/31/F1)</td>
<td>Explains the resignation of two partners shortly after finalization of the business combination, encourages employees to view the resignations from a “glass half-full view,” expresses understanding of the stress and anxiety employees are experiencing, and asks them to focus on living both their personal and organizational values at work</td>
</tr>
<tr>
<td>Email from an employee to his/her economic unit’s managing partner in response to the “Change Happens” email: “Re: Change Happens” (see previous item) (11/1/F1)</td>
<td>Comments on the “Change Happens” email and compliments the managing partner of the economic unit for reinforcing the organization's values</td>
</tr>
<tr>
<td>“The accounting revolution: Building a successful company and a satisfying career in a changing environment: A Firmco strategic overview”; Informational “white paper” provided largely to prospective employees and university contacts (i.e., advisors, professors) (10/F1)</td>
<td>Describes the strategy behind the business combination and the opportunity it provides</td>
</tr>
<tr>
<td>Newspaper article “Largeco purchase not very taxing for accounting firm”</td>
<td>Describes the business combination, emphasizing that there will not be any layoffs associated with it because it is a growth strategy; pictures CEO Barry Dunleavy standing in a conference room that is being expanded</td>
</tr>
<tr>
<td>“People video” shown in “Ready for Takeoff” meeting in each economic unit (12/F1)</td>
<td>Includes quotes and testimonials from Firmco leaders, including CEO Barry Dunleavy, about how the treatment of employees within the firm will improve</td>
</tr>
<tr>
<td>Slide presentation presented in each economic unit’s “Ready for Takeoff” meeting (including speaker notes) (12/F1)</td>
<td>Provides details about changes in benefits and Firmco’s people philosophy</td>
</tr>
<tr>
<td>Bag of items given to employees at “Ready for Takeoff” meeting; includes peanuts, postcard, luggage tag, crossword puzzle, and Managing from the Heart book) (12/F1)</td>
<td>Reinforces the theme that Firmco is “taking off” in a new direction</td>
</tr>
<tr>
<td>Unique Strategic Positioning diagram (used both before and after the business combination)</td>
<td>Defines strategic positioning for employees and clients</td>
</tr>
</tbody>
</table>
Table 4. Newseeds early communications included in this study

<table>
<thead>
<tr>
<th>Artifact(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmittal letter from GreatSeeds CEO Gil Carney to GreatSeeds employees, including Carney’s statement and the press release (see next two items) (3/7/N1)</td>
<td>Explains the merger announcement and press release, and gives contacts for questions</td>
</tr>
<tr>
<td>“Statement of Gil Carney, CEO of GreatSeeds, on the merger of Bestco and Greatco,” presented in person at GreatSeeds headquarters and available via voicemail or fax to all GreatSeeds employees (3/7/N1)</td>
<td>Announces the merger, explains details about it, acknowledges that there are a lot of unanswered questions, expresses excitement about the merger, requests that employees not contact anyone at BestSeeds about the merger, provides contacts for media questions</td>
</tr>
<tr>
<td>Press release from Newco: “Bestco and Greatco announce plans to merge” (3/7/N1)</td>
<td>Explains the potential benefits and the rationale behind the merger</td>
</tr>
<tr>
<td>Newspaper article: “Drugmaker merger may doom jobs: U.S. workers are expected to be a main target when Bestco and Greatco become Newco” (3/7/N1)</td>
<td>Explains potential benefits of the merger, but also highlights expected downsizing</td>
</tr>
<tr>
<td>Memo from the manager of a research group to his employees addressing the merger announcement: “An 8-legged cat” (3/19/N1)</td>
<td>Discusses the uncertain situation caused by the merger and its effects on employees</td>
</tr>
<tr>
<td><em>Merger Updates; periodic updates</em> issued via voicemail or fax, generally from Gil Carney, sometimes from the Vice President of Communications (4/5/N1, 4/19/N1, 4/24/N1, 4/26/N1, 5/3/N1, 5/15/N1, 6/7/N1, 6/25/N1, 7/3/N1, 7/11/N1, 7/18/N1, 7/26/N1, 8/1/N1, 9/20/N1, 10/3/N1, 10/28/N1, 11/16/N1)</td>
<td>Provides specific information about the merger</td>
</tr>
<tr>
<td>Introductory letter to BestSeeds and GreatSeeds employees from Gil Carney (5/24/N1)</td>
<td>Provides information about the “other” company so employees can become familiar with their soon-to-be-new colleagues’ company</td>
</tr>
<tr>
<td>Letter from Gil Carney to all employees introducing the early retirement and severance programs, includes program information, letter from the President of Newco-U.S., and Q&amp;A (see next two items) (6/20/N1)</td>
<td>Describes the Voluntary Retirement Incentive Program and the Employee Transition Support programs, confirms Newco’s desire to support employees involved in these programs, and provides contact information for employees with questions about the programs</td>
</tr>
<tr>
<td>Letter from President designate of Newco-U.S. regarding the early retirement and employee transition support programs (6/20/N1)</td>
<td>Describes the need for some downsizing in connection with the merger, overviews the Voluntary Retirement Incentive Program and the Employee Transition Support programs, assures employees that Newco will help employees make transitions, and thanks employees for their continued support</td>
</tr>
</tbody>
</table>
Table 4. (continued)

<table>
<thead>
<tr>
<th>Artifact(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q&amp;A about the Employee Transition Support Program and the Voluntary Retirement Incentive Program (6/20/N1)</td>
<td>Provides questions and answers concerning these two programs</td>
</tr>
<tr>
<td>Email/fax to all Greatco employees from Newco President designate (7/18/N1)</td>
<td>Updates employees on merger progress, expresses appreciation for employees' efforts during this difficult period, and encourages employees to continue working hard as the efforts to integrate Greatco and Bestco proceed</td>
</tr>
<tr>
<td><em>Interaction</em> newsletter for Newco employees (7/N1, 10/N1, 11/N1)</td>
<td>Discusses business combination issues; often includes interviews with or articles by top Newco leaders</td>
</tr>
<tr>
<td><em>Growing Points</em> newsletter for GreatSeeds (and later NewSeeds) employees (10/N1, 12/N1, 3/N2)</td>
<td>Includes some merger-related articles</td>
</tr>
<tr>
<td><em>International Bestco Gazette</em> newsletter for Bestco employees (6/N1)</td>
<td>Includes news about the merger</td>
</tr>
<tr>
<td>Picture of Farm Progress show (&quot;connected&quot; BestSeeds and GreatSeeds tents with hospitality passageway); taken at a tradeshow shortly after the merger announcement (11/N1)</td>
<td>Provides an illustration of BestSeeds and GreatSeeds tents connected, yet separate</td>
</tr>
<tr>
<td>NewSeeds identity rollout schedule (12/3/N1)</td>
<td>Provides the schedule for advertising/branding strategy</td>
</tr>
<tr>
<td>Letter from the Newco president and the chairman of the board announcing finalization of the merger; sent to all Newco employees (included press release, NewSeeds fact sheet, and NewSeeds Q&amp;A—see next items) (12/17/N1)</td>
<td>Explains that the merger is finalized, summarizes progress, thanks employees for their dedication, expresses hope and excitement for the future</td>
</tr>
<tr>
<td>Press release; “FTC clearance of Greatco-Bestco merger produces third-largest field corn seed company in U.S.” (12/17/N1)</td>
<td>Announces finalization of the Bestco-Greatco merger and the resulting merger of BestSeeds and GreatSeeds; includes a statement from Gil Carney about the potential synergies resulting from the merger</td>
</tr>
<tr>
<td>NewSeeds fact sheet (12/17/N1)</td>
<td>Provides basic information about the NewSeeds merger, headquarters, employees, major products, management, and information contacts</td>
</tr>
<tr>
<td>NewSeeds Q&amp;A (12/17/N1)</td>
<td>Answers questions about the new brand and logo</td>
</tr>
<tr>
<td>Video: “19N2: The Year of NewSeeds” (early 19N2)</td>
<td>Describes the synergies of the merger, intended audience seems to be dealers and customers, as well as employees</td>
</tr>
<tr>
<td>Letter to NewSeeds employees from CEO Gil Carney recognizing the first anniversary of the announcement of the merger of Bestco and Greatco (3/10/N2)</td>
<td>Highlights the progress made in the year since the merger announcement, thanks employees for a job well done, and encourages them to continue working to bring the company the top</td>
</tr>
</tbody>
</table>
Table 4. (continued)

<table>
<thead>
<tr>
<th>Artifact(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter from a manager of a research group to his employees: “I’m too busy to read this stupid memo” (4/28/N2)</td>
<td>Addresses the stress and anxiety that employees are facing as a result of the merger, during a particularly busy time of the year; provides suggestion for managing and eventually reducing the stress.</td>
</tr>
<tr>
<td>Letter to NewSeeds employees about the brand launch, accompanied by Q&amp;A (see next item), a key message wallet card, and a planner page (5/8/N2)</td>
<td>Explains branding of NewSeeds.</td>
</tr>
<tr>
<td>Employee Q&amp;A for 19N2 NewSeeds, Inc. Introduction (5/8/N2)</td>
<td>Provides questions and answers pertaining to the branding of NewSeeds with the GS brand.</td>
</tr>
<tr>
<td>Video: “We’re Well on Our Way: Brand/Logo introduction” (5/N2)</td>
<td>Discusses the new brand and logo; invites employees to help define the culture for NewSeeds by completing the statement “I want NewSeeds to be the kind of company that ...” and asks employees to try to come up with better ways of doing things, different from the way either company may have done them before.</td>
</tr>
<tr>
<td>Letter from CEO Gil Carney to all NewSeeds employees summarizing the responses to his request for ideas about the NewSeeds culture (see description of “We’re Well on Our Way” video) (6/N2)</td>
<td>Summarizes the ideas CEO Gil Carney received from employees in response to his request for them to complete the statement “I want NewSeeds to be the kind of company that ...” (see preceding item).</td>
</tr>
<tr>
<td>NewSeeds Founding Principles</td>
<td>Lists fifteen “Principles” developed in part from the “I want NewSeeds to be the kind of company that ...” responses from employees (see two preceding items); copies of these principles were distributed to all employees and posted in NewSeeds offices.</td>
</tr>
<tr>
<td>NewSeeds Employee Communications Reality Check communications survey report (survey conducted fall 19N2, report issued early 19N3)</td>
<td>Reports the result of a survey of employee perceptions of the quality of communications at NewSeeds.</td>
</tr>
</tbody>
</table>

organization used a multiple media approach (Cross, 1994c) consisting of a variety of media including emails, videos, and face-to-face meetings in large and small groups.

In this section, I contextualize the artifacts listed in Tables 3 and 4 by describing how they fit into each organization’s early communication process. I organize this description using the stages discussed by Ivancevich et al. (1987): planning (initial discussions about a possible merger, in-play (period after the intent to merge announcement when stockholders and government officials assess the feasibility/legality of the merger/acquisition), standstill/transition (period just after the deal is closed and becomes official) and stabilization (period after the transition when the two organizations are beginning to settle into a normal pattern of operation).
Firmco’s business combination with Largeco was a carefully deliberated business decision. A small team of partners, called the Strategic Advisory Group, spent over a year formulating this strategy. This section illustrates how the artifacts listed in Table 3 fit into Firmco’s overall strategy for communicating with employees about the business combination.

Planning

After carefully defining the firm’s strategic goals and evaluating several alternative courses of action, Firmco’s Strategic Advisory Group entered into talks with Largeco about an acquisition. Largeco was a public company, subject to SEC requirements, which provide strict rules about communication when shareholders are involved. Therefore, Firmco employees could not be told of the talks prior to the public announcement, because that would have been improper disclosure. As the possibility of the transaction grew likely, Firmco’s communications and human resources leaders began formulating a comprehensive plan for communicating the business combination to employees and other stakeholder groups. This plan involved identifying the groups and the key concerns of each group. The plan also included a comprehensive list of key messages to ensure consistent communications.

The talks with Largeco were announced by a brief email to all employees early the morning that news of the talks were officially released to the press; this email quoted the official press release, saying that Largeco and Firmco were in talks about a possible business combination, but that there was “no assurance that such discussions will result in any agreement or transaction.” The email to employees also gave a brief explanation about the reasons for the talks, expressed management excitement about the prospects for the business combination, and asked employees not to attempt to answer questions from anyone about this topic, other than acknowledge that the talks were indeed taking place.

Approximately one week after this official announcement of talks, Firmco partners met in Cincinnati and voted on the business combination. At this partner meeting, Firmco’s director of communications presented the communication plan.

In-play

Approximately one week after the partner meeting, a meeting for all employees was held. All economic units of the firm were asked to hold the meeting on the same day so that

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2 In this chapter, I refer to Firmco’s acquisition of Largeco as a “business combination” because that is how it was referred to in most of Firmco’s early communications. Additionally, although the transaction was technically an acquisition (Largeco purchased most of the Firmco’s partners’ interest in Firmco), some of the participants also referred to it as a “merger,” so that terminology appears in some of the interview quotations.

3 Firmco was divided into economic units made up of offices located in designated geographic areas.
everyone got the same information at once. The name of the all-employee meeting was "Celebrating Our New Vision" and was designed to generate a festive atmosphere in order to emphasize that the business combination was indeed a cause for excitement. I viewed a videotape of the entire "Celebrating Our New Vision" meeting held by the Green economic unit. Coordinators of these all-employee meetings in each economic unit were sent packages of information, props, and agendas, so that the meetings would be as consistent as possible across the firm. The main elements of the meeting were the "Celebrating Our New Vision" video that included excerpts from the partner meeting and testimonials from Strategic Advisory Group members and top leaders of the firm, a slide presentation, a question/answer session, and a toast at the end. The slide presentation shown in this meeting included a clear explanation of the strategy behind the business combination and the Strategic Advisory Group’s thorough process in determining this strategy. Additionally, it included a series of slides showing the phases employees go through when they face major organizational change. These various stages of change were taken into account when developing the early communications to employees, with the understanding that employees at different stages in the change process interpret communications differently, as the comments from the participants in my study illustrate.

Other elements of the overall communication plan established during this phase and used throughout the entire business combination process included question and answer databases to which employees could submit questions, a biweekly news bulletin (*Firmup*), and an electronic newsletter (*OMP Online*) from the firm’s CEO/managing partner (issued approximately monthly).

In addition to these firmwide communications, various groups of employees received additional communications pertaining to the business combination, depending on their function within the firm. For example, marketing directors received an additional periodic newsletter called *Marketing Minutes*. And economic units made efforts to communicate with employees in addition to the firmwide communications. For example, the human resources director at one of the offices I visited explained how she sent out an email update to her economic unit periodically as part of that economic unit’s online newsletter *Firmco Online*, simply reiterating many of the things said in firmwide communications, or just to fill in periods of silence when firmwide communications were not forthcoming. Also, there were other communications dealing with specific events occurring within individual economic units. For example, two partners from one economic unit resigned shortly after the business combination, and employees in that unit received communications pertaining to those resignations.

The in-play phase ended with an email announcing the signing of the business combination agreement with Largeco.
Standstill/Transition/Stabilization

After the agreement was finalized, the question/answer database continued to be updated, and the periodic email updates from the partners in charge continued. In this situation, the standstill, transition, and stabilization phases (Ivancevich et al., 1987) were difficult to distinguish from one another, so I combine them into one category for the purposes of this discussion.

One of the main firmwide activities specifically addressing the business combination in this period was an event called “Living Large,” which was intended to be a way for employees to build excitement and enthusiasm about the affiliation with Largeco. This event was designed as a competition in which teams from each economic unit built models illustrating their perceptions of the firm’s new direction.

There were other early communications during this period as well. For example, there was a special issue of the employee magazine devoted to the business combination. Also, there were several emails addressing integration issues such as how to implement the new two-firm structure that needed to be set up for regulatory reasons.

After the “Living Large” event was completed, another round of firmwide meetings took place. These meetings occurred approximately two months after finalization. Like the “Celebrating Our New Vision” meetings, these meetings were designed to be consistent across the firm. The leaders of the meeting were again sent packages that included an agenda, script, props, slide presentation, and a video. These meetings were called “Ready for Takeoff” and were designed to symbolize that the firm was “taking off” on a new “journey.” A key purpose of the “Ready for Takeoff” meetings was to describe the culture change initiatives being planned and the changes in employee benefits made possible by the Largeco transaction.

NewSeeds

In contrast to Firmco, NewSeeds had almost no preparation time to formulate a communications plan. This merger was a surprise to both GreatSeeds and BestSeeds because the main impetus for the formation of NewSeeds was the merger of their parent companies, Greatco and Bestco, to form Newco.

Planning

The negotiations for the merger of Greatco and Bestco (both international pharmaceutical companies headquartered in Europe) took place under very secretive conditions at the very highest levels of those companies. Gil Carney,4 the CEO of GreatSeeds (who later became the CEO of NewSeeds) told me in an interview that because the merger negotiations

4 All names used are pseudonyms.
were kept so tightly controlled (he estimated that only six people of the 87,000 people in the
combined companies knew about them), he was officially informed of the merger only two days
before it was publicly announced and was told not to tell his employees prior to that. He was
asked to wait for a communications package that would arrive very early the morning the merger
would be announced publicly. However, when he arrived at the office extremely early that
morning, the communications package was not there (and did not arrive until two days later).
Because he noticed news reports of the merger already appearing on television, he made a pre-
dawn call to his communications vice president who then came in and helped Carney assemble a
presentation to be given at an all-employee meeting for headquarters employees later that day.
Ironically, Carney and the communications vice president prepared this presentation using
information they found on the Web site of Bestco, BestSeeds’ parent company. Those
employees outside of headquarters received a fax announcing the Bestco-Greatco merger; the
fax included the press release and the statement about the merger made by Gil Carney during
the all-employee meeting. By the time they attended the meeting or received the fax, most
employees had found out about the merger via the news media or had heard about it from others
who had found out about it via the media.

In-play

During the in-play period, there were a number of voicemail updates (called Merger
Updates) which were supplements to the weekly voicemails GreatSeeds communication
department always sent to employees at the end of each week. Those employees at locations that
did not have voicemail received faxed copies of the messages. Additionally, informal
discussions took place among employees and managers at each location. Both BestSeeds and
GreatSeeds had many remote locations, including production plants, sales offices, and research
sites. One type of informal communication that took place was people contacting their
counterparts at the other company and making informal visits or phone calls to those sites. For
example, a research scientist at one of the BestSeeds research sites I visited explained that he
and a colleague dropped in on the nearby GreatSeeds site to introduce themselves. As it
happened, that GreatSeeds site was closed as a result of the merger and the two research
stations were combined, so the research scientist they met that day later joined them at their
BestSeeds site to form a NewSeeds site.

While the merger was undergoing shareholder and regulatory body approval, there were
limitations on how much contact could be made between the two companies. However, as this
phase progressed, transition teams were formed in several functional areas (e.g., production,
research, marketing, etc.), and employees were informed via weekly updates about the makeup
and function of these teams. During this time, announcements were also made about the
NewSeeds company name (the Newco name had been announced in the initial public announcement). During this phase, the CEO of GreatSeeds (who was designated to be the CEO of NewSeeds) sent out a letter to GreatSeeds and BestSeeds employees introducing them to the other company. The letter emphasized enthusiasm about the opportunities the merger presented and provided information about the other company.

Even though the two companies could not function as one until the merger had been approved by all regulatory bodies, many decisions and structures needed to be put into place so that joint operations could begin then. Therefore, the transition teams (which consisted of employees from both companies) began meeting during the in-play stage. This period between the merger announcement and its finalization was especially awkward for employees; even though in many ways they were working together to function as a single company, they still had to function as separate companies and continue to compete against each other.

A key difference between the NewSeeds situation and the Firmco situation was that the Firmco acquisition did not result in duplication of personnel and functions. Because GreatSeeds and BestSeeds were combining operations, there was duplication of positions and some downsizing as a result. Many of the communications regarding layoffs, station closures, or job responsibility changes occurred during this phase. Most of these were communicated face-to-face to the individuals involved by their immediate managers.

Throughout this phase of the merger there were also communications coming from Greatco and Bestco. Prior to the finalization of the merger, both Greatco and Bestco had their own newsletters. Newco began a newsletter called *Interaction*, which provided news related to the integration of the worldwide Greatco and Bestco organizations. Occasionally Newco executives would also send email updates to all Newco employees. Additionally, a Newco executive in charge of NewSeeds division of Newco’s agricultural sector visited NewSeeds headquarters and that visit was reported in a *Merger Update*.

Standstill/Transition/Stabilization

As with Firmco, these three phases were difficult to distinguish. Because this merger involved complete integration of GreatSeeds and BestSeeds, these phases lasted about three years, as it took that long to work through many of the integration issues while the plans developed by the transition teams from the various functional areas were carried out. As a result, there were many communications associated with the integration of processes in the various functional areas. For example, to initiate the process of developing and promoting the NewSeeds’ brand, there was a letter and additional information issued to all NewSeeds employees about the launch of the NewSeeds’ brand, which was to be called “GS”
(GreatSeeds' brand name) although it prominently featured a technology that had been previously associated with BestSeeds.

A major issue that was faced during this period was developing a culture for NewSeeds. Approximately one year after the merger was announced, in a brief video issued in conjunction with the brand/logo introduction, CEO Gil Carney asked employees to complete the statement, “I want NewSeeds to be the kind of company that...” and send the responses to him.

Symbolic communications were also very important during these phases. For example, when transition teams were assembled, many of the upper-level managers I interviewed indicated that great care was taken to make sure that the team would appear balanced to employees, even though just choosing a leader of the team could be interpreted by employees to have meaning about what practices would ultimately be established.

I next discuss the fantasy themes used to address the rhetorical challenges I identified in Chapter 2 and the rhetorical strategies used in developing these themes in the communications of Firmco and NewSeeds. I also discuss employee perceptions of the communications. In doing so, I compare and contrast the situations of Firmco and NewSeeds.

**Rhetorical Challenge: Setting the Stage for Cultural Change**

As discussed in Chapter 2, organizational visions/goals and values are important driving factors for culture change. Additionally, the discussion of acculturation in Chapter 2 illustrated that mergers and acquisitions bring differing cultures and subcultures into contact, and employees must adapt to these changes in some way. In my analysis, I consider the role early communications play in this acculturation process.

Organizational vision/goals, values, and acculturation are at the center of the key fantasy themes I identified pertaining to the strategies for addressing the rhetorical challenge of culture change. I found that the fantasy themes pertaining to organizational vision/goals help members of the rhetorical community come to a common understanding of the new and better organization that will result from the merger or acquisition; these fantasy themes thus work as setting themes by providing an image of what the new organization could eventually become. Fantasy themes pertaining to values, along with those pertaining to acculturation, illustrate the means by which the cultures will come together to achieve the organizational vision/goal; thus

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5 "Organizational vision" is not to be equated with "rhetorical vision" as the term is used by Bormann in fantasy theme analysis. As described in Chapter 2, "rhetorical vision" is a "unified putting-together" of the various fantasy themes that "gives the participants a broader view of things" (Bormann, 1985, p. 8). "Organizational vision" is "a signpost pointing the way for all who need to understand what the organization is and where it intends to go" (Nanus, 1992, p. 8). To help prevent confusing "organizational vision" and "rhetorical vision," in this chapter I refer to "organizational vision" as "organizational vision/goals."
these themes function as setting, action, or character themes, depending on their focus in the specific rhetorical situation.

In my analysis of the early communications of Firmco and NewSeeds, I identified three main fantasy themes pertaining to culture change: “We will be a nationally prominent organization,” (organizational vision/goals), “Our values will drive us forward” (values), and “We WILL be able to come together successfully,” (acculturation). In the next sections, I describe these themes, the communication strategies that each organization used in developing them, and employee perceptions of the communications.

“We will be a nationally prominent organization”

“We will be a nationally prominent organization” was one of the key fantasy themes relating to culture change for both Firmco and NewSeeds. Although obviously each organization stated this theme differently, my analysis of the early communications of both organizations revealed that a very ambitious organizational vision/goal was articulated early in the merger/acquisition process and throughout the early communications. In the case of Firmco, this theme can be summarized as “We will be the top firm serving middle market clients” and for NewSeeds it was “We will be the number two seed company.” In the next sections, I discuss how these themes were developed in each organization. Additionally, I discuss employee perceptions of the communications in which the themes were used.

“We will be the top firm serving middle market clients” (Firmco)

Firmco’s organizational vision/goal was initially articulated in the slide presentation at the “Celebrating Our New Vision” meeting using the slide shown in Figure 1 (“Celebrating Our New Vision” slide presentation). This “goal” fantasy theme was articulated many times

<table>
<thead>
<tr>
<th>Our vision: Firmco</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Build the leading, national accounting and consulting firm by ...</td>
</tr>
<tr>
<td>- Providing sophisticated services and expertise to midsize companies with revenues of $5 million to $150 million</td>
</tr>
<tr>
<td>- Still serve other sizes and types of clients—but focus will be on middle market</td>
</tr>
<tr>
<td>- Acquiring other accounting and consulting firms</td>
</tr>
</tbody>
</table>

Figure 1. Vision statement slide from Firmco “Celebrating Our New Vision” slide presentation
via several different mediums in the early communications. Because I mainly had access only to firmwide communications, I do not have actual illustrations of how the “goal” theme was spread within individual locations of Firmco. However, many of the employees I interviewed indicated that the “goal” theme was indeed rearticulated many times, both in writing and orally. For example, the employee quoted below explained how an email centered around the “goal” theme was circulated in his or her office and how that email had come from another office where it had been circulated as well:

One of the things that we did at this office too was we also sent out an email from our new partner in charge, talking about the new vision a little bit. And I think he stole it from another economic unit, and we kind of recycled it (laugh). Because I think someone else did it really well. I think they were out of Indianapolis. Maybe Dale Drake.
(Firmco administrative employee, professional level; interview)

Communications directed at all employees firmwide also continued to reiterate the “goal” theme. For example, in the on-line newsletter the month after the business combination was finalized, Firmco CEO Barry Dunleavy stated (last paragraph in bold in original):

I’m very enthused about how we are positioned for our future, as is the Largeco team. Largeco’s CEO and Board of Directors support our positioning and our efforts to accomplish the following goal, which I refer to as our BIG GOAL:

By [year], Firmco will be the largest and one of the most profitable CPA and consulting firms serving mid-sized companies in the United States. The firm will generate $1 billion in revenue and employ 10,000 people.
(Barry Dunleavy, Firmco CEO, in OMP Online, 11/F1)

The “goal” theme was also emphasized in the firmwide “Ready for Takeoff” meetings held in the months after the business combination was finalized. The first slide shown in that meeting was entitled “Firm’s vision” and the first bullet point under it read “To be the leading and most profitable accounting, tax, and consulting firm exclusively serving mid-sized businesses in the United States” (“Ready for Takeoff” slide presentation).

In addition to being spread among employees, the “goal” theme was also articulated to outside sources as well. For example, a letter to clients and centers of influence signed by the partner with whom they dealt stated:

Following extensive research and strategic planning, we determined we wanted to build the leading, national accounting, tax and consulting firm serving the fast-growing needs of mid-sized companies, as well as not-for-profits and governmental entities. To accomplish this vision, we sought a partner who shared a similar strategic vision, and who could provide the financial resources necessary to accomplish our goals.
(Firmco letters to clients and centers of influence, 9/1/F1)

Even though this letter was not a communication directed to employees, it was an important aspect of developing the fantasy theme, because many employees worked on developing,
assembling, and sending this communication and, therefore, were very familiar with its content. Additionally, many employees had direct contact with clients and the clients often wanted to discuss these communications, so employees needed to be familiar with the content so they could address clients' questions.

Several participants I interviewed indicated that they realized management was well aware of the importance of employee buy-in, as this comment illustrates:

[The partner who presented the “Celebrating Our New Vision” meeting to us] expressed some concerns. He expressed, “Can this be pulled off effectively or not? We’ll see. Because a lot of mergers fail because people don’t buy in.” And it’s not YOUR⁶ job [as employees] to buy in, it’s management’s job to convince you to buy in.”

(Firmco administrative employee, professional level; interview)

At the time I conducted my interviews, Firmco employees seemed to have varying levels of buy-in to the “goal” theme, although most said that although they agreed with the goal as it was articulated, it was still too early to tell whether it would be accomplished. One employee summarized employee attitudes toward the “goal” theme this way:

Well, I think a lot of the attitude out there now is kind of a “wait and see” attitude. But these things take time. And so I think just the nature of people is that they want to see instant results. When we say we’re going to be the leading firm serving the middle market, they want to start seeing that happening, and they’re not seeing it happening. ... Barry (Firmco’s CEO) has been telling people that by [year], we’ll be a billion dollar firm and we’ll employ 9,000 people, compared to 3,000 now. So, I mean, that is a HUGE growth. And so the skeptics out there are going to be just that, they’re going to say, “Well, how are we going to do that?”

(Firmco administrative employee, manager level; interview)

Others did not see the goal as being much of a change from the past. They did not see the goal in itself as being NEW, even though the “Celebrating Our New Vision” meeting referred to it as such:

We’ve always been told that Firmco wants to be the premier accounting firm serving the middle markets, and that’s always been a theme running through Firmco. So I don’t really think it’s a NEW vision.

(Firmco accountant, staff level; interview)

In general, the employees seemed to understand the “goal” theme, although some of them did seem a bit cynical about the “new vision” symbolic cue that was used to explain it initially. One employee expressed this attitude as follows:

(laugh) New vision? How is this new vision? I think that’s just blah, blah, blah, blah, blah. That’s just advertising talk, marketing talk. Maybe they all say new vision? [mentioned the merger of Wells Fargo and Norwest banks as a possible

⁶ Throughout this chapter, words in all-capital letters in the quotations are used to indicate the speaker’s verbal emphasis.
example) New vision? No. This is just the yadda yadda yadda of mergers and acquisitions. That’s ALL I would chalk that up to. ... [Maybe] you could say it’s NEW MONEY! (laugh) ... We have NEW MONEY to achieve our old goals that we wanted in the first place.

(Firmco administrative employee, managerial level; interview)

And several other employees also expressed this same idea:

They’ve always had that “top in the middle market” goal. I think THIS [business combination] probably makes it seem like it’s more possible now. Because there’s more MONEY, which is probably true, or VERY true. That’s probably the most positive thing about it, I think. As far as the “new vision,” I don’t know how NEW it is. It seems to be the same. The same ideas, but just different ways to do it now, different situations, more funding and that kind of thing.

(Firmco accountant, advanced staff level; interview)

In conclusion, the documents I examined, together with the comments by employees in the interviews I conducted, indicate that the “goal” theme had been widely circulated throughout Firmco. Employees seemed to believe that it was a worthwhile goal to strive for, but then, they had believed that prior to the business combination. The importance of the “goal” theme as a rhetorical strategy in the business combination is that it presents a setting theme that provides the rationale for undertaking the combination in the first place. The other fantasy themes that I discuss later in this section helped build the common understanding of how Firmco would go about achieving this goal.

“We will be the number two seed company” (NewSeeds)

NewSeeds’ situation was a bit different from Firmco’s in that the merger was not strategically planned to achieve a particular organizational goal; rather, it was thrust upon the companies by their parents and then the goal came later. NewSeeds’ organizational vision/goal stemmed from Newco’s (the merged parent company) organizational vision/goal, which was initially articulated in rather generic terms, such as the following excerpt from a Newco Interaction newsletter article illustrates:

Q: What is the vision of Newco?
A: Instead of a “vision,” let us speak of aspirations, of ambitions. We want to be a high performance, fast and flexible company, capturing a leading position worldwide in every branch of our business and holding that lead over the long run.

(Newco CEO, quoted in “Employees ask, executives answer” article in Interaction newsletter, 11/N1)

This organizational vision/goal was very far-removed from most NewSeeds employees and thus did not function as a “goal” fantasy theme for them.

Rather, the “goal” theme for NewSeeds employees came from NewSeeds executives. This goal was “We will be the number two seed company.” As with Firmco, the “goal” theme
was articulated many different times using many different mediums. Here is an example of the “goal” theme being articulated by the Newco executive in charge of the NewSeeds’ division:

The GOAL for NewSeeds is pretty simple: To be a strong number two in corn globally and do so the company is profitable and that the company’s success and profit are sustainable. That’s the GOAL, but... it’s up to you to do it. You’ve dreamed about it. We can do it well by keeping the best people on the team and by moving ahead.

(Merger Update, 5/3/Nl)

Additionally, Gil Camey and other NewSeeds leaders’ reiterated the “goal” theme in their communications to employees. For example, in a Merger Update, CEO Gil Carney, after announcing the NewSeeds Executive Committee, stated the “goal” theme:

I am convinced that this Executive Committee will enable [our] sector of NewSeeds to move ahead with the vision, strategies and tactics to achieve our GOAL of being the number two seed company both in the world and in North America.

(Gil Camey, NewSeeds CEO, in Merger Update, 6/25/Nl)

The “goal” theme did not seem to function quite as effectively in NewSeeds as it did in Firmco. The main reason for this difficulty was simply the nature of the merger; first, the merger was unplanned, and second, it was a merger, meaning that former competitors needed to come together as one company. Therefore, the “goal” theme, as it was promoted in the early communications, seemed to be perceived by the employees I interviewed as being rather vague. The essence of their comments can be illustrated by this employee’s statement:

I don’t think anybody in the beginning, the first month of the merger sat down and wrote out, “Here’s where we’re gonna end up at.” With specific goals and intents and things like that. I think the intent was, after the announcement was made, “We’re gonna come out of this the best we can.”

(NewSeeds upper level manager; interview)

The lack of a common vision was also evidenced in an employee communication survey that was conducted at the end of the first year of the merger. 79% of respondents answered “sort of” and “not really” in response to the question of how well the NewSeeds executive team communicated its direction. Employee comments in the communications survey included: “They don’t tell you what direction they’re going because they don’t know,” and “I don’t think this company knows what its goals are anymore” (NewSeeds Employee Communications Reality Check communications survey).

Comments of NewSeeds CEO Gil Carney in an interview I conducted with him approximately a year and a half after the merger was finalized indicate this struggle of former GreatSeeds and BestSeeds employees to come to a common and specific organization vision/goal for NewSeeds:
I think initially the vision has to be set. And then the next thing is to roll people in the vision and then set up the structure to cause it to happen. Well, we've set up most of the structure. I think we're continuing to work on communicating what it is. But now the big part, and the most important part, is to enroll people into that vision so they think it's theirs. And make them feel like they can make more of the decisions and things and understand, and feel comfortable in doing that. I think initially people weren't necessarily comfortable in making decisions because they didn't know what boat they were on in the first place.

(Gil Carney, NewSeeds CEO; interview)

Both NewSeeds and Firmco employees saw the need for organizational vision/goals. In the case of Firmco, the “goal” theme was initially referred to as a “new vision” (e.g., in the “Celebrating Our New Vision” meeting), but was not viewed by many of the participants I spoke with as “new.” Rather they saw the “goal” theme as being the same organization goal/vision as always (which they approved of) being pursued with a different form of business and a different funding source (Largeco). In the NewSeeds situation, even though a “goal” theme was articulated, it seemed to be viewed as more of a symbolic than substantive theme. Although NewSeeds employees knew specifically articulated common goals were needed, at the time the “goal” theme was being initially circulated in the early communications, the perception seemed to be that there were few concrete plans for actually achieving it.

“Our values will drive us forward”

The next major fantasy theme addressing the rhetorical challenge of setting the stage for culture change is “Our values will drive us forward.” In the early communications I examined, I found that both Firmco and NewSeeds used themes that presented values as being at the core of achieving their visions and goals. In the case of Firmco, two specific themes associated with values were used: “Our already strong values will continue” and “Our people are as important as our clients.” For NewSeeds, I also identified two specific themes associated with values: “This is a new beginning to build a new culture centered around our values” and “Keep the focus on the customer.” In the next sections, I discuss how these themes were developed in each organization and employee perceptions of communications containing the themes.

“Our already strong values will continue” (Firmco)

One of the key character fantasy themes developed in the early communications of Firmco was that the business combination would not change Firmco’s already strong values for employee character and client service. The “Our already strong values will continue” theme was one of the points of emphasis in the slide presentation given at the “Celebrating Our New Vision” meeting. On a slide entitled “How will the Firm be impacted?”, one of the bullet points was “No change in high professional standards” (“Celebrating Our New Vision” slide presentation). This “value” theme was mentioned in the first OMP Online issued after the
business combination was approved. That particular edition of the newsletter closed with the statement *(in bold)*, “We’re committed to being a Firm firmly centered on its clients and its people!” *(OMP Online, 5/F1)*. Additionally, this “values” theme is evident in the following quotation from Tony Mason, the CEO of Largeco, which appeared in the Firmco employee magazine:

Firmco has a strong leadership team, a respected professional reputation, and hundreds of skilled accountants and other associates who will enhance our competitiveness.

*(Tony Mason, Largeco CEO, quoted in “Meet Largeco’s Tony Mason” article in Firmco Expressions employee magazine, 10/F1)*

This comment from Mason carries forward the *“Our already strong values will continue”* theme because it implies that all of the items listed, which reflect Firmco’s values, are reasons why Largeco became associated with Firmco and will therefore not want to do anything to cause those values to change for the worse.

Firmco’s Unique Strategic Positioning statement (USP) which articulates its commitment to clients was also used to help spread the *“Our already strong values will continue”* theme. This USP was the basis by which Firmco defined client service prior to the business combination and the early communications emphasized that this same philosophy would continue after the business combination. This commitment to the USP was communicated in the “Celebrating Our New Vision” meeting. The slide presentation included a slide entitled “Impact on clients” and one of the bullet points on the slide was “Service delivery still defined by our USP” *(“Celebrating Our New Vision” slide presentation)*. In addition, the partner in charge of the Green economic unit said in conjunction with this slide in his presentation during the “Celebrating Our New Vision” meeting, “The USP is OUR way of serving clients” *(Videotape of Green economic unit’s “Celebrating Our New Vision” meeting)*. Additionally, Firmco CEO Barry Dunleavy also used the USP to carry forward the *“Our already strong values will continue”* theme. Here are two examples, one from the OMP Online electronic newsletter and one from the employee magazine:

While these are exciting and busy times, we must remember to stay focused on serving our clients as our Unique Strategic Positioning (USP) statement promises we will. That’s what clients want from us, and serving them this way is what gives us such great personal satisfaction.

*(Barry Dunleavy, Firmco CEO, in OMP Online, 9/F1)*

As for your clients, they will still receive the same high-quality level of service defined by our Unique Strategic Positioning statement.

*(Barry Dunleavy, Firmco CEO, in article in Firmco Expressions employee magazine, 10/F1)*

Thus, these references to the USP signify that the high standards for client service that Firmco employees prided themselves in prior to the business combination would continue. It should be
noted here that one of the reasons for this emphasis on the “Our already strong values will continue” theme stemmed from the reputation of Largeco in the public accounting industry. Largeco is known as a mass marketer of financial services. Firmco’s clientele, on the other hand, has traditionally been middle-sized businesses and their owners, and Firmco has prided itself on its sophistication and quality service. The initial mention of a business combination with Largeco brought concern among employees initially that these standards might drop. One of the reasons for the emphasis on the “Our already strong values will continue” theme was to assure employees that quality standards would remain high. One of the partners I interviewed summarized the use of this theme as follows:

And yet as the communications kept coming, I think the more and more we kept hitting that we have values and these values are the same, in fact, that we had before. And the values are still there, and our emphasis on quality is still there. We’re just going to get to be a national firm. ... I think the [“Ready for Takeoff”] all-office meeting in [month] was the one that actually felt the best in terms of getting people ON BOARD for what we’re doing. (Firmco accountant, partner level; interview)

The meeting the partner in the above quote referred to is the “Ready for Takeoff” meeting, another firmwide communication that carried forward the “Our already strong values will continue” theme. This meeting was held in each economic unit two to three months after the business combination was finalized. The slide presentation shown in the “Ready for Takeoff” meeting emphasized that Firmco’s values are centered around three C’s:

Commitment: Our promise to our people
Competence: Our commitment to excellence
Character: The center that sustains us
(“Ready for Takeoff” slide presentation)

The presentation then contained a slide devoted to each of the 3 C’s and articulated the specific items making up each of them.

The employees I interviewed seemed in agreement that the “Our already strong values will continue” theme was holding true in reality. Most indicated they had seen no change in client service or employee character values. It should be noted, however, that because there are many offices in the firm, themes are chained differently in different offices. The comments from the employee below illustrate the way the “Ready for Takeoff” meeting was presented in one local office:

First, the partner in charge of our economic unit spoke, and was very upbeat. And THEN after that, they did the slideshow. ... They were running through that SO quick. ... You really couldn’t hardly even tell what it said and they’d flip onto the next thing. ... I just think that it was another one of these things, that we didn’t have as much partner involvement in this. The “Celebrating Our New Vision” meeting, where we announced everything, we had partner involvement in that. I’m not saying there’s not partner buy-in, but everybody
was THERE. And the results of that were just so much more positive than some of these subsequent things we've had, where it's like [partners are thinking], "Ok, I've already been at that. I'm going to go meet with my client instead. I'm not going to be there" or "I'm too busy to go." And unfortunately those things really have an ill effect on employees.  

(Firmco administrative employee, professional level; interview)

The point made by this quotation and the preceding one from the partner is that the manner in which the themes are carried out is important. In addition, symbolic things such as who is in attendance at a particular meeting can have an effect on the way a particular theme is perceived.

Another illustration of the differing ways the "Our already strong values will continue" theme chain out appeared in two emails I obtained from another economic unit. Following is the closing of an email entitled "Change Happens." This email was sent by the partner in charge of an economic unit to employees after two partners from that economic unit announced their resignation. Note that this partner also refers to the all-employee meeting ("Celebrating Our New Vision") and its emphasis on values:

Finally, I would like to ask, as I did at our all-employee meeting, that each of us focus on living our values at work. They are:

Personal values:
- We are honest people
- We talk straight
- We treat each other with respect
- We do only high quality work
- We have fun at work

Organizational values:
- We are one firm in all that we do
- We care about our clients' success
- We care about our people
- We are thrifty users of our resources
- We are fair
- We are open to change
- We are ambitious

("Change Happens" email, 10/28/F1)

Additionally, I also received a copy of a reply that one employee from that economic unit wrote to the partner in response to the "Change Happens" email:

Change Happens was great. Your memo said, "Yes, there is change, there will be more, but I won't lie to you about what's happening, and I have every confidence we can face this successfully together, if we act from our values."

("Re: Change Happens" email, 11/1/F1)

This response indicates that this employee appreciated the emphasis on values and believed in the "values" fantasy theme.

"Our people are as important as our clients" (Firmco)

Another fantasy theme that Firmco used to specifically express the "Our values will drive us forward" theme was "Our people are as important as our clients." This theme
expressed the need to treat employees as well as clients. In the public accounting industry traditionally, clients come first, as this employee explained:

The perception here is “We do what we need to do to get the job done” and if that means you wind up working 20 hours straight on one little project to get it done, you work 20 hours straight on that little project to get it done. And what’s the reward at the end of the rainbow? You just worked 20 hours straight to get the job done. (laugh) I mean, you hate to say that. But that’s the mentality here. And it’s going to take a very long time for that mentality to change. And to put our staff needs, our people needs, their personal concerns on an even par with our clients and how we serve our clients. ... There’s always been that. I think it’s public accounting in general and it’s going to take quite a bit of culture change to get to that point.

(Firmco accountant, manager level; interview)

Firmco had been working on ways to effect this culture change for some time. The business combination, however, gave the efforts more of an impetus because in order to achieve the “goal” theme, employees would need to remain with Firmco to serve clients.

The “Our people are as important as our clients” theme was introduced by Firmco CEO Barry Dunleavy in OMP Online:

I’m not confident that we have always treated our people as though they are just as important to our Firm as are our clients. However, I and the entire Firm Management Team, have pledged to change this attitude which has been ingrained in the public accounting culture for many years.

(Firmco CEO Barry Dunleavy, in OMP Online, 9/F1)

This theme was repeated in other early communications as well. For example, this statement from Dunleavy appeared in the issue of the employee magazine devoted to the business combination:

One of the guiding principles of our new strategic vision is a commitment by Firmco to treat our people as a top priority. We want our people to know they are as important to our Firm as our clients.

(Firmco CEO Barry Dunleavy, quoted in “New Strategy to Position Firm as Accounting Industry Leader” article in Firmco Expressions employee magazine, 10/F1)

The early communications consistently articulate this “Our people are as important as our clients” theme and also reinforce it through multiple media. One of the key purposes of the “Ready for Takeoff” meetings was to carry forward the “Our people are as important as our clients” theme. In these meetings, which were centered around a travel theme, this desired culture change was presented as a “journey to improve the people culture” (“Ready for Takeoff” video). The business combination with Largeco was presented as being the beginning of that journey because Firmco would need to retain and attract good employees to achieve the organizational goals articulated in the “goal” theme. As Firmco’s communications director explained in an interview:
In the “Celebrating Our New Vision” meeting, we talked about celebrating our new vision and part of that vision is this new people philosophy and how we should treat each other. In order for us to reach our goal of being the leading firm, we have to improve our people culture here. And so Firmco has made some significant changes to our benefits programs. And that’s what’s going to be communicated to employees. So some of those “wait-and-see’ers” will get some of their questions answered with this employee meeting. (Firmco communications director; interview)

In this statement, the communications director is referring to those employees who were looking for tangible evidence that the business combination was fulfilling its promises.

One of the key symbols used to present the idea of this change in people philosophy was introduced by Firmco CEO Barry Dunleavy in the video shown during the “Ready for Takeoff” meetings. To illustrate the “Our people are as important as our clients” theme, Dunleavy held up his hands (palms facing away from him) and held one substantially higher than the other and said “Clients have traditionally been up here (referring to the higher hand) and employees have been down here (referring to the lower hand) and our goal is to raise employees up to be equal to clients” (moving lower hand to be equal with higher hand). This “hands” symbolic cue was also shown in one of the slides in the slide presentation given in the “Ready for Takeoff” meeting, as shown in Figure 2 (“Ready for Takeoff” slide presentation).

Figure 2: Hands graphic from Firmco “Ready for Takeoff” slide presentation

Another tool that was used by management to help develop the “Our people are as important as our clients” theme was a book called Managing from the Heart. The “Ready for Takeoff” video explained how some of the top Firmco partners used this book as one of the bases for their leadership training. The “Ready for Takeoff” video was the beginning of the effort to chain this book’s philosophies throughout the firm. These efforts seem similar to the chaining of the fantasy themes stemming from other management-guru books such as Seven Habits of Highly Effective People by Stephen Covey (Jackson, 1999).
Even though management clearly was beginning efforts to enact the “Our people are as important as our clients” theme throughout the firm when I conducted my interviews for this study, at the time of my interviews, this theme did not seem to have reached the point where it had gained widespread buy-in from employees. First, I did not notice any evidence that the concepts from the Managing from the Heart book (Hear and understand me; Even if you disagree, please don’t make me wrong; Acknowledge the greatness within me; Remember to look for my loving intentions; Tell me the truth with compassion) had begun to spread throughout the firm. In fact, few of the employees I interviewed mentioned the book and most of those who did said they had either skimmed it or not read it, as these quotes from two staff-level accountants (from different economic units) illustrate:

I mean, it was cool that they handed out books. But again, it’s a symbol. It makes you think that they’re trying, but you’re still fairly realistic about it. It’s NEVER going to be like this (holds hands equal), I’ll tell you that right now. But if it even gets closer, it will be better, as far as staff is concerned.
(Firmco accountant, advanced staff level; interview)

I haven’t really seen that [book] played out. Yeah, they sold that pretty hard. But, I mean, as far as altered behavior from management, I really haven’t seen that. .... I guess I don’t know totally what that book was about. They covered that in the video a little bit. I mean, it seemed pretty good. But, I mean, I don’t think it will have a huge influence on our office.
(Firmco accountant, staff level; interview)

Additionally, many of the employees I interviewed seemed skeptical of the firm’s ability to carry through on the “Our people are as important as our clients” theme, or even of the appropriateness of trying to do so, as this statement illustrates:

Employees equal with clients? No. I don’t think we’ll ever get there. Because we’re always going to put clients first. And we SHOULD. Because we’re a service business. That’s what we do, we serve clients. To some extent, people are always going to have to be willing to make some level of sacrifice to get things done for clients. It’s just that we can’t expect people to do it ALL the time.
(Firmco accountant, senior manager level; interview)

I did, however, see evidence that the hand gesture had caught on as a symbolic cue throughout the firm, but perhaps not exactly as management had anticipated. For example, this employee used the symbol in expressing skepticism about whether that goal could ever be achieved:

It’s just the nature of this business. It’s never going to be like this (holds hands equal to each other). And I think sometimes they just need to admit it. Even though they CAN make a little bit of progress that way, it’s NEVER going to be like this (holds hands equal to each other), and I think it’s not realistic, even as an employee, to think it’s going to be. And I don’t think they should act like they can make it like this (holds hands equal to each other) either, because I just don’t think they can.
(Firmco accountant, advanced staff level; interview)
Another employee mentioned how in the “Ready for Takeoff” meeting, the partner in charge of the economic unit illustrated the gesture as well, which led the staff to create additional unintended fantasy themes:

Yeah, our partner in charge explained [the hand gesture] at the meeting. ... [His hands] were supposed to be even, because the clients are supposed to be equal to the staff. But when he explained it, he had one hand lower than the other, and we were like “Ok” (laugh). So the staff was kind of (gestures with uneven hands) (laugh). So that was kind of the joke of the meeting.

(Firmco accountant, staff level; interview)

Additionally, several other employees knowingly said “Ohhh, the HANDS thing” and smiled or chuckled when I brought up the video in which it was presented; some talked about how the hand gesture was used among employees when talking to each other, in a joke-like way, as these quotes from accountants in two different economic units illustrate (I=interviewer, E=employee):

Yeah (laugh), we kind of do this (moves hands up and down) to each other every now and then.

(Firmco accountant, advanced staff level; interview)

I: Have you seen the hands move? People get more equal?
E: Nooooo. Not except for as a joke (laugh). There are jokes in the staff area about it.

(Firmco accountant, staff level; interview)

In summary, the main perception that employees seemed to be conveying was that they believed management was sincere about wanting to change, but these employees did not believe that there would in fact be significant change. In this case, the serious symbolic cue presented by management was taken light-heartedly by employees. The hand gesture was definitely an effective symbolic cue because every employee I asked about it was familiar with it. Knowing the symbolic cue, however, did not necessarily mean that employees bought into the “Our people are as important as our clients” theme. Because the employees doubted whether it would ever be achieved, the symbolic cue became a source of humor, even though that was not its original intent. As reality links become more evident, the humor may go away.

“This is a new beginning to build a new culture centered around our values” (NewSeeds)

NewSeeds’ situation is a contrast to Firmco’s in that the merger of BestSeeds and GreatSeeds resulted in a new company. Therefore, one of NewSeeds’ specific themes pertaining to values centered around creating the culture of the new company. In the early communications I examined, the theme “This is a new beginning to build a new culture centered around our values” was used to help generate employee interest in engaging in this difficult process of bringing together two previously separate organizations. NewSeeds’ CEO Gil Carney explained to me how important he believed it was to enlist employees in the idea that this would be a NEW culture, not the culture of one or the other of the merging entities,
acknowledging that his being a new CEO who did not have a vested interest in either company made the process go a bit more smoothly:

And so, I think it was helpful for me to come in because people would sit down and say, “Well, this is how we did it in BestSeeds.” And other people would say “Well, this is how we did it in GreatSeeds.” And I’d say, “I don’t have a vested interest. So let’s talk about how we’re going to do this TOGETHER in this new culture. And let’s take what worked well and throw away what didn’t work so well.” Whereas, I think if I would have come from either one of those environments, it would have been a lot harder because either 1) I probably WOULD have been biased or 2) if I wasn’t, people would have perceived me as being biased. And in those parts of the company where that WAS the case, that’s exactly what happened. ... Whether we came up with the best answer or not wasn’t as important as “This is a new culture.” And I think that worked very well. It was important. Especially with two strong-minded cultures.

(Gil Camey, NewSeeds CEO; interview)

The theme “This is a new beginning to build a new culture centered around our values” was evident in the early communications I examined. In a Merger Update, Carney stated this theme and asked employees to send in their suggestions for developing the new culture, emphasizing the core value of being close to customers:

We’re going to be closer to our customers—in lots of the old traditional ways and some new ways that I hope you’re going to dream up—than anybody else in the business. And I hope we can have some fun doing it. Next time you see me, I want you to do me a favor. Stop me and say, “Gil, here’s something I dreamed up that might work in the new NewSeeds.” And if I don’t happen to be around your location when you get one of those flashes of inspiration, please send me an email message. Or leave voice mail, or send a fax.

(Gil Carney, NewSeeds CEO, in Merger Update, 7/3/N1)

Carney also brought up the “This is a new beginning to build a new culture centered around our values” theme in the “We’re Well on Our Way” video issued to employees in conjunction with the brand/logo introduction. Early in the video, Carney stated, “I see this as a wonderful opportunity for a fresh beginning” and then later in the video articulated the “This is a new beginning to build a new culture centered around our values” theme as follows:

It’s up to each and every one of us to build the company that we envision. I want you to act as if this is YOUR own company. We need to be confident, but not arrogant. We have to do what we say we’re going to do. We must look our customer straight in the eye and tell the truth. YOU will create our company’s culture. If you think about it, that’s a pretty awesome responsibility. But it’s really not that complicated. Just ask yourself, “What kind of company do I WANT to be part of?” Then let THAT be your guide in dealing with each other.

(Gil Carney, NewSeeds CEO, in “We’re Well On Our Way: Brand/Logo Introduction” video, 5/N2)

In the above statement, Carney articulated some of the basic values of NewSeeds and then asked employees to decide how they would incorporate them into the new culture. In the same video,
Carney continues his discussion of the "This is a new beginning to build a new culture centered around our values" theme:

YOU will create our company’s culture. If you think about it, that’s a pretty awesome responsibility. But it’s really not that complicated. Just ask yourself, "What kind of company do I WANT to be part of?" Then let THAT be your guide in dealing with each other. . . I’d also like to hear about what YOU think. Please drop a note to me with your ending to the following sentence, "NewSeeds will be the kind of company that ...

(Gil Carney, NewSeeds CEO, in “We’re Well On Our Way: Brand/Logo Introduction” video, 5/N2)

Carney concluded by articulating the values he envisioned for the new culture:

Since I’m asking you to share YOUR thoughts, I’ll share mine. I want NewSeeds to be the kind of company that values integrity, innovation, creativity, focus, and a sense of urgency.

(Gil Carney, NewSeeds CEO, in “We’re Well On Our Way: Brand/Logo Introduction” video, 5/N2)

In my interview with Carney, he explained the reasoning behind this request for employee input as follows:

This was a true, sincere effort to say “Here’s our chance to create this company the way we want to.” I used to say “This is your chance, rather than to maintain somebody else’s legacy, to build our own.” And so it was a very sincere, heartfelt approach.

(Gil Carney, NewSeeds CEO; interview)

Ultimately, Carney told me, he received many responses to the request he made in the “We’re Well On Our Way” video for suggestions about the culture and used those suggestions in forming 15 points of “Founding Principles” for NewSeeds that the company was to work towards during its first year and beyond. These principles completed the statement “NewSeeds will be the company that ...” and included the following:

- Is run with simplicity, empowerment and candor.
- Has employees with fire in their bellies, a strong work ethic, extreme focus, unwavering reliability, an outstanding sense of teamwork, a sense of urgency, and boundless optimism.

(from NewSeeds Founding Principles)

Interestingly, most of the employees I interviewed for this study did not remember the video and did not send in suggestions in response to it. The explanation for that, I believe, is that all of my participants were mid to high level managers within NewSeeds who had frequent contact with Carney and also provided him with their input as part of their jobs.

“Keep the focus on the customer” (NewSeeds)

Customer service is a key focus of NewSeeds’ values. Thus another specific application of the “Our values will carry us forward” theme for NewSeeds was the “Keep the focus on the customer” theme.
The "Keep the focus on the customer" theme was promoted within NewSeeds to help remind employees not to allow themselves to become so focused on the merger that they forgot the customer. This theme first appeared in an email/fax from the president designate of Newco (NewSeeds' parent) to all employees at the beginning of the merger process. The Newco president designate told a story of how he received a letter from a physician friend telling about a letter this friend received from a pharmaceutical company engaged in a merger. In the letter this friend received, the pharmaceutical company apologized for ignoring the physician customers but asked them to please understand the "conflicting priorities" caused by their merger. The Newco president designate’s email/fax to Greatco employees connected Newco’s situation to this story as follows:

While this [was] a kindly written note, we have to make sure we don’t find ourselves having to apologize for neglecting our customers. We need to be vigilant, to focus on our customers and deliver the service that we owe to them. Let us avoid falling into the unenviable state of some of our competitors, centering our attention inside the company, forgetting our customers and the competition.

(Newco president designate, in email/fax to all Greatco employees, 7/18/N1)

The "Keep the focus on the customer" theme was also promoted at the NewSeeds level. For example, in his initial statement to GreatSeeds employees on the day the merger was announced, Gil Carney emphasized that the merger should benefit customers:

This merger is good for Bestco and Greatco. It’s good for BestSeeds and GreatSeeds. But most of all it’s going to be good for our customers. And I believe that anything and everything that we can do to help the customer will be returned to us over and over again.

(“Statement of Gil Carney, CEO of GreatSeeds, on the merger of Bestco and Greatco,” 3/7/N1)

Carney and the Newco executives continued to carry forward this theme, particularly as the cultures of the two organizations were beginning to come into contact as employees began working through the integration process. In a visit to NewSeeds headquarters, (as reported in a Merger Update), the Newco executive in charge of NewSeeds' division of Newco mentioned the "Keep the focus on the customer" theme:

We must focus on the customers and what’s good for them. I’m counting on you to play a positive role in that process as we move ahead.”

(Newco executive in charge of NewSeeds' division of Newco, quoted in Merger Update, 5/3/N1)

The “Keep the focus on the customer” theme was also reinforced in Gil Carney’s formal early communications. For example, the following quote comes from a Merger Update voicemail/fax Carney sent to all employees relatively early in the process:
Argue forcefully for the things you think are important. Be passionate about your beliefs. But—above all—remember that this is not a game—the only winners I want out of this merger are our customers.
*(Gil Carney, NewSeeds CEO, in Merger Update, 6/7/N1)*

In my interview with Gil Carney, he explained why the “Keep the focus on the customer” theme was so important:

I think this “keep the focus on the customer” is really important because we were getting hammered by the competition and so it helped to be somewhat of a rallying cry, saying “Hey listen, we’ve got that enemy outside and so we’ve got to rally together.” Let’s stand as one regardless of what we USED to do. And so I think that was helpful.
*(Gil Carney, NewSeeds CEO; interview)*

Most of the employees I interviewed also believed “Keep the focus on the customer” was an effective theme as well, as one employee pointed out:

“Keep the focus on the customer.” Now, I think that was a good one. One of the things I remember hearing is that, y’know “we’re gonna be a customer-oriented business.” And I think everybody believes that it’s the customers who drive us to success or failure.
*(NewSeeds research scientist, manager level; interview)*

Other employees, however, pointed out that “Keep the focus on the customer” was a sales-oriented theme that did not have much meaning to those not involved directly with external customers. This draws attention to the important point that different fantasy themes will work better with different people within an organization. Those employees who do not have direct external customer contact will not be as likely to participate in the chaining of fantasy themes that are centered around external customers.

“We WILL be able to come together successfully”

The next category of themes that I found in the early communications I examined dealt with how the cultures of the two companies would interact; in other words, these themes spoke to the acculturation process and how the differing subcultures and organizational ethnicities that were coming together would be able to function after the merger/acquisition. I call this category of themes “We WILL be able to come together successfully,” because the themes helped employees come to a common understanding that the acculturation process would and could work in a positive way. In this section, I discuss the specific applications of this theme as applied in Firmco and NewSeeds.

“Largeco shares our goals and will not change our culture” (Firmco)

One concern that was addressed frequently in Firmco’s early communications was the effects that the business combination with Largeco would have on Firmco’s culture. Upper management stressed that Largeco had the same organizational vision/goals as Firmco, arguing
that the main reason Largeco wanted to acquire Firmco was because Firmco was already doing what Largeco wanted to be doing.

The "Largeco shares our goals and will not change our culture" theme was explained to employees in a variety of early communications. For example, in the videotape of the "Celebrating Our New Vision" meeting that I watched, the partner making the presentation explained how the Strategic Advisory Group met with Largeco for an information-gathering meeting (similar to those they had with several other firms) and then three days later, Tony Mason, the Largeco CEO, called the Group and said "We need to talk. You have a better vision to do this than we do. Why don’t you take it over and lead the charge for us?" (videotape of Green economic unit's "Celebrating Our New Vision" meeting, 5/10/F1). In the interviews I conducted, I found that the same explanation was provided in the "Celebrating Our New Vision" meetings at other economic units. As an indication of this consistency in spreading the "Largeco shares our goals and will not change our culture" theme, a Firmco administrator that I interviewed (from a different economic unit) explained that the message from Largeco to Firmco was presented as follows:

I think it was made clear early on, and that was a real strength, that, and I believe this is true, unlike other mergers, Largeco heard our story, our approach to accounting and consulting, and came back to us and said "We would like to buy Firmco." ... They said, "We’d like to have you use your modus operandi and your vision to advance what we want to do, because we’ve been trying to figure out how to do this ... and here you are doing most of what we think we want to do. So if we acquire you, you will be in the driver’s seat." That was the message that came through. (Firmco administrative employee, upper managerial level; interview)

Although this employee was not in the Green economic unit, his explanation of the scenario to me is remarkably similar to that used by the leader of the meeting in the Green economic unit (discussed at the beginning of this paragraph), which evidences that this story about how the initial contact was made was a key part of the development of this theme.

The "Largeco shares our goals and will not change our culture" theme was articulated in several other ways as well. Here is a quote from the employee magazine from an article by Firmco CEO Barry Dunleavy:

Another thing I learned is that Firmco and Largeco are very similar. Both organizations have an incredibly high level of integrity and dedication to client service. The more we worked with Largeco’s top leaders, the more we realized that this strategic move was the right one. They are committed to making Firmco a major player in the middle market. They strongly support our efforts and realize that we are strategically important to Largeco’s overall success.” (Firmco CEO Barry Dunleavy, in article in Firmco Expressions employee magazine, 10/F1)
The "Largeco shares our goals and will not change our culture" theme was also carried forward in an article by Largeco CEO Tony Mason in the same issue of the Firmco employee magazine:

Both Largeco and Firmco want to build a national accounting practice with firms in all of the major metropolitan areas. This is a significant component of Largeco's growth strategy—we want to expand our current client base. ... Building a national accounting practice enables us to reach small and medium-sized businesses as well as upper income individuals who are not typically Largeco customers.

(Largeco CEO Tony Mason, quoted in "Meet Largeco's Tony Mason" article in Firmco Expressions employee magazine, 10/F1)

This chaining of the "Largeco shares our goals and will not change our culture" theme by Mason is particularly significant because it was included in one of the few communications from Mason to all Largeco employees during the early communication process.

The employees I interviewed seemed to be in differing stages of acceptance of the "Largeco shares our goals and will not change our culture" theme. Most seemed to believe in it, but were still waiting for evidence that it would be carried out. The employee quoted below contrasted Largeco's potential affect on Firmco's culture to other merger/acquisition situations:

[In other situations], there would have been a lot more fear about losing jobs and "Is our whole culture going to change?" and so forth. The message came out loud and clear that Firmco had something that Largeco wanted, [Largeco was] willing to pay [for] it, and we'll be able to follow for the most part, the same vision, the same approach to business, the same approach to our clients, but we will have a sugar-daddy called Largeco who can provide capital to do that.

(Firmco administrative employee, upper managerial level; interview)

This same employee, however, pointed out the need for Firmco management to not assure employees that nothing would change, even in this situation where they truly believed change would be minimal:

Early on, there were comments made "Everything will be the same." Anyone who's come from another organization that's gone through a merger knows it will NOT be the same. It just WON'T be the same. And early on, that was used. And I mentioned it to [the partner in charge of this office]. And I think others mentioned it to other people and said, "STOP saying it's going to be just like always, because it isn't. It's going to be different." ... In essence, it's pretty much going to be the same as it always was because we are in the driver's seat. ... but the culture and other things we do WILL change because of a merger. I don't know what they will be, or how they will be. But promising people nothing will change is not very wise, because even if it doesn't relate directly to the merger, things are changing every day.

(Firmco administrative employee, upper managerial level; interview)

Some of the employees I interviewed seemed a bit skeptical of the "Largeco shares our goals and will not change our culture" theme. In the video shown at the "Celebrating Our
New Vision” meeting, this perception was addressed by one member of the Strategic Advisory Group, speaking at the Cincinnati partners’ meeting where the business combination was approved: “Why did this fall into our lap and not into our competitors? Because good things happen to good people. I’m just convinced of it” (“Celebrating Our New Vision” video, 5/10/F1). A partner I interviewed expressed a little more skepticism, but also expressed confidence that things could be handled, despite how they ultimately turn out:

Largeco will either stay hands-off or they won’t. And if they don’t, then we’ll adapt to whatever they need, and if it becomes onerous, then we’ll go do something else. But you can’t change what may happen out in the future.

(Firmco accountant, partner level; interview)

Although none of the employees I spoke with doubted the partners’ sincerity in spreading the “Largeco shares our goals and will not change our culture” theme, some of them seemed to believe that this fantasy theme was a bit oversimplified and perhaps a bit too good to be true. As one managerial level administrative employee put it:

I’m a little skeptical (laugh). I think Largeco isn’t just going to give us all this money and say “Go do all this stuff, and good luck.” I mean, y’know, we need to make our numbers and we haven’t made them yet and so I’m a little skeptical that it all is going to stay rosy for very long. But for now, I mean, my life hasn’t changed at all. ... I’m hopeful, but I’m kind of skeptical, I guess.

(Firmco administrative employee, mid managerial level; interview)

Another employee expressed the concerns this way:

We HAVE to be financially successful. And that’s the name of the game. They didn’t buy us out of the goodness of their heart, and they’re going to expect a return on their investment. And I think a lot of people are concerned that if we don’t meet that expectation, then what?

(Firmco administrative employee, upper managerial level; interview)

In the interviews, some employees indicated to me that although they believed the partners were sincere in their belief that this business combination was good for Firmco, these employees believed the culture indeed would need to change. And it would need to change in fundamental ways other than those promoted in the early communications. For example, when asked what changes would be needed, one employee said:

I guess what I would like to see is more pulling together of the firm as one firm in their approach to marketing and growth and really DOING that in order to make their numbers. I think the firm needs to work to function more as one company as opposed to all these autonomous units. I would think it would need to change to pull together to establish a national brand in the marketplace and to achieve the kind of growth we need. Right now, decisions are made based on what’s best for particular economic units, and it may or may not be what’s best for the firm. And I think it causes problems.

(Firmco administrative employee, mid managerial level; interview)

Other employees expressed similar concerns about the effects the Largeco culture would have on Firmco’s operating style:
I think one challenge we face is trying to, and I’m starting to hear rumblings of this from partners, we’re trying to merge an entrepreneurial environment with a publicly traded company environment. And the mindsets of those two environments don’t merge quickly, I think. I think that’s going to be a challenge for them to get over. And I’m not sure how patient Largeco is going to be about getting there. Because it IS still a stock price issue and there is interest in the perception of the Wall Street environment.

(Firmco accountant, senior manager level; interview)

A partner I interviewed (from a different economic unit than the employee quoted immediately above) expressed similar concerns:

We’ve got to be VERY careful not to become a large corporate culture as opposed to a partnership culture. There’s a lot of caring and sharing that was in our culture of the past, and there’s a danger of losing that. I think Barry Dunleavy’s [Firmco’s CEO] last message basically said, “We’re now a public company, and we’d better hit our mark on profits, or we’re going to have a problem.” That’s obviously true. We’re a public company and the stock market’s watching and they expect us to hit some numbers. That could cause us to make some very bad decisions.

(accountant, partner level; interview)

In summary, the “Largeco shares our goals and will not change our culture” theme about Largeco being hands off and not affecting the firm’s culture was spread throughout Firmco. Based on my interviews, this theme seems to have been met with some skepticism from employees, but they seemed to take this theme in stride and tailor it to fit their own realities.

“Additional firms will be integrated into Firmco” (Firmco)

Another specific application of the “We WILL be able to come together successfully” theme for Firmco was the theme “Additional firms will be integrated into Firmco.” A key means of achieving Firmco’s vision of substantial growth was explained in the early communications as acquiring firms and merging them into Firmco’s culture, along with those firms already owned by Largeco.

The early communications promoted the “Additional firms will be integrated into Firmco” theme by explaining the growth strategy in very understandable terms. In a paragraph entitled “Getting acquainted with Largeco ‘foundation’ firms” in OMP Online, the first steps in implementing the growth strategy were explained as follows:

We’ve met with the managing partners of all of the firms Largeco has purchased to date, often referred to as the “foundation” firms. We shared information with them about who we are, our vision, services we offer, how we’re organized, our client service philosophy, and more. These meetings were designed to introduce them to us and vice versa. Our goal, of course, is to have them become part of Firmco and help us build the national accounting and consulting firm we envision. As you might imagine, there are still many details to resolve related to these firms and how we bring them into our organization. We’ll keep you posted on our progress.

(OMP Online, 5/F1)
Other brief progress updates promoting the “Additional firms will be integrated into Firmco” theme were also provided throughout the early communication process, as illustrated in this excerpt from *OMP Online* in a paragraph labeled “A Team Will be Focusing on Acquisitions and Transitions”:

Joe Smith will be organizing and leading the acquisition/transition phase of our strategy. He will oversee the transition of Largeco foundation firms into Firmco. ... We continue to hear from other firms interested in discussing our strategy. We will be exploring acquisitions with a variety of firms. ... Joe’s team will be busy for many months.

*(OMP Online, 9/F1)*

An article in the employee magazine also included a quote from Joe Smith about the integration:

One thing to remember about mergers and acquisitions is that they bring new blood, new people, and new ideas into an organization. Many people in our Firm are prime examples of this. They joined us as a result of mergers with other accounting and consulting firms. I’m looking forward to this experience as we blend new people into our organization.

*(Joe Smith, Firmco Senior Vice President-Mergers/Transition, quoted in “New strategy to position Firm as accounting industry leader” article in Firmco Expressions employee magazine, 10/F1)*

Although this quote carries forward the “Additional firms will be integrated into Firmco” theme, it does not provide any additional details about how the integration will be accomplished.

The specific challenges or difficulties that might be associated with implementing the “Additional firms will be integrated into Firmco” theme in reality were not addressed very frequently in the Firmco early communications. Interestingly, one of the most direct mentions of these challenges was made by Largeco’s CEO (Tony Mason) in the employee magazine:

Q: What are a few of the bigger challenges you see in successfully developing the leading national firm serving middle-market clients?
A: The single biggest challenge will be the successful integration of people into a common national practice. Each firm now has its own culture and has operated independently. The firms will need to operate as one with a shared vision, shared goals. Another challenge will be developing the ability to effectively cross sell the niche services of the member firms across a nationwide practice.

*(Largeco CEO Tony Mason, quoted in “Meet Largeco’s Tony Mason” article in Firmco Expressions employee magazine, 10/F1)*

As with the “Largeco shares our vision and will not change our culture” theme, some of the employees I interviewed also expressed some reservations about the “Additional firms will be integrated into Firmco” theme. They wondered about how the integration would be accomplished and the cultural effects it will have. A partner I interviewed expressed it this way:

Well, our goal is to merge in a whole lot of firms. ... So in five years, 80% of the people in the firm will have been with the firm less than five years. And that means there’s a whole cultural thing going on. And we need to figure out how to make that culture be what we want it to be and not what it could become, left to
its own. We need to control that direction and not let it happen. ... We have to PROACTIVELY go at. ... And it may be different. I mean, my vision of a culture would be different than what it has been. But what I'm trying to say is that if we don't actively lead it, it's going to end up someplace we don't want it to be, without a doubt.

(Firmco accountant, partner level; interview)

Although I did not have the opportunity to interview anyone actually working on the acquisition/integration efforts, some of the people I interviewed were indirectly involved with the process and indicated that it would indeed be a challenge. They believed they would be able to use their learnings from the Largeco/Firmco combination and other acquisitions made by Firmco in the past in order to facilitate the integrations of the firms that would join Firmco.

In summary, Firmco's early communications promoted the "Additional firms will be integrated into Firmco" theme by emphasizing that because of the business combination with Largeco, Firmco would have the resources to acquire many firms and grow very large quite rapidly. While most of the employees I interviewed seemed to participate in that theme, they also wondered about its execution. I did not notice any themes having developed among employees about how it would be executed, perhaps because they were still waiting for the rhetorical vision/reality link to be solidified.

"Get over us/them (NewSeeds)"

The NewSeeds situation required a much more specific emphasis on the "We WILL be able to come together successfully" theme because in contrast to Firmco where very few Firmco employees had any direct contact with Largeco, BestSeeds and GreatSeeds employees at all levels needed to prepare to begin working together as a combined entity. Based on the NewSeeds communications I examined, I identified three specific themes that were used to promote the "We WILL be able to come together successfully" theme, and I discuss them in this section and the two following sections.

The "Get over us/them" theme was used to indicate a significant barrier that would need to be overcome in order for the merger to succeed. This theme was articulated, for instance, in an interview with the former CEO of Bestco in the Newco Interaction newsletter:

What is required now is a constructive process of give-and-take as well as a conscious effort to get away from the attitude "We at Bestco" or "We at Newco."

(Former Bestco CEO, quoted in Newco Interaction newsletter, 10/N1)

The theme was also used in communications at NewSeeds. For example, in a Merger Update, NewSeeds CEO Gil Carney stated:

I hope you'll continue to express your differing points of view. ... This is not about whether BestSeeds' point of view prevails or NewSeeds’ perspective ends up on top. This is about making sure that NewSeeds is well-positioned to be the world's ... best seed company.

(Gil Carney, NewSeeds CEO, in Merger Update, 6/7/N1)
This theme was also used in the daily interactions at NewSeeds. One manager I interviewed recalled this theme working during specific meetings where practices and processes for NewSeeds were being discussed by groups made up of BestSeeds and GreatSeeds employees:

Over and over, Gil Carney emphasized the fact that we do things different than they do, they do things different than we do, and it depends who “THEY” are. He said, “The first thing you’ve got to get out of your language is ‘us’ and ‘them.’ BestSeeds did things one way, GreatSeeds did things another way, you get together and figure out whether maybe there’s a NEW way neither one of you thought of, that’s a combination of the two.” And so it was that trying to boil the synergies out of the situation rather than just trying to convince the other party you’re the best at what you do. And I think that DID help a lot. I think that did drive a lot of good discussion. ... I think probably in that first meeting in the training room, Gil Carney probably said something to that extent. And I think he reiterated it on lots of occasions. I think it was kind of a common theme when we got together and got in these PROTRACTED discussions on processes and he’d say, “Ok, that’s enough, we’ve got to stop saying ‘us-them’ and figure out what WE’RE going to do here combined.”
(NewSeeds manager; interview)

This quote illustrates how this “Get over us/them” theme gave rise to a symbolic cue that was used to drive the way people worked within the organization on a day to day basis. In fact, in my original contact with NewSeeds shortly after the merger, I spoke with two research scientists, one from BestSeeds and one from GreatSeeds who had just begun working in the same research station. In that initial interview, one of the scientists made the statement that “it’s still us and them,” and “we’re not we yet,” although they were “trying to get to there.”

Working to eliminate the “us/them” across the company was an important goal in the GreatSeeds/BestSeeds merger. Because these organizations had previously been competitors and had been used to competing against each other, they had been used to thinking in terms of us and them. The “us/them” symbolic cue was helpful in getting employees to remind themselves and each other that they needed to be “we” rather than “us” and “them.”

The enemy is not inside but outside (NewSeeds)

“The enemy is not inside but outside” fantasy theme, another theme used by NewSeeds to illustrate the overall “We WILL be able to come together successfully” theme originated in Newco (NewSeeds’ parent) and appeared in the communications coming from Newco. For example, a Merger Update report telling GreatSeeds employees about a visit by the Newco executive in charge of NewSeeds’ division to GreatSeeds’ headquarters stated:

[The Newco executive in charge of NewSeeds’ division] closed the meeting by saying—again—how excited he was about the prospects and he hoped we were too. He urged us to forget the past and forge a new and better company with the understanding that the “enemy” is not within—but outside.
(Merger Update, 5/3/N1)
The "The enemy is not inside but outside" theme was spread into NewSeeds as CEO Gil Carney used it in his communications to employees, as this Merger Update excerpt illustrates:

This is not about whether BestSeeds' point of view prevails or GreatSeeds' perspective ends up on top. This is about making sure that NewSeeds is well-positioned to be the world's second largest— and best—seed company. Remember what [the leaders of Newco] have said in their communications: The enemy is not inside— but outside. (Merger Update, 6/7/NI)

Although I do not have examples of all the instances of this fantasy theme being used, based on my interviews, and the excerpt immediately above, the "The enemy is not inside but outside" theme was articulated in many ways throughout the early communications of both Greatco and Bestco, and well as in GreatSeeds and BestSeeds. In this way, the communications of Newco and NewSeeds were able to function intertextually in chaining the fantasy themes throughout the various levels of the organization. Several NewSeeds employees I spoke with found the "The enemy is not inside but outside" theme to be useful as they tried to work together with their former competitors, as this employee commented:

"The enemy is not inside, but outside"? I thought that was really good. That helped focus a LOT of people. And "enemy" is maybe even a hard word. Should say the COMPETITOR is not inside but outside. What that helps you do, I thought that was REAL positive. It's a matter of critical focus. Let's not shoot each other. (NewSeeds research scientist and upper level manager; interview)

Develop hybrid vigor (NewSeeds)

Some fantasy themes were not company wide, but were used more locally. One of the research scientists I interviewed gave the example of a theme used to support the "We WILL be able to come together successfully" theme in a localized fashion. He explained how he used the "Develop hybrid vigor" theme with the group of employees he managed:

I used the term "hybrid vigor," and it comes from being a breeder/ geneticist. If you cross two inbred plants, you get a hybrid that's bigger and better than the two parents were alone. So we tended to use that "hybrid vigor" in terms of thinking about people, about processes, and about germplasm. The basics that we had for R&D. And we had the opportunities for hybrid vigor in all three of those. I had a slide I frequently used that had that on it. Again, it's a rallying statement. It's an obvious statement to most people in science (laugh). I'd used pretty much the same slide when we had a merger with another company back in 1987. So, y'know, it just carried over (laugh). (NewSeeds research scientist and upper level manager; interview)

Here is an example of the use of the "Develop hybrid vigor" theme, as used in a memo the manager wrote to his staff shortly after the initial merger announcement:
It will make us a much more powerful force in the seed business. But how the opportunity is managed can mean the difference between a successful "hybrid" and one that doesn’t emerge, grow, yield, and stand on its own. ("An 8-legged cat" memo, 3/19/NL)

This example illustrates how localized symbolic cues can often have meaning to smaller groups of employees and subcultures. In this example, this symbolic cue appealed to the subculture of researchers and geneticists. This example also illustrates how symbolic cues can be used in different merger/acquisition situations, thus becoming fantasy types, or genres. They may not be recognized as fantasy types by those involved, however, because even though the situations contain similar elements, different people are involved at different times.

Rhetorical Challenge: Addressing Emotions

In Chapter 2, I discussed emotions commonly experienced by employees in mergers and acquisitions. In this section, I describe the fantasy themes pertaining to the rhetorical challenge of addressing these emotions. In my fantasy theme analysis of the early communications of Firmco and NewSeeds, I identified three fantasy themes dealing with emotions: "We understand your emotions and we appreciate your efforts," "This is exciting!" and "This provides opportunity!"

"We understand your emotions and we appreciate your efforts"

As I discussed in Chapter 2, some of the common emotions employees may experience in the early stages of a merger or acquisition include stress/anxiety, grief/loss, anger/hostility, and fear. Marks and Mirvis (1992) use the term "merger syndrome" to refer to the negative emotions and stress reactions that many employees commonly experience during a merger or acquisition. Additionally, as Lazarus and Folkman (1985) explain, individuals also have differing emotional responses to the same situation.

In my fantasy theme analysis of the early communications of Firmco and NewSeeds, I found that one of the themes that was conveyed by management in these communications was "We understand your emotions and we appreciate your efforts." The purpose of this theme was to convey that management was aware that employees were experiencing a variety of emotions, many of which were unpleasant, and to uplift employees’ spirits and encourage them to continue through the challenging and sometimes difficult early stages of the merger or acquisition. I first discuss how the "We understand your emotions and we appreciate your efforts" theme was employed in the early communications of Firmco, and then I discuss its application in the NewSeeds communications.

"We understand your emotions and we appreciate your efforts" (Firmco)

In Firmco, the first firmwide communication in which the "We understand your emotions and we appreciate your efforts" theme appeared was the "Celebrating Our New
Vision" meeting that was held approximately a week after the business combination was approved by Firmco partners at the Cincinnati partners’ meeting. In the “Celebrating Our New Vision” meeting, many of the negative “merger syndrome” emotions that employees might be experiencing were acknowledged in a section of the slide presentation dealing with change. The slide presentation described a five-stage J-Shaped change model that everyone was expected to move through and the emotions associated with each stage (the model was illustrated by a “J curve” with stage 1 at the left side of the J, stage 3 at the bottom, and stage 5 at the top):

- **Stage 1 (left side of J) “Static Quo”**: fear, anxiety and anger
- **Stage 2 “Taking the Plunge”**: fear; grief/loss; longing for the past
- **Stage 3 (bottom of J) “Bottoms Out”**: uncertainty and relief
- **Stage 4 “Gaining Control”**: pleasure, confidence, optimism
- **Stage 5 (top of J) “Mastery”:** satisfaction with achievement and desire to improve even more

(summary of “J curve” as presented in “Celebrating Our New Vision” slide presentation)

This presentation of the “J Curve” illustrated that Firmco management understood the emotions that employees would be experiencing in the early stages of the business combination process. These stages were also taken into account in preparing the early communications. Firmco management understood that different employees would interpret the communications differently, depending on their stage in the change process. In the “Celebrating Our New Vision” slide presentation, after the “J Curve” was discussed, there was a slide entitled “Coping with change” that stated “Learning how to view and manage change is possibly the most important change you can make.” (“Celebrating Our New Vision” slide presentation). Additionally, the following slide offered encouragement and assurance that management realized employees were facing emotional challenges and expressed the firm’s commitment to addressing employees’ concerns (see Figure 3). By devoting a significant amount of time

<table>
<thead>
<tr>
<th>The Firm’s commitment &amp; challenge to you</th>
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<tbody>
<tr>
<td><strong>Challenge:</strong></td>
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<tr>
<td>» Help us address concerns through proper channels</td>
</tr>
<tr>
<td>» Remain positive and focused</td>
</tr>
<tr>
<td>» Keep the faith!</td>
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<tr>
<td><strong>Commitment:</strong></td>
</tr>
<tr>
<td>» Proactive your needs</td>
</tr>
<tr>
<td>» Communicate as soon as we can</td>
</tr>
<tr>
<td>» This is a tremendous opportunity!</td>
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</tbody>
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Figure 3: Firm’s commitment & challenge slide from Firmco “Celebrating Our New Vision” slide presentation
to discussing emotions and describing management's commitment to be responsive to employees' needs, the "Celebrating Our New Vision" presentation began the process of spreading the "We understand your emotions and appreciate your effort" theme.

The "We understand your emotions and appreciate your effort" theme was also evident throughout the other Firmco early communications I examined. For example, Firmco CEO Barry Dunleavy expressed an understanding of employees' emotions in the OMP Online newsletter. In the first OMP Online issued after the partners agreed to the business combination, Dunleavy wrote:

It's only been two weeks since employee meetings were held firmwide to share our new strategic vision and information about our proposed business combination with Largeco. However, when you're in the midst of a major change, a couple of weeks can seem like months, especially when you still have a lot of questions. So here is an update. ...

(Firmco CEO Barry Dunleavy, in OMP Online, 5/F1)

In the following example, also from OMP Online, Dunleavy carries the "We understand your emotions" theme forward and employs intertextuality by referring back to the points made in the presentation of the "J curve" change process during the "Celebrating Our New Vision" meetings held in each economic unit:

You're probably all tired of the word "change" and hearing lectures about how to deal with change. However, I want to emphasize a point that was made during the employee meetings back in early March. Some people deal with change differently. Some accept it more readily than others. People who have difficulty dealing with change are often afraid and their fears are often reflected in negative thoughts and expressions. They feel reassured if they can influence others to their way of thinking. ...

Those of us who accept change more readily need to be patient with those who don't. And, we must continue to work hard to increase everyone's understanding of the wonderful opportunity we have before us. It's scary when you're breaking new ground, but it's also tremendously exciting and rewarding.

(Firmco CEO Barry Dunleavy, in OMP Online, 9/F1)

In addition to statements such as the preceding excerpts from OMP Online, Firmco CEO Barry Dunleavy addressed the "We understand your emotions" theme in other employee communications as well. For example, in the following excerpt from the employee magazine, Dunleavy's remarks seem to refer to fantasy themes that many people have about mergers and acquisitions in general:

Unfortunately, when people think of a business combination, some tend to be automatically apprehensive. It's only natural. However, I want to reemphasize that this business combination is a positive move for our employees and clients.

(Firmco CEO Barry Dunleavy, in article in Firmco Expressions employee magazine, 10/F1)
The “We understand your emotions” theme was spread at the local office levels as well as the firmwide level. Although I did not have access to specific data regarding turnover, I was told by some of the partners and administrative employees that I interviewed that some Firmco economic units had much higher turnover right after the business combination than did others. Although, as these employees pointed out, many factors go into determining why employees choose to leave the firm, one of those contributing factors may have been that some offices had stronger “fear” fantasy themes spreading among employees, and these “fear” themes overrode to some degree the “We understand your emotions and appreciate your efforts” themes Firmco leaders were spreading in the firmwide early communications.

In one of the economic units I visited, I was told of an example where employees’ “fear” fantasy themes were harnessed before getting out of control. In this economic unit, two partners left the firm shortly after the merger was finalized. Because it is relatively unusual for partners to leave the firm prior to retirement (and especially unusual for two partners to leave at roughly the same time), this situation could have caused “fear” fantasy themes to chain out quickly among employees. The partner in charge of this economic unit explained the situation to me as follows:

There was a lot of fear from the staff that all the partners were just going to be OUT of here. And when two of them left within a month after the merger date, there was some reinforcement of that thought process.

(Firmco accountant, partner level; interview)

To address this situation, this partner acted proactively to avert “fear” fantasy themes from spreading throughout the economic unit by sending out an email explaining the situation and addressing the employees’ concern, as he worded it, of “Are the rats leaving the ship?” In this excerpt from the email he sent, the partner expressed to employees his empathy regarding the symbolism the leaving of the two partners could provide, thus illustrating the “We understand your emotions” theme:

The fact is the timing of these [partners’ departure] is unfortunate—in fact, terrible. No matter what the real reasons, the appearance created by two partners leaving so close to the Largeco closing is not good. My biggest concern is that YOU read something into this situation that isn’t there. I assure you that I, for one, sincerely believe that we are on the right track and we will achieve our goal of becoming the nation’s largest provider of professional services to the middle market.

(“Change Happens” email, 10/31/F1)

This partner continued to express the “We understand your emotions” theme in the close of the email:

This is a lot of change at a time when we are frustrated by the procedures required by the merger. It is normal to feel anxiety. Please do not hesitate to contact me if you want to talk about how you are feeling. We have been through
other periods of high anxiety and I am certain that within a year the frustrating procedures will fall into workable routines, the holes left by the people leaving will be filled, and the anxiety will give way to excitement about the future, i.e., we will survive and prosper.

("Change Happens" email, 10/31/F1)

Another way that the "We understand your emotions" theme was spread throughout Firmco was by individuals in positions of leadership acknowledging that they initially experienced some of the same emotions employees were currently experiencing, such as fear, anxiety, and sadness. In the video shown at the "Celebrating Our New Vision" meeting, one of the Strategic Advisory Group members was shown speaking briefly of sadness he felt during the process of determining a course of action for Firmco:

There was a lot of pain and a lot of sorrow that you go through in that process. It was just remarkable. There were times when I left those sessions so elated, so optimistic about the future because things were starting to gel. Then we'd have a session where we'd get real analytical about what our strengths, and perhaps even more so our weaknesses were, and you'd just walk out of those meetings just depressed, saying "How did we get here?"

(Strategic Advisory Group member speaking at Cincinnati partners meeting, shown in "Celebrating Our New Vision" video)

Another one of the Strategic Advisory Group members also expressed some fear, coupled with confidence in the decision:

I'm more afraid of us surviving the long term the way we are now than I am afraid of the changes that lay ahead of us. We've got to do it.

(Strategic Advisory Group member speaking at Cincinnati partners meeting, shown in "Celebrating Our New Vision" video)

Because I found few other examples of leaders expressing their initial negative emotions about the business combination, my sense is that this way of carrying forward the "We understand your emotions" theme was dealt with more personally, in one-on-one or in small group settings rather than in print. For example, in the presentation of the "J Curve" change process and the associated emotions, the partner presenting the Green economic unit's "Celebrating Our New Vision" meeting that I saw on videotape stated, "I went through it too" (partner in charge of Green economic unit, speaking in videotape of Green economic unit's "Celebrating Our New Vision" meeting, 510/F1). This statement indicated that not only did this partner expect employees to have emotions such as fear and anxiety, he had initially had them himself.

Another way that Firmco employed the "We understand your emotions and we appreciate your efforts" theme was by frequently expressing thanks and appreciation. The first expression of the "we appreciate your efforts" part of the theme was in the "Celebrating Our New Vision" meeting. In the video shown during that meeting, Firmco CEO Barry Dunleavy stated:
To all of our people, I’d like to say thanks for all of your efforts in getting our firm to where it is right now and in a position to take it to the next level. We’re going to need all of you and more to be able to make our positioning happen.

(Barry Dunleavy, Firmco CEO, speaking in “Celebrating Our New Vision” video)

Additionally, in the slide presentation shown in the meeting, one of the slides included the heading “Firmco partners say thanks!” (“Celebrating Our New Vision” slide presentation) and described a special pay and vacation bonus that would be given to those employed by Firmco at the time of the business combination.

Dunleavy continued to reiterate the “we appreciate your efforts” theme in his firmwide communications, illustrated by these examples from the OMP Online electronic newsletter:

Thanks for giving it your best through the recent very busy time! (in bold and italics)

(Barry Dunleavy, Firmco CEO, OMP Online, 6/F1)

In closing, I’d like to thank you all again for your continued patience and support.

(Barry Dunleavy, Firmco CEO, OMP Online, 9/F1)

Dunleavy also expressed thanks in an article in Firmco’s employee magazine:

In short, I’d like to congratulate everyone on being a part of this historic change in our Firm. I’d also like to thank everyone for hanging in there during the lengthy period of uncertainty and providing so much constructive feedback.

(Barry Dunleavy, Firmco CEO, in article in Firmco Expressions employee magazine, 10/F1)

While Dunleavy spread the “we appreciate your efforts” theme to employees firmwide, managers at local levels did the same. Much of this communication, however, was done in meetings with individuals and small groups. Some of the partners and human resources specialists I interviewed explained how they met with employees individually or in small groups to address their concerns and reassure them that they were valued employees and they appreciated their efforts. Additionally, just as the firmwide bonuses were given to express the “thanks and appreciation” theme on a firmwide level, symbolic evidence of the theme occurred at local levels as well. For example, a partner I interviewed pointed out that larger-than-usual raises were given in the review period immediately after the business combination was finalized.

Employees I spoke with indicated that there was a significant amount of fear when the initial announcement of merger talks came up, and much of this was due to prior negative fantasy themes many employees carried about mergers, such as “Mergers and acquisitions mean layoffs.” Several of the employees I interviewed commented that more efforts might have been made to head off some of the fear employees immediately experienced, and thus prevent these “fear” fantasy themes from spreading further. Some employees suggested that “fear”
fantasy themes might have been further prevented if the initial announcement of merger talks had been handled a bit differently:

But when they first sent out the email, y’know, the first couple of notices just to inform us that they were looking at this joint venture, I think people kind of got scared. If there was something they could do or say, even in that initial point, so that people aren’t AROUSED and begin to start harnessing fear about the whole situation, that would be helpful.

(Firmco administrative employee, professional level; interview)

Although the “Celebrating Our New Vision” meeting was designed to alleviate fear, employees suggested that this process might have been started a bit sooner. Even though there was only approximately two weeks between the initial announcement of talks and the “Celebrating Our New Vision” meeting, that was significant time for “fear” themes to spread, which in turn might have made it more difficult for the “We understand your emotions and we appreciate your efforts” theme to gain widespread acceptance. The comments of some employees I interviewed indicated that, for them, the “fear” themes overrode the “We understand your emotions and we appreciate your efforts” theme, as the remarks of this employee indicate:

We got a lot of the “you’re a valued employee”, and y’know, depending on your level, that’s going to make you feel good and reassured to some degree, but just because “I’m a valued employee,” does that mean that I’m still going to have a job next month? (laugh).

(Firmco administrative employee, professional level; interview)

However, most of the employees I interviewed viewed the bonus as a very positive sign that helped enhance acceptance of the “We understand your emotions and we appreciate your efforts” theme:

I thought it was a very nice gesture. I think people appreciated the merger a little bit more after that. And also I think employees are always motivated by vacation time and money too. It always makes you feel better.

(Firmco administrative employee, professional level; interview)

The preceding comment illustrates that themes such as “We understand your emotions and we appreciate your efforts” need to be supported by actions to ultimately really be widely accepted.

The main essence of the rhetorical strategies used by Firmco to address the “We understand your emotions and we appreciate your efforts” theme was to acknowledge that negative and painful emotions were present, acknowledge that everyone (including leaders) experienced them in differing degrees, and offer reassurances and appreciation. In the cases of some economic units or individuals, this theme may have had more difficulty spreading because it was dominated by “fear” themes stemming from themes such as “Mergers and acquisitions mean layoffs” that employees brought to this experience from past experiences.
"We understand your emotions and we appreciate your efforts" (NewSeeds)

The "We understand your emotions and we appreciate your efforts" theme was also evident in the NewSeeds early communications. NewSeeds CEO Gil Carney (who was the CEO of GreatSeeds prior to the merger) acknowledged employee anxiety about the merger in his initial statement the day the merger was announced (this statement was given live to employees at GreatSeeds headquarters and distributed by fax and voicemail to other locations):

Early this morning, I learned of the proposed merger between Bestco and Greatco and the creation of a new company, Newco. I know you will have many questions about what this means to NewSeeds and perhaps some anxiety.

("Statement of Gil Carney, CEO of GreatSeeds, on the merger of Bestco and Greatco," 3/7/N1)

Gil Carney also expressed the "We understand your emotions and we appreciate your efforts" theme in his weekly "Merger Updates," as these examples illustrate:

I also know that the "up in the air" nature of this merger is stressful and I appreciate the fact that you're carrying out your work in a professional, upbeat manner.

(Gil Carney, in Merger Update, 4/19/N1)

I just want you to know that I'm very well aware that the waiting is stressful and frustrating and—for the moment—about all I can say is "Thanks for being so cooperative and patient."

(Gil Carney, in Merger Update, 6/7/N1)

In a Merger Update issued prior to the Thanksgiving holiday, Carney announced a bonus of additional days off after the Christmas holidays. Although Carney expressed the "We understand your emotions and we appreciate your efforts" theme in his announcement, the additional vacation time itself was also a symbolic expression of the theme:

Formal approval of the Newco merger is probably going to happen sometime in early December. ... The Executive Team has talked a lot about how to say "Thank you" for your patience and cooperation and really good work in the last nine months. We came up with a gift of time. You've all put in extra hours and extra effort, so GreatSeeds would like to partially repay your terrific efforts by giving you the two days after Christmas off. ... Finally, it's Thanksgiving time, and I want you to know that I have a lot to be thankful for. First, there's your hard work during this incredibly chaotic year. It really looks like we're going to start the new year as an exciting new company.

(Gil Carney, NewSeeds CEO, in Merger Update, 11/16/N1)

The "We understand your emotions and we appreciate your efforts" theme was expressed in other ways as well. For example, the president elect of Newco (who was president of Greatco prior to the merger) often mentioned the theme in his communications to Greatco employees during the difficult waiting period prior to the merger. For example, this excerpt comes from an email/fax sent by the president elect of Newco to Greatco employees:
These last few weeks have been difficult ones as we strive to drive the business and manage our integration. I hear from so many of you about the scope and breadth of your individual efforts, the magnitude of the organization and planning activities in which you are involved and the long hours dedicated to our evaluation and planning process. We are progressing at a rapid pace and it is due to the persistence and attention you have all brought to your integration assignments.

(Newco president designate, email/fax to all Greatco employees, 7/18/N1)

The “We understand your emotions and we appreciate your efforts” theme was also evident in the Newco Interaction newsletters. As an example, the president designate of Newco wrote about the frustrations that he realized everyone was experiencing in waiting for the merger to be approved by regulatory agencies:

In our daily lives, we experience situations where we have to wait, standing in line to buy a train ticket, enduring plane and airport delays, surrounded by crowds in a shop. These frustrations often make us impatient or even angry, especially when we do not know the reason and cannot control the events. Today, we often feel upset and restless if we cannot move as quickly as we would like. So it is no wonder that we are distressed over the extended waiting period for FTC approval, especially after having moved forward so rapidly and with much energy and personal sacrifice to finish our merger planning process. ... I hope you will focus your attention on helping us realize our short-term results, and thank you for your ongoing efforts and dedication to Newco.

(Newco president designate, “President’s Corner: The Waiting Period,” Newco Interaction newsletter, 11/N1)

Even after the merger was finalized, the leaders continued the “We understand your emotions and we appreciate your efforts” theme. This excerpt comes from a letter from the two top leaders of Newco to all Newco employees, announcing the approval of the Newco merger by all required regulatory bodies:

During the recent months, you worked long hours and weekends, showing commitment, dedication, and enthusiasm in designing our new company, its structures and working processes. You kept up the business performance and did so despite all uncertainties. This deserves respect and deep gratitude. Please extend our thanks to your families. Without their support we could never reach our ambitious objectives.

(Letter from the Newco president and the chairman of the board announcing finalization of the Bestco-Greatco merger, 12/17/N1)

General articles in employee newsletters specifically recognizing the difficult emotions employees were experiencing were another means by which the “We understand your emotions and we appreciate your efforts” theme was spread. For example, an article called “Help! We’ve been mergerized!” in a GreatSeeds employee newsletter issued prior to the finalization of the merger acknowledged the emotions and challenges employees were facing and offered ten suggestions for coping with a merger (Growing Points newsletter, 10/N1).

Another article, issued during the integration phase, was called “Feeling Froggy” and told the
story of how if a frog is placed in water that is gradually raised in temperature to boiling, it will boil to death before it jumps out. The point of the story was that stress can creep up on employees without their knowing it. This article also presented the 3D’s of stress management: detach, dream, and discernment (Growing Points newsletter, 3/N2).

In order to effectively address emotions on a local level, individual managers developed and circulated fantasy themes that were meaningful to specific groups of employees. One of the upper level managers I interviewed shared a memo that he issued to his employee group shortly after the merger announcement to address anxieties. The memo was called “An 8-legged cat” and included a story relating to the manager’s family. He described how the evening of the merger announcement as his family was discussing the possible ramifications of the merger, his teenage daughter talked about how she was going to someday get pet cats and name them Bestco and Greatco. The next day, the manager’s ten-year-old son told him of a nightmare he’d had that night involving a two-headed cat with eight legs (resulting from the merger of the feline Bestco and Greatco). This memo established the symbolic cue of the “eight-legged cat” to refer to the new entity and said that “I think we’ve all had some of those “cat dreams” in the last 10 days” (“An 8-legged cat” memo, 3/19/N1). In my interview with this manager, he explained his reasoning behind issuing the “8-legged cat” memo:

This was my attempt to try to deal with rumors that my staff were hearing and concerned with. And it was an attempt to lighten the mood a little bit because obviously a merger draws a lot of stress out of people and it’s a tough time and everything.

(NewSeeds research scientist and upper level manager; interview)

Throughout the merger process, this manager issued similar types of memos periodically. For example, another memo contained the subject line “I’m too busy to read this stupid memo” and it acknowledged the stress that employees were facing and listed several specific causes as well as several specific ways of reducing the stress (“I’m too busy to read this stupid memo” memo, 4/28/N2). The manager who issued this memo explained his reasoning behind it to me in an interview:

I try to relate to how people are FEELING and try to deal a lot with empathizing with people’s thought process, and try to at least not disagree with their thought process, but [also] keep them focused on what they’re doing, while at the same time understand that a lot of other people are worried too, and a lot of people are doing a lot of work to bring about the integration and the merger. So memos like these were mainly to acknowledge that “Hey, I’m thinking about what they’re going through” as well.

(NewSeeds research scientist and upper level manager; interview)

In other words, this manager was making an effort to chain the “We understand your emotions and we appreciate your efforts” theme within his work group.
The employees I spoke with responded most favorably to the strategies for communicating the “We understand your emotions and we appreciate your efforts” theme that were supported by tangible actions. For example, one of the employees I interviewed spoke very favorably of the company sending all employees flowers at Christmas the year the merger was finalized: “It told everybody that we’d been through kind of an uncertain time, and it was a nice gesture” (NewSeeds research scientist and upper level manager; interview).

The employees were the most critical of the expressions of the “We understand your emotions and we appreciate your efforts” theme in some of the communications of Newco executives. Even though the communications themselves expressed empathy about the difficult emotions, employees believed these executives were too far away from the actual work to really understand. One employee described one of the communications he received from Newco as follows:

We get this worldwide newsletter from Newco, and they were discussing this merger with the president and he said, “Yeah, I know this has been a tough time and everybody’s been working real hard and everything, and y’know, I think that in about two years it will let up some” (laugh). And everybody was like, “Oh, that’s good” (laugh). “Ok, if that’s how long it takes, I don’t know if I want to be here.” (NewSeeds manager, interview)

This employee further discussed how expressions of concern and understanding by far-removed executives (such as the executive quoted in the newsletter article he referred to) can affect employees:

That quote was discussed amongst us quite diligently at the time. Yes. It was like, “Buddy, (laugh) if you think we’re gonna keep THIS up for two years, YOU better come talk to us.” Personally what upset me was his sort of dismissal attitude about the level of activity and work we were doing at the time. Because anybody who thought that we could keep that up for two years was crazy. I just couldn’t believe that somebody actually printed that, y’know, that somebody looked at that and said, “Well, that’s a good thing to tell them.” (NewSeeds manager; interview)

The employees I interviewed indicated that although they generally glanced through the newsletters from Newco, they did not take the content quite as seriously as they did other, more local, communications (such as the “8-legged cat” memo or the Merger Updates, for example).

The important point to be gleaned from the employee responses with respect to the “We understand your emotions and we appreciate your efforts” theme is that simply iterating the theme is not enough; it must be supported by actions. In addition, when the theme is used, in order for it to be believable it should express a true understanding of the events and emotions the employees are actually experiencing.
"This is exciting!"

The literature reviewed in Chapter 2 did not mention excitement as an emotion that employees often experience in mergers and acquisitions. Yet in reviewing the early communications of both research sites, I found many instances of managers expressing their excitement. Arguably, the "This is exciting!" theme is promoted because employees are not naturally excited by mergers and acquisitions (in fact, they often feel the opposite). Therefore, management needs to attempt to generate this enthusiasm by using the "This is exciting!" theme to help employees believe that the merger/acquisition will be a positive experience and something they will want to participate in and possibly even be willing to make sacrifices for.

In examining the early communications of Firmco and NewSeeds, I noticed several instances of management emphasizing their excitement about the situation. Below, I discuss the use of the "This is exciting!" theme in each situation.

"This is exciting!" (Firmco)

The "This is exciting!" theme was expressed in Firmco in many different ways and mediums and by many different individuals. The first mention of the "This is exciting!" theme was in the initial email to employees announcing the talks with Largeco:

We are very excited about Largeco's desire to develop a leading financial services firm serving owner-managed, entrepreneurial firms. Largeco is very interested in Firmco's ability to build a national middle-market accounting and consulting business.

(Barry Dunleavy, Firmco CEO, email announcing merger talks, 4/24/F1)

The "This is exciting!" theme was also promoted in the next major firmwide communication with employees, the "Celebrating Our New Vision" meeting. The video shown in that meeting included the members of the Strategic Advisory Group expressing their enthusiasm at the partners' meeting in which the business combination was voted on and approved. Here are excerpts from two of the Strategic Advisory Group members' statements made at the Cincinnati partners meeting, which were shown in the video shown during the "Celebrating Our New Vision" meeting:

The thought of going out five years and being recognized in the marketplace as Firmco instead of Firmwho? is what is truly exciting to me. And would be a legacy to me. If I could be a little piece of that for all of the young people in our organization, in a heartbeat, I'd give up everything else to get there.

(Strategic Advisory Group member, shown speaking at Cincinnati partners meeting, in "Celebrating Our New Vision" video)

I can recall so may times listening to our strategy team saying "Well, let's wait and see what happens, and if it works, we'll follow along." This time we are taking the lead. I find that exceptionally exciting.

(Strategic Advisory Group member, shown speaking at Cincinnati partners meeting, in "Celebrating Our New Vision" video)
Additionally, Firmco CEO Barry Dunleavy appeared in the “Celebrating Our New Vision” video. His comments also promoted the “This is exciting!” theme:

I think our employees will be every bit as excited as our partners are as they learn about our positioning and how this combination helps us get to that positioning. We are a firm on the move. We are going to become THE leading firm serving our segments throughout the United States.

(Barry Dunleavy, Firmco CEO, speaking in “Celebrating Our New Vision” video)

The presentation by local management at the “Celebrating Our New Vision” meeting was also an important part of spreading the “This is exciting!” theme. In the tape of the Green economic unit’s meeting that I viewed, the partner who led the meeting expressed the “This is exciting!” theme as follows:

The most exciting thing to me today is that the organization looked deeply at itself and what it took to be successful and said, “We can be more successful if we go out and lead the industry. There’s a clear window of opportunity.”

(Partner in charge of Green economic unit, speaking in “Celebrating Our New Vision” meeting, videotape of Green economic unit’s meeting, 5/10/F1)

Because each economic unit conducted its own “Celebrating Our New Vision” meeting, the ways the “This is exciting!” theme was expressed in these meetings were different across the firm. For example, the following comments from one of the partners I interviewed illustrate how the “This is exciting!” theme came through in another meeting site:

It was more the one-on-one interaction that turned the corner. I mean, [the video and slide presentation] were a good segue to get the individual conversation going. So I think the video was effective. I think it was effective, not so much WHAT Barry [the CEO] said, but that he was PUMPED UP about it. Y’know, “We’re excited, we’re ready, dah dah dah dah.” And after the presentation, the individual partners in our office took turns getting up and talking about why we were excited. So I think it was the combination of the two. Very effective.

(Firmco accountant, partner level; interview)

After the “Celebrating Our New Vision” meeting, the “This is exciting!” theme came through in many other communications as well. The firmwide “Living Large” event was designed to generate enthusiasm about the business combination, as this email reminder for employees to participate in it illustrates:

Now that the official announcement regarding the Firmco/Largeco business combination has been made, we can all begin to gear up for an exciting time of change and growth.

(Follow up email to employees about Living Large event, 10/F1)

The “This is exciting!” theme was also mentioned in more routine communications. For example, the biweekly employee newsbulletin stated:
Several benefits enhancements were approved at the Firmwide Management Team meeting last week, including exciting changes in our retirement and vacation benefit plans.

(“Firmup biweekly online news bulletin, 10/22/F1)

The “This is exciting!” theme was then reinforced in another firmwide event, the “Ready for Takeoff” meetings which were held firmwide two to three months after the business combination was finalized to further explain the new benefits and the firm’s new direction. The “This is exciting!” theme was mentioned by the narrator at the beginning of the video shown during the “Ready for Takeoff” meetings:

Welcome to what promises to be an exciting journey. Today’s meeting is all about our people and the firm’s commitment to making this a great place to work and to grow professionally. … Members of the firm’s senior management team will share their thoughts and enthusiasm about the firm’s new people philosophy and why this is a great time to be a part of this firm.

(“Ready for Takeoff” video, 12/F1)

As the preceding statement indicates, several of the firm’s top leaders appeared in the video and expressed the “This is exciting!” theme. For example, the Firmco partner in charge of human resources was shown in the “Ready for Takeoff” video stating:

I’m enthused about our momentum. We are on a plane that has left the runway and are definitely on a journey. A journey that has a destination, but the journey is the most important piece.

(Firmco partner in charge of human resources, speaking in “Ready for Takeoff” video, 12/F1)

Firmco CEO Barry Dunleavy’s comments in the “Ready for Takeoff” video also promote the “This is exciting!” theme:

There is only one way that we are going to be able to become the best CPA and consulting firm serving the middle market the United States and that is that if we can excite you and interest you in staying with our business for a long time to serve those clients. And that is exactly what we’re about with all our processes, starting now.

(Firmco CEO Barry Dunleavy, speaking in “Ready for Takeoff” video, 12/F1)

As in the “Celebrating Our New Vision” meeting, the video was supplemented by a local presentation, where local leaders again had the opportunity to publicly build excitement.

The employees I interviewed expressed differing levels of buy-in to the “This is exciting!” theme. Some employees shared in the excitement about the business combination:

I just think it is a wonderful thing for the firm and I think it’s really exciting and I thought that from day one when I heard the news. Certainly I thought, “Oh my gosh, is this going to create a lot of challenge!” (laugh) And that has come true. Um, but, nothing that we couldn’t rise to the occasion.

(Firmco administrative employee, mid managerial level; interview)
Another employee who was initially excited about the business combination seemed to be drawing from a fantasy theme based on a merger he or she had recently gone through with another employer (this employee's carryover fantasy theme contrasts to the more common "Mergers and acquisitions mean layoffs" theme that many other employees had developed based on past experiences and knowledge):

When I first heard about it, I laughed because I just came from a merger (laugh). And so I chuckled. From my very personal perspective. And I said, "Here we go again" (laugh). And it didn't bother me at all. But that's because of ME, and I'm a person who embraces opportunity, and I thought, "What a great opportunity! Now I can be at a national level, watching this, helping it along." So I wasn't concerned in the least about that. (Firmco administrative employee, mid managerial level; interview)

Other employees, although they were not immediately excited about the business combination, began to get excited over time, as these comments illustrate:

When that initial email came out, I was like, "What in the world?" (laugh). But from my standpoint, I think I understand it even better than I think a lot of the other people do, because I'm directly involved with marketing it externally as well as internally. And, to me, it's kind of an exciting prospect to think about where this firm can really go. And where this practice in [this city] can go. (Firmco administrative employee, professional level; interview)

I was very skeptical when I first heard about it, and I think that just goes with anything, with the unknown. You never know what's gonna happen, and you still don't. But ... now that I've seen what's gone on, and I see where I think we're gonna head, I think it's great. And I think it's probably the best thing that could have happened to Firmco. (Firmco accountant, advanced staff level; interview)

These responses illustrate how emotions can change over time, which indicates that the "This is exciting!" theme was chaining out.

Another interesting point to make at this juncture pertains to the ways that themes may be interpreted differently in different professional subcultures of the firm. Note that of the four preceding quotes about enthusiasm, only one of them is from an accountant, and even though that quote expresses enthusiasm, there is still a very conservative tone to it. This skeptical tone was typical of many of the accountants I interviewed. One of the reasons for this skepticism may be that accountants, because of their training, are in general more skeptical than employees specializing in other areas, such as human resources or marketing, that are more focused on generating optimism, rather than skepticism.

Many other employees indicated that although they may have initially been somewhat skeptical of the business combination, they were now neutral—even though they did not totally buy into the "This is exciting!" theme, as the following comments illustrate:
I think, at least, as of now, I don’t know that I’ve seen any changes that prevent me from saying that so far it hasn’t been a bad thing. I can’t say that it’s a good thing, but it’s not a bad thing. Nothing’s gotten worse because of it. So I guess from that standpoint, things are at least looking positive. I can’t project them out going forward.

(Firmco accountant, manager level; interview)

As far as NOW, with what we know about what is happening, for me, anymore, it’s a non-event. I mean, other than the little hassles you have to deal with as far as letterhead and that kind of stuff. On a day-to-day basis, it has no impact. Which is positive. I mean, I think they’ve gotten over that hump.

(Firmco accountant, senior manager level; interview)

I thought things might change a little bit more than they HAVE. That was kind of exciting for me, actually. We could use a little bit of change. But it’s early. There’s nothing really specific I’m expecting. I thought that maybe it would just change. I mean, it’s been the exact SAME, every single, y’know, day-to-day, it’s EXACTLY the same.

(Firmco accountant, advanced staff level; interview)

Employees, regardless of their own feelings, seemed to be aware of management’s desire to spread the “This is exciting!” theme. As one employee explained:

It’s just hard to take those things very seriously. It seems such a production. Especially the “New Vision” [video]. It seemed just kind of corny. But, I don’t know, that’s just probably my own personal skeptical view. They were showing clips of the partner meetings and stuff like that. It didn’t really DO much for me. I don’t know. I mean, it’s just hard to take those things seriously. I mean, what are they going to do, are they going to stand up there and say, “This is a horrible idea”? I mean, there’s partners that weren’t THRILLED about the idea, and they’re not going to pan them and show them arguing about it. What good is that going to do?

(Firmco accountant, advanced staff level; interview)

Similar responses were expressed by other Firmco employees as well. In fact, one employee even commented that even though the managers were saying they were excited, they didn’t look very excited:

Well, I think the concept of the video was really good. But when you have somebody looking in the camera and basically saying “I am so ex-cited about this” (says in monotone). It was humorous. It was like they were reading it from cue cards. If they were excited about it, you couldn’t tell. We just chuckled the whole way through it, at least in our office (laugh) “Come on, let’s get a little bit of excitement about this!” ... I think the video was a really good idea. I just don’t think it was necessarily executed in a way that really was going to get people fired up.

(Firmco administrative employee, professional level; interview)

As for the “Living Large” event’s intent to spread the “This is exciting!” fantasy theme, employees expressed mixed reactions to that as well. Some thought the “Living Large” event was fun, while others thought it was silly. Many employees expressed sentiments similar
to the employee quoted next; they were aware of the event’s intent, but weren’t sure it was achieved:

Well (laugh). I know the intent was to basically try to boost employee morale as far as the whole merger was concerned. But I don’t know if it did that. If I had participated in it, I wouldn’t have felt any different about the situation. Some people, I wouldn’t doubt that they had a fun time working on the project. But did it give them a WHOLE new outlook on the merger? I don’t think so. Did it make anything different about it? I don’t think this project did that.

(Firmco administrative employee, professional level; interview)

The comments of the employee quoted next indicate that sometimes the “This is exciting!” fantasy theme was used without giving enough details to carry it through:

Yeah, I haven’t heard of any changes yet. I mean, that’s one of the things. There’s been a lot of talk of exciting new stuff. That they say is just kind of hanging out there. Yesterday we had a meeting too. It was an in-house staff training and one of the partners made an announcement about some new and exciting things that are coming up that are going to be announced. But we don’t know what that is yet. And that’s kind of been an ongoing thing: there’s always been this mention of this “stuff,” y’know, kind of hanging out there. ... I mean, I don’t doubt their sincerity. It’s just an issue of, “Well, what is it?” It’s hard to get excited about something you can’t get your hands on and say, “Well, here’s what it’s going to be.”

(Firmco accountant, staff level; interview)

Another point about the fantasy-theme chaining is that the “This is exciting!” theme is often projected more from the top leaders of the firm, but then isn’t always chained out in the local offices, as this employee explains:

I guess, what I would just like to see is further evidence that this business combination is embraced fully across the board. I see that from our managing partners. They’re really excited about it. I mean, obviously, you can tell they are, they send out messages all the time. But I don’t necessarily see that here on the local level. A lot of times I hear more of the gripes. ... And so I want to see that positive attitude and excitement. ... And I think that’s something that they need to work hard on at continuing to do, just so we keep the employees fired up too and don’t get the employees down about it. So, I mean, that constant communication we get from the office of the managing partner, they always kind of talk about what they’re doing and things they have going on. But they [the partners in this employee’s office] don’t reinforce it here.

(Firmco administrative employee, professional level; interview)

“This is exciting!” (NewSeeds)

NewSeeds also used the “This is exciting!” fantasy theme in its early communications. In contrast to the partners of Firmco, NewSeeds CEO Gil Carney was not personally involved in the merger decision. Yet throughout the early communications, he often stated his enthusiasm for the merger. For example, in his initial statement to GreatSeeds employees on the day of the merger announcement, he began spreading the “This is exciting!” theme by not only
expressing his own enthusiasm about the prospects for the merger, but also by calling for employees to join in:

   In a nutshell, I am extremely optimistic about this development. This new company will be well-placed to compete in terms of research, production, marketing and sales. ... But we'll still need your enthusiasm, your ideas, your dedication and—just as important—your input.

("Statement of Gil Carney, CEO of GreatSeeds, on the merger of Bestco and Greatco," 3/7/N1)

Throughout the early communications, Carney continued to spread the "This is exciting!" theme. Here are some examples from the Merger Updates:

   I can also assure you that there is an extremely high level of excitement [at Newco headquarters] about building what the world's business and financial community is describing as a "great enterprise." I share that excitement and believe the future for NewSeeds will be bright.

   (Gil Carney, NewSeeds CEO, in Merger Update, 4/5/N1)

   Last Thursday the first meeting of the integration process teams met in Chicago. Representatives from GreatSeeds and BestSeeds sat down and began the exciting—but hard—work of bringing the two companies together.

   (Gil Carney, NewSeeds CEO, in Merger Update, 5/15/N1)

Carney employed the "This is exciting!" theme in other communications as well. For example, in the video issued to employees one year after the merger announcement to help introduce the new brand and logo and request employees' input into the direction of the NewSeeds culture, Carney concluded by saying:

   It's not rocket science. Actually, it's more difficult than rocket science. It's tough to think about new ways of doing things. But it can be exciting. And that's really why we're here. To make a difference, and to be part of our new legacy. I can't wait to see what we accomplish.

   (Gil Carney, NewSeeds CEO, speaking in "We're Well on Our Way: Brand/Logo introduction" video, 5/N2)

The theme of excitement was not spread just by Carney. It was also mentioned by other members of the top management team in their communications. For example, the NewSeeds vice president of marketing stated in a letter about the new brand and logo:

   We are eager to work with all of you as we tell our customers and our distributors about our exciting new company.

   (NewSeeds Vice President of Marketing, in letter to NewSeeds employees about the brand launch, 5/8/N2)

The "This is exciting!" theme was also prevalent in the video "19N2: The Year of NewSeeds," where several different top executives were shown commenting on the exciting prospects for the new company ("19N2: The Year of NewSeeds video," early 19N2). Additionally, the theme was carried through in communications coming from Greatco, Bestco, and Newco as well. For example, the International Bestco Gazette included on the front page an article entitled by a
quote from the departing leader of Bestco saying “This merger is not an end. It is a beginning ... the dawn of a new era” (*International Bestco Gazette, 6/2*).

This positive emphasis on the “This is exciting!” theme in the face of this very stressful situation was most likely intended to generate optimism. Based on my interviews with NewSeeds employees, the “This is exciting!” theme did not seem to chain out among employees very readily. The general sentiment of the employees I interviewed was that most employees were more focused on the question “How will this affect ME?” Employees generally seemed to view communications promoting the “This is exciting!” theme rather neutrally and at times somewhat cynically:

> Well, (laugh) I think one of the difficulties with this situation was that we all knew that this merger wasn't created for the benefit of the seed division. No two people got together and said, “Y’know, if we got together, this would be GREAT.” ... And so what we have to do is do the best we can to put together what we can, and make the best outcome we can. And when you start hearing things like “the dawn of a new era,” well, y’know, if it had been planned up front, you kind of would buy into that. But it’s like “Yeah, right.” ... And in the midst of all this confusion ... of trying to get your job done and trying to merge together what each other are trying to do ... you get somebody who comes out and says “Well, this is the dawn of a new era” and you say “Ok, fine. Now let me get back to work.”

(*NewSeeds manager; interview*)

Employees, however, seemed to expect the “This is exciting!” theme, even though they did not completely buy into it, as the following comment indicates:

> You see some of these themes like “a dawn of a new era,” and it always sounds a little bit sappy. But at the same time, you can’t come in and say, “Ho hum, ok, we’re merged.” Y’know, somebody’s got to pump up the excitement level. And I don’t know how you do that without, y’know, saying a few things like that. ... I don’t know how to say it, but it’s kind of a matter of, you know what they’re getting at and you know that it’s not quite that level of “in two years we’re gonna be the biggest seed corn company in the world,” and those kind of things. So you take it with a dose of reality, I guess, too.

(*NewSeeds research scientist and manager; interview*)

So, based on the comments of the participants in my study, it does not seem that the “This is exciting!” theme elicited a great deal of excitement in employees. However, it seems that even though they did not buy into it, they still expected it to be used, so thus this theme may have served an important symbolic purpose.

“This provides opportunity!”

Another way both companies used to create positive emotions was to promote the theme “This provides opportunity!” Both Firmco and NewSeeds used this “opportunity” theme very frequently in their early communications.
Firmco

For Firmco, the "This provides opportunity!" theme was first mentioned by Firmco CEO Barry Dunleavy in the email initially announcing the merger talks with Largeco: "I very much look forward to discussing this exciting opportunity with you as soon as I can" (Barry Dunleavy, Firmco CEO, email announcing merger talks, 4/24/F1). Additionally, Dunleavy carried forward the "opportunity" theme in the OMP Onlines in the following months, as illustrated in the following excerpts:

Every one of our competitors we've talked to in the last two weeks believes our strategy is a great move. At least half of them have asked to hear more about it. They know our people are going to have some great opportunities in the future as the result of this proposed business combination. (Barry Dunleavy, Firmco CEO, in OMP Online, 5/F1)

We can't overemphasize enough the wonderful opportunities that will be available to you as we begin building the leading national accounting, tax, and consulting firm we envision. ... Please remember this as you consider opportunities presented to you by these recruiters. (Barry Dunleavy, Firmco CEO, in OMP Online, 6/F1)

All of our employees will have access to a variety of client work and opportunities to learn and grow. (Barry Dunleavy, Firmco CEO, in OMP Online, 9/F1)

The second quote above was included in a paragraph in OMP Online discussing the calls from headhunters (who would be promoting their own "opportunity" themes) that employees would inevitably get as competitors tried to take advantage of the uncertainty caused by the business combination.

The "opportunity" theme was also emphasized in the "Celebrating Our New Vision" meeting. For example, in the meeting of the Green economic unit that I viewed on videotape, the partner leading the meeting stated:

This is going to fundamentally change the limited opportunities now available. ... We will more than triple our size over the next four to seven years; that is going to spell significant opportunities for a lot of our people, where they come in and grab people from this location to go to new locations, and when that happens, it provides more opportunities for people to rise up here. So it will create more opportunities both here and across the country in helping create this firm. (Partner in charge of Green economic unit, speaking in "Celebrating Our New Vision" meeting, videotape of Green economic unit's meeting, 5/10/F1)

As it is described by the partner in the preceding quote, the "opportunity" theme is presented as a scenario that includes both characters and actions, which helps people within the rhetorical community envision how the opportunities will arise.

The "opportunity" theme was not only spread within the firm, it was also circulated outside of the firm. For example, a "white paper" about the business combination that was made available to college recruiting offices and accounting faculty stated, "Firmco accounting
and consulting professionals are assured of exceptional learning opportunities while serving clients' needs ("The accounting revolution: Building a successful company and a satisfying career in a changing environment: A Firmco strategic overview"; informational "white paper, 10/F1"). Additionally, one of the partners I interviewed explained to me how he spread the "opportunity" theme to clients:

What my clients tell me is their number one concern about our firm is "Keep your people because you've got outstanding people." And one of the main questions that would come up is "Does it affect such and such on your bank team? Because we really like that person." And I would explain to them that it provides promotion opportunities for the person.

(Firmco accountant, partner level; interview)

The "Ready for Takeoff" meetings that were held firmwide approximately three months after finalization of the business combination were focused on providing more evidence of the "opportunity" theme. For example, the "opportunity" theme was mentioned in the speaker notes for the slide presentation that was presented during the meeting:

Internally we'll be focusing on providing you with superior development and growth opportunities, enabling you to better serve our clients' expanding needs, while achieving a meaningful and rewarding life with our firm.

("Ready for Takeoff" meeting, speaker notes)

The purpose of the "Ready for Takeoff" meetings was to provide some evidence that opportunities were beginning to become available; for example, a new women's mentoring program was announced, as well as other new leadership training programs.

The "opportunity" theme was also presented in various communications at the local office level. A human resources employee I interviewed explained how the human resources staff worked closely with individuals who might have doubted the "opportunity" theme:

Our tax people were particularly concerned because of the not necessarily positive feeling that people had about Largeco ... and what was that going to mean to them as a person who serves in the tax department. So we were constantly verbally trying to make people feel better that, y'know "this is not going to impact you negatively, it will only be a positive opportunity for you."

(Firmco administrative employee, mid manager level; interview)

In this way, those who may have doubted the "opportunity" theme were persuaded individually or in small groups.

The "opportunity" theme was spread in local communications in other ways as well. For example, a partner leaving the firm mentioned the "opportunity" theme in an email sent to the other partners in his or her economic unit:

The new combination with Largeco holds opportunities that I would have liked to see through. ... Some have asked if I'm trying to leave something I didn't like at Firmco—the answer is absolutely not. Although that might have been true at
other times in the past, I regret leaving at this time. I think we have firm management that will lead Firmco in the right direction; I think the Largeco deal holds great promise....

("My resignation from Firmco" email, 10/24/F1)

Thus, the "opportunity" theme was spread throughout the firm and even outside of it. Based on the responses of the participants in my study, the "opportunity" theme seems to have been strongly accepted by employees. Here are some examples:

As long as the cash flow is there to buy other companies, I think there will be plenty of opportunities. Where you want to move, whether you want to move up, whether you want to change jobs, ... I think there will be plenty of opportunities.

(Firmco accountant, advanced staff level; interview)

I think there's a lot of opportunities. ... I think we'll be able to serve our clients better, and we may get MORE clients. And there will just be more opportunities to work on different types of projects, too, and interesting type of work. Not just your normal audit or your normal tax return.

(Firmco accountant, staff level; interview)

Even though employees indicated that they bought into the "opportunity" theme, they also indicated that they were looking for a reality link as well, as these comments illustrate:

I think the real thing is you want to see that happen. So it's ok to hear it from the video, but I think, going in and looking at the video, you know the perspective that they're coming from. They're trying to make this sound like it's such a great opportunity. And it could very well be. But I guess I just see it as their opinions. And just take it at face value.

(Firmco accountant, staff level; interview)

Well, they've been focusing on growth and all the opportunities that it's gonna create for us. I think within the next year, you've got to at least see some aspects of that. I mean, you hear talk about the different mergers and acquisitions that are, y'know, in the works, in different parts of the country. They need to have a couple of those happen, I think, so people can go, "Oh yeah. We never were in Atlanta and now we've got an office in Atlanta and they're trying to grow that." So I think they've got to just follow through with that stuff.

(Firmco accountant, senior manager level; interview)

"This provides opportunity!" (NewSeeds)

The "opportunity" theme was also prevalent in NewSeeds and was spread by managements at all levels. For example, in an introductory email sent to all Newco employees shortly after the merger announcement, the Newco executive heading up NewSeeds' division of Newco was quoted in the Merger Update sent to all GreatSeeds employees:

It's up to you to [achieve the goals for this new company]. You've dreamed about it. We can do it well by keeping the best people on the team and by moving ahead. It's a unique opportunity. We have the resources, the genetics and the technology to do it. Agribusiness will be at the core of Newco.

(Newco executive in charge of NewSeeds' division, quoted in Merger Update, 5/3/N1)
The “opportunity” theme was also mentioned frequently in the communications from the president of Newco, as this example from an email sent to all Newco employees illustrates:

Although we may have to give up our well known environment, our bosses, colleagues, associates and offices, we are poised to embark on an exciting experience, creating a new innovative, worldclass, successful company. As Andre Gide wrote, “One doesn’t discover new lands without consenting to lose sight of the shore.”

(Newco President designate, email/fax to all Greatco employees, 7/18/N1)

Opportunity was also emphasized at the NewSeeds level by Gil Carney, as in this example from a Merger Update:

The merger of these two companies is a unique opportunity for all of us and the next few months are going to be truly exciting.”

(Gil Carney, NewSeeds CEO, in Merger Update, 4/2/N1)

Managers throughout the company joined in spreading the “opportunity” theme. For example, here is a statement from a manager of a research group (note that this statement also uses the “hybrid” symbolic cue discussed earlier in this chapter in the section on culture):

The merger is a tremendous opportunity to build critical mass of breeding and testing in the business, to expand our germplasm base, and to expand on ideas and technologies from the new “hybrid.”

(“An 8-legged cat” memo, 6/19/N1)

In response to the “opportunity” theme, one of the employees I interviewed identified one of the challenges associated with promoting the merger as an “opportunity,” particularly in a case such as this one where downsizing is involved:

You’ve got duplicated facilities. But what it means is that some people, and some budgets, are going to lose. And that’s a challenge in the process we went through and I think, in any merger. To keep communicating the opportunities at the same time that some people are going to be losing their jobs.

(NewSeeds research scientist and upper level manager; interview)

Another employee commented that once those difficulties are gotten past and the staff and structure is in place that is going to move forward, then the opportunity that the “opportunity” theme speaks of often comes:

Once you get past [How does the merger affect “ME”?], then, at some level, mergers are probably one of the most exciting thing you ever go through in a career. I mean, I’ve heard people say that, it generates a lot of energy, a lot of excitement. ... Because then, basically, a lot of people in management are saying, “Ok, let’s open up the book and rethink our business.” I mean, how many opportunities do you get in an organization, especially THESE size of organizations, where there’s a lot of bureaucracy and stuff. I mean, you don’t get that opportunity very often. And you do get interaction with new people and some fresh ideas and stuff. THAT’S the exciting part of it. Y’know, the painful part is to get it to gel, and to come to some agreement, etcetera, etcetera. But, I mean, it IS a very busy time and it’s an exciting time in that respect. AFTER you get past [the pain]. Now maybe some people don’t worry about that.

(NewSeeds manager; interview)
Note that the employee in the preceding quote also references the "This is a new beginning to build a new culture" theme that I discussed earlier in this chapter in the section on culture.

In sum, both Firmco and NewSeeds used the "opportunity" fantasy themes to counter the negative emotions that employees would inevitably be experiencing and using to spread other themes (e.g., "Mergers/acquisitions mean layoffs"). In the case of NewSeeds, the "opportunity" theme did not remove much of the initial difficulties of working through the challenges that had to be worked through to merge two former competitors. In the case of Firmco, the "opportunity" theme seemed to effectively chain throughout the organization and serve, at least up to the time I conducted my interviews, as a way of getting employees to buy into the business combination decision. Unlike with NewSeeds, where most employees seemed to understand that there would be a long painful waiting period before the opportunities really materialized, the Firmco employees expected their waiting period to be relatively short. Thus, even though they initially bought into the "opportunity" theme, that buy-in could eventually be lost without substantive reality links.

**Rhetorical Challenge: Dealing with Uncertainty**

Uncertainty is inherent in mergers and acquisitions. Employees have many questions, some of which can be answered by management and some which cannot.

One of the most important sources of uncertainty is an employee’s desire to know "What will happen to ME?" Because there are often not immediate answers to this question, employees resort to a "Mergers and acquisitions mean layoffs" carryover fantasy theme based on their own or other’s experiences, as this comment from a Firmco employee illustrates:

I guess my perception when I first heard about it, especially when I found out that Largeco was going to be BUYING us, I was a little bit concerned about it. Because it seems like whenever a company buys another, there’s always just immediately mass layoffs.

_(Firmco administrative employee, professional level; interview)_

At the same time employees have many individual questions, the organization’s leaders are working on a fairly high level to resolve uncertainty; they do not have answers to many of the large questions, let alone questions about what will happen to specific individuals. In my analysis, I identified three fantasy themes that were used to deal with the rhetorical challenge of uncertainty: "Ask questions, and we will answer when we can," "We don’t know all the answers yet; please be patient," and "The result will be worth the effort."

"Ask questions, and we will answer when we can"

The "Ask questions, and we will answer when we can" theme was used in both Firmco and NewSeeds. This theme ensured employees that their questions would be answered when possible.
"Ask questions, and we will answer when we can" (Firmco)

One reason why questions could not immediately be answered, even when the answer was available, was because of confidentiality requirements for publicly traded companies. The issue of confidentiality was apparent early in the communication process. In the initial email announcement to employees, Firmco CEO Barry Dunleavy acknowledged that management could simply not address questions because of legal restrictions.

Because Largeco is a publicly held company, they must follow Securities and Exchange Commission rules. Therefore, we are unable to provide our employees, our clients, the media or the public with additional details regarding the discussions now underway. You can be sure, however, that we will share information with you as soon as we are able. And though we know you probably have many questions regarding these discussions and what it means to you, our partners are simply not able to share any information at this time.

(Barry Dunleavy, Firmco CEO, email announcing merger talks, 4/24/F1)

This need for confidentiality prevented partners and others who had details about the transaction from discussing it with employees, most of whom had many questions about it. Meanwhile, the partners stressed the "we will answer when we can" part of the theme. For example, the partner conducting the "Celebrating Our New Vision" meeting for the Green economic unit that I saw on videotape explained how even though employees were asking him questions about the business combination, he was not able to address those questions:

As you heard about it, things rolled out, I got emails, I got voicemails, and I had to be very careful in my response to those. So any of you that I responded to that are thinking "The SOB lied to me." If you read it very carefully, I didn’t lie to you; I just wasn’t abundantly clear" (laugh from group). But Largeco is a New York Stock Exchange company, so we’re very limited as to what we can say.

(Partner in charge of Green economic unit, speaking in "Celebrating Our New Vision" meeting, videotape of Green economic unit's meeting, 5/10/F1)

Even though the "we will answer when we can" part of the theme was prevalent at the beginning of the business combination process, throughout the process, Firmco management emphasized the "ask questions" part of the theme by repeatedly encouraging employees to ask questions. For example, in the Green economic unit’s "Celebrating Our New Vision” meeting I viewed on videotape, the partner conducting the meeting stated:

You need to help us address concerns. ... But ASK the questions. Help us anticipate things that are going to come up that we haven’t even had the opportunity to look at yet.

(Partner in charge of Green economic unit, speaking in "Celebrating Our New Vision” meeting, videotape of Green economic unit’s meeting, 5/10/F1)

Firmco established question/answer databases as a key way of carrying forward the "Ask questions, and we will answer when we can" theme. Initially, a database was established
to deal with basic questions about the business combination, as was explained in Firmco’s biweekly electronic news bulletin:

A soon-to-be released database will answer more than 135 questions relating to the Firm’s business combination with Largeco. The questions address issues such as firm strategy, promotions, vacations, training, benefits, and other topics.

*(Firmup biweekly online news bulletin, 6/2/F1)*

And later, another database was established to deal with practical integration issues. This second database was also explained in the biweekly electronic news bulletin:

What should I tell my clients? Who can sign a tax return? Can I still use my CPA designation? To provide answers to these and many other questions, [we are] setting up Largeco Integration Q&A firmwide database for all employees to submit questions related to operational, client service, or post-combination issues. Questions will then be answered and posted anonymously on the database. This database will be similar to the Business Combination Q&A database set up a few months ago to handle questions about the business combination between Largeco and Firmco.

*(Firmup biweekly online news bulletin, 10/22/F1)*

Employees were referred to this database in other communications as well. For example, Firmco CEO Barry Dunleavy referred employees to it in his article in the employee magazine:

Hopefully, this letter has helped answer some of your questions. If you have other questions, I encourage you to visit the Business Combination database or check with your partner-in-charge.

*(Barry Dunleavy, Firmco CEO, article in Firmco Expressions employee magazine, 10/F1)*

Local offices also reminded their employees to use the database, as this excerpt from the electronic newsletter from the Purple economic unit illustrates:

If you have not already done so, you might want to check out the Q&A database which addresses almost 200 questions submitted by employees concerning this business consolidation. This database is updated as new questions are received and more information becomes available. If you have questions you’d like to have addressed in the database, please submit them.

*(“Largeco Update,” item in Firmco Online, Purple economic unit’s online newsletter, 6/17/F1)*

By referring employees to these databases, the early communications illustrated that the “Ask questions, and we will answer when we can” theme was being carried out in reality. Additionally, in one of the “Thoughts from around the firm” sidebars included in a special edition of the employee magazine devoted to the business combination, an employee was quoted as stating, “I commend the national office for keeping the staff informed as the process goes forward” *(staff member quoted in “Thoughts from around the firm” sidebars in Firmco Expressions employee magazine, 10/F1)*. This quote helped illustrate that employees’ questions were being answered. In addition, Firmco CEO Barry Dunleavy also reiterated the “Ask
Looking ahead, the first item on my agenda is to answer as many of your questions as possible. Communication is most valuable when it is meaningful and often. Unfortunately, due to the complexities of the negotiations with Largeco, it has been a little difficult to share information with you as often as I would have liked. With the negotiation process completed, I'll be able to devote more time to keeping everyone updated via this newsmagazine, my online newsletter, the firm's biweekly newsletter, and other communication tools.

(Barry Dunleavy, Firmco CEO, article in Firmco Expressions employee magazine, 10/F1)

Based on the responses of employees in my interviews, the "Ask questions, and we will answer when we can" theme was initially met with some frustration. Some employees did not completely buy into the theme and felt they could have been trusted with more information earlier, particularly since they are trusted to work with confidential client information on a daily basis as a routine part of their jobs. Additionally, other employees, particularly those non-partners who worked in supervisory relationships with lower-level employees, felt they, especially, could have been given more information sooner. For example, one employee I interviewed felt uninformed to answer questions from lower-level colleagues (E=employee; I=interviewer):

E: I think the thing that concerned me about it was that a lot of the staff aren't going to come to partners with questions. They're going to come to managers and senior managers. In my perception, what should have happened is, the next couple of days [after the talks with Largeco were announced], they should have had a meeting with those people and said, "Here's what you need to tell these people when they come to you with questions. Here's how you should handle this. Either say 'we don't know,' but somehow try to calm their fears." Rather than just leaving everybody kind of out there on their own.

I: So did you have a lot of those people coming to you?
E: Oh, yeah.
I: So you just had to say ... ?
E: "I know what you know, and we have to wait and see."
I: Do you think they believed you at that point?
E: I don't know if I believed me at that point (laugh). Because there was just so much uncertainty about it.

(Firmco accountant, senior manager level; interview)

Even after the questions and answer databases were in place, the "Ask questions and we will answer when we can" theme was still not fully accepted by some employees. One reason for this perception may be that some employees did not utilize the database. One upper-level administrator estimated that well over half of the employees had never looked at the database. One partner-in-charge of one of the offices I visited said:
I know for a fact that not everybody [uses these electronic resources] the way they should. ... But the fact that people aren't willing sometimes to do what we ask them to do doesn't mean we shouldn't [provide the information]. What we did was right; we funneled it to one place and said, "If you want to know the answer to this, this is where you go." And there's no other solution to that. We can't start individually communicating with 3500 people. I mean, we individually tell them, "Go look at these sources if you want to know what's going on," and I think that's as far as [we] should go. And we did that well.

(Firmco accountant, partner level; interview)

Several employees I interviewed who did use the database indicated that it was very useful in addressing questions:

Pretty much any question anybody could have was answered in that database and if it wasn't on there, then people would be asking it, and it would eventually get on the database.

(Firmco accountant, advanced staff level; interview)

Other employees, however, expressed the opinion that because there were not that many detailed answers available, the answers provided in the database were not that useful.


Good idea. But not all that helpful. Like I said, they didn't have very many details from the very beginning. And the database didn't really do THAT much. I mean, it was good to have a place to put your questions if you had them, and things like that, but I didn't really learn anything NEW from it.

(Firmco accountant, advanced staff level; interview)

The employee in the preceding quote also indicated, however, that the question and answer database and many of the other early communications were still helpful even though they may not have provided that much new information. In other words, the simple presence of these communications symbolically carried forward the "Ask questions, and we will answer when we can" theme by demonstrating that Firmco leadership was willing to communicate, even if there was not much substantive information to provide.

"Ask questions, and we will answer when we can" (NewSeeds)

The "Ask questions and we will answer when we can" theme was also evident in the early communications of NewSeeds. In the NewSeeds situation, much of the confidentiality issues arose from restrictions pertaining to how much the two merging entities could communicate with each other prior to approval of the merger from regulatory bodies. Here is a quote from a letter one manager sent to the employees in his group, explaining these restrictions:

Today, we're in a catch 22 situation. We want to talk with BestSeeds to gain knowledge, but at the same time, the Securities and Exchange Commission and some act of congress or law or something called Hart-Scott-Robino, does not allow us to do so until after the merger is official. Doing so could jeopardize the whole deal.

("An 8-legged cat" memo, 3/19/N1)
This same idea was expressed in the initial statement from Gil Carney to GreatSeeds employees the day the merger was announced:

I have an IMPORTANT request. I need to ask you to—please—not contact anyone at BestSeeds about the merger. In every case like this, discussions between the two organizations must remain at the highest levels.

(“Statement of Gil Carney, CEO of GreatSeeds, on the merger of Bestco and Greatco,” 3/7/N1)

NewSeeds’ early communications also spread the “Ask questions and we will answer when we can” theme by frequently requesting employees to ask questions if they had them. For example, Gil Carney’s initial statement on the day of the merger concluded with the following comment:

We’ll be keeping you posted, and once again, if you have questions, please let me know.

(“Statement of Gil Carney, CEO of GreatSeeds, on the merger of Bestco and Greatco,” 3/7/N1)

Additionally, the weekly Merger Updates included comments such as the following:

Please keep your questions coming. ... And, I encourage you to let me—and the people you work for directly—know your concerns.

(Gil Carney, NewSeeds CEO, in Merger Update, 6/7/N1)

Just as with Firmco, the “Ask questions, and we will answer when we can” fantasy theme was carried through in reality through the various early communications. Sometimes Gil Carney directly answered questions in Merger Updates, as in this example:

Here’s a question from an employee who said he or she was worried that the corporate cultures in the two companies were so different that it would get in the way of a successful merger—and what was I going to do about it?

(Gil Carney, NewSeeds CEO, in Merger Update, 6/7/N1)

Sometimes, question and answer sheets were provided to address specific topics. For example, question and answer sheets were provided with the initial announcement, with the brand/logo introduction, and with the announcement of the voluntary retirement and employee transition programs. These question and answer sheets carried forward the “Ask questions, and we will answer when we can” theme not only by providing information but also by including statements such as the following from the letter accompanying the announcement of the voluntary retirement and employee transition programs:

I expect that many of you will have questions about these packages. As more details become known in the weeks ahead, please contact [human resources’ employee’s name and contact information]. She is knowledgeable about the specifics of the programs.

(Gil Carney, NewSeeds CEO, letter introducing early retirement and employee transition support programs, 6/20/N1)
As was evident with Firmco, the symbolic value of the early communications was important in carrying forward the "Ask questions and we will answer when we can" theme. In one of my interviews with NewSeeds CEO Gil Carney, he stated:

Sometimes I would give voicemail merger updates, and I often wondered whether they were effective or not and when I didn’t give one for a few weeks, people asked me why I wasn’t leaving messages anymore. This indicated to me that it’s important to give a continual, consistent message about the future and not worry so much about the past.

(Gil Carney, NewSeeds CEO; interview)

This comment provides support for the notion that communication in itself provides symbolic meaning to employees and supports the "Ask questions and we will answer when we can" theme, whether or not it adds anything to what employees already know.

"We don’t know all the answers yet; please be patient"

Another theme pertaining to uncertainty used in the early communications of both Firmco and NewSeeds was "We don’t have all the answers yet; please be patient."

"We don’t know all the answers yet; please be patient" (Firmco)

The "We don’t know all the answers yet; please be patient" theme was used to deal with employees’ desire for answers to questions which did not yet have answers. As discussed in the previous section, the initial announcement of the talks with Largeco contained no details addressing questions that employees would inevitably have. However, the announcement did acknowledge the existence of those questions using the "Ask questions and we will answer when we can" theme discussed in the preceding section.

Firmco’s first firmwide forum for formally addressing employees’ questions about the business combination was in the “Celebrating Our New Vision” meeting. This meeting was the first firmwide communication where the “We don’t know all the answers yet; please be patient" theme was introduced. The theme was mentioned several times in the Green economic unit’s meeting that I saw on videotape. For example, the partner leading the meeting stated:

Clearly with the speed with which this has happened, we don’t have all the answers. To pull together a deal of this magnitude in five weeks has been unbelievable. And we still don’t have all the answers and won’t have.

(Partner in charge of Green economic unit, speaking in “Celebrating Our New Vision” meeting, videotape of Green economic unit’s meeting, 5/10/F1)

In the question and answer portion of this meeting, this same partner expressed the theme again, in response to specific questions that employees asked about the nature of changes in the administrative area:

I tell ya, we don’t know all those answers. We have not gone in and looked and said “These things are going to change.” Now when you grow as large as we expect to, the support infrastructure that we’ll need will definitely be impacted. What the nature of those are, we don’t know. So we know there’s
going to be an impact, we just don't know the nature of the change yet. ... Do you feel like that was an evasive answer? And I don't know, but I tried to [respond to] it for 30 seconds. (laugh from group)

(Partner in charge of Green economic unit, speaking in “Celebrating Our New Vision” meeting, videotape of Green economic unit’s meeting, 5/10/F1)

The “We don’t know all the answers yet; please be patient” theme continued to be used throughout Firmco’s early communications, as more questions arose. For example, it was often used in response to many of the questions in the question/answer database, as this employee explained to me in an interview:

I think the question and answer database was effective, except a lot of the questions were like, “We will have answers for this soon.” (laugh). Obviously, with a merger, there’s going to be questions that can’t be answered immediately. ... But I think there has to be some way to master some of the concerns [coming from] employees. Because I can’t believe that we were the only economic unit that had people that were like, “So does this mean that I don’t have a job?” ... I think regardless of the merger and regardless of some of the SEC regulations and some of the attorney philosophies that were involved with the merger, I still think those were some questions that they could have answered and put out on either the database or through OMP Online.

(Firmco administrative employee, professional level; interview)

Another aspect of the “We don’t know all the answers; please be patient” theme is its emphasis on patience. There were several mentions of patience in the Firmco early communications I examined. For example, in the first OMP Online after the announcement of the business combination, Firmco CEO Barry Dunleavy expressed his empathy with employees who had to deal with client questions at the same time these employees didn’t have any information and were being asked not to discuss what they did know:

While we have discouraged you from sharing too much information with clients and others about the proposed business combination, we realize you have had to respond to many questions. We think our original confidence in the relationships we have with clients is holding true. Clients don’t appear to be seriously concerned. However, we realize they are anxious to hear more, and we appreciate your patience in dealing with their questions. If you have client concerns, please share those with your partner-in-charge.

(Barry Dunleavy, Firmco CEO, in OMP Online, 5/F1)

In the following excerpt from the OMP Online immediately after the finalization of the business combination, Barry Dunleavy thanked employees for their patience and encouraged them:

I applaud each of you for being as patient as you have been through all of the changes we’ve experienced. Please hang in there, because I really believe, and am excited about, our plans to build the leading middle-market firm. I know that everyone is working extremely hard right now. These changes have been especially demanding on our internal clients servers who continue to perform under very tight time frames, dealing with complex issues where the rules aren’t always clearly defined. We appreciate your efforts.

(Barry Dunleavy, Firmco CEO, in OMP Online, 11/F1)
The "We don’t know all the answers yet; please be patient" theme was often frustrating for employees to accept. For example, by the time the "Celebrating Our New Vision" meeting was held, many employees had already gathered information on their own from other sources. One of the partners I interviewed expressed this problem as follows:

[The Celebrating Our New Vision meeting] was done pretty well, but there were some things that I think probably people wanted to address that weren’t addressed yet. And that’s probably normal, but it created a lot of tension for a period of time there. ... When it was all said and done, people wanted to know what was in it for them, and we really didn’t know the answer to that, so we didn’t have an answer. And that really was unsettling to some people.

(Firmco accountant, partner level; interview)

The unsettling nature of living under uncertainty makes the "We don’t know all the answers yet; please be patient" theme difficult to accept. Some of the employees I interviewed indicated that there were lulls in the communication:

I think there was a lot of communication when it initially came out, then when it became official, I think we just lost it. I mean, there was a gap there of about two months where you just didn’t hear anything about this. And I think THEN everybody was like, "What in the world’s going on?" I think [communication was] good at the beginning, [it was] good at the end, but I think we were missing the middle.

(Firmco administrative employee, professional level; interview)

After that initial meeting, it kind of was laid out there and then there was nothing for quite awhile.

(Firmco accountant, senior manager level; interview)

I did notice that the comments about lack of communications in the middle came from employees in some offices, but not so much from other offices. This may have had something to do with how often the "We don’t know all the answers yet; please be patient" theme was reiterated locally and how widely it was bought into by a local employee group. For example, in the Purple economic unit, there were periodic updates in the local office online newsletter, as this excerpt from that newsletter illustrates:

Most of you have probably already seen the Firmco/Largeco articles that appeared in the local papers last week. So, the media now has the word, and the talks continue to proceed with nothing new to share. ... If you have not already done so, you might want to check out the Q&A database....

("Largeco Update," item in Firmco Online, Purple economic unit’s online newsletter, 6/17/F1)

The Purple economic unit’s human resources director, who prepared these updates, explained her rationale for doing so to me:

I’m a real proponent of “Let’s make sure that there’s something in our little newsletter on a weekly basis, even if it is nothing more than, “There’s no more new news to tell you, but it’s still going on.” Because my experience has been, with any kind of communication, people hear that something’s gonna happen, and then there’s weeks and weeks and nothing goes on. And,
y'know, then that's when rumors fly and where people assume it's a done deal, or it fell through the cracks, or something.
(Firmco administrative employee, manager level; interview)

In other words, this human resources director seems to be saying that it is important for management to emphasize and continually reiterate the "We don't know all the answers yet; please be patient" theme or employees will develop other fantasy themes in its place.

As time wears on, the "We don't know all the answers yet; please be patient" theme may be less effective. Eventually, employees want more information. In the case of Firmco, there was a firmwide event called "Living Large" which was designed as a team-building effort to celebrate the finalization of the merger. It was designed as a competition among offices, where employees were to design a "large" item out of Legos that illustrated how they envisioned the future of the firm.

The employees I interviewed had very mixed reactions to the "Living Large" event. It did not meet some employees' expectations with respect to fulfilling the rhetorical challenge of addressing uncertainty. One partner I interviewed explained this issue as follows:

The "Living Large" event with the employees was kind of fun. ... And that was good. The problem that I see with it was that at that period of time, employees wanted something substantive. They wanted to hear about benefits, and their career, and their future, and there was still a lot of worry about were we going to be downsizing. We're telling them "no," but we weren't giving them any specifics. And when the whole group was looking for something substantive, what we got were Legos. And there was a lot of cynicism about that even though we had some fun with it.
(Firmco accountant, partner level; interview)

The following quote, from a partner from another office, illustrates the same idea about the "Living Large" event:

The people looked at it as a free lunch. But it didn't get anybody fired up or anything like that. I think, if anything, the staff thought it was kind of a joke. Most people had the lunch, and took off. We kind of appointed a few people to prepare something to say we did it. We thought it was kind of a joke (laugh). I mean, we're very busy and playing with toys. They want information, not to play with something.
(Firmco accountant, partner level; interview)

Looking at the "Living Large" event and these employee responses to it from the perspective of fantasy theme analysis, one of the problems with the event may have been that it was not designed to address the rhetorical challenge of uncertainty, but employees were still looking for answers to their questions. So the intent of the event by those who designed it may have been different than the need that some employees were looking for it to fulfill.

Even after the business combination was finalized, employees were still looking for information about progress towards the organization vision/goals, and the "We don't know all
the answers yet; please be patient” theme was still being spread, as this statement from Firmco CEO Barry Dunleavy in the OMP Online newsletter illustrates:

Regarding the speed with which we are doing things in general, I suspect many of you wish we would make some announcements soon about things that are happening related to new products and services, strategic alliances, and any number of other big changes you thought would be announced by now. Remember, it’s really only been about two months since the deal with Largeco was finalized. We need to build up our internal resources to help make some of these things happen.

(Barry Dunleavy, in OMP Online, 11/F1)

This excerpt indicates that the CEO was well aware that employees would be looking for evidence to support the themes promoted in the early communications. And the comments of many of the employees I interviewed indicated that this was indeed the case.

Comments such as the following indicate that the “We don’t know all the answers yet; please be patient” theme was beginning to wear thin at the time I conducted my interviews (approximately four months after the business combination was finalized):

I think one of the biggest challenges in making this business combination succeed is continuing the communications on its benefits. I mean, aside from the fact that I got a week’s worth of vacation and a week’s worth of pay. Well, heck, that’s nice, but in the long term what does the merger still mean for the firm? Does it mean that the firm will continue to keep growing? At what rate? What are the goals of Firmco now? I don’t think that’s really been stated back to us after everything has kind of settled down.

(Firmco administrative employee, professional level; interview)

For them to say, “Yeah, we’re gonna go acquire all these firms” and then you don’t hear anything about it. It does make you kind of skeptical and kind of raises some questions. I wish that they would say that, “Oh, yes, we did go acquire these firms, or we’re trying to get these firms,” or y’know, something like that, just so that we KNOW that they’re making progress along their vision.

(Firmco accountant, advanced staff level; interview)

The initial uncertainty of a merger/acquisition does not get quickly resolved. In fact, it leads to more uncertainty. Addressing the initial uncertainties are only part of the rhetorical challenge. Although the “We don’t know all the answers yet; please be patient” theme may catch on in the early stages of a merger, as time goes on, it may lead employees to feel they are not getting complete information. For example, this employee felt that there was not as much information forthcoming to non-partner senior employees as there had been prior to the business combination:

It does seem that since the Largeco deal that senior managers are less and less included in what’s really going on in the firm. And I don’t know if it means that that’s the direction the firm is going in. Previously, it seemed like senior managers knew a lot more about what was going on. In the discussions that I and some of my colleagues have had, we feel like we’re kind of in the dark about a lot of things. So we don’t feel AS included in the
management. And more importantly, I think, is if the firm makes a decision about what direction we’re going to go in, WE need to know that, so we can figure out what we can do to HELP the firm get there. As opposed to them making decisions about what direction, and we don’t know what’s going on.

(Firmco accountant, senior manager level; interview)

Some employees at other levels expressed this same concern about lack of information about what was going on:

Like for me, it’s probably been a couple months since we’ve had our last meeting where they discussed and said, “Well, we’re going to try to acquire these other smaller firms.” Maybe it would be helpful if there was a progress update. And maybe nothing’s changed. But maybe that would even be good to hear: “Here’s where that lies.” Like yesterday, even when that guy made that announcement [about “exciting things” to come], he could have said, “We don’t know all the details, but here’s generally what it’s going to be about.”

(Firmco accountant, staff level; interview)

Overall, the We don’t know all the answers yet; please be patient theme seemed to spread with some success in addressing employees’ initial uncertainties. Based on the employee responses to the use of this theme in Firmco, it seems that the theme works successfully at sustaining uncertainty as long as the rhetorical community perceives information to be forthcoming when it is available.

“We don’t know all the answers yet; please be patient” (NewSeeds)

The “We don’t know all the answers yet; please be patient” theme was also evident in the early communications of NewSeeds. Because the NewSeeds merger was planned at the Newco level, NewSeeds did not have much time to find answers to employees’ questions in advance; in fact, in many cases, those answers simply did not exist yet, because at the time of the initial announcement many details still needed to be worked through.

The “We don’t know all the answers yet; please be patient” theme was apparent in Gil Carney’s initial announcement to GreatSeeds employees on the day the merger became public:

There is more that we DON’T know than we DO know. Many questions must be answered by saying “We’ll have to wait and see.”

(“Statement of Gil Carney, CEO of GreatSeeds, on the merger of Bestco and Greatco,” 3/7/N1)

Here is an excerpt from a memo written by another manager, illustrating how he also used the We don’t know all the answers; please be patient theme with his employees shortly after the merger was announced. In this communication, the manager developed the theme by showing how he didn’t officially know the merger was going to occur, and neither did the GreatSeeds’ vice president of research.

What do we know today? Not much. Like you, I had no prior knowledge of the merger other than a colleague calling me from Germany saying it was going to happen. That was about ten days before the announcement. At 6 am on the day
of the announcement, I got [the GreatSeeds’ vice president of research] out of bed, and he too had no prior knowledge. It was a surprise to everyone.  
("An 8-legged cat" memo, 3/19/N1) 

At all levels of the organization, the uncertainty persisted well past the initial announcement. The following example illustrates the “We don’t know all the answers; please be patient” theme being used by the president designate of Newco writing in the Newco employee newsletter: 

It is also clear that this is an unsettling period. Many decisions remain open. We are waiting for regulatory approvals before we can begin the implementation phase. I know from my many conversations with associates, and from my email, that many of you are concerned about how this merger will impact you personally, in terms such as site selection, compensation, and hiring freeze. We anticipate that we will be able to answer many more of your questions in the next few weeks. Nevertheless, it is often difficult to remain patient. Let me assure you that we are fully committed to proceeding rapidly with all remaining nominations, and to clarifying site locations, as well as other pressing issues, as soon as possible.  
(Newco CEO, in “President’s Corner: The first 100 days” article in Interaction newsletter, 7/N1) 

This uncertainty persisted at all levels of the organization. Although the use of the “We don’t know all the answers; please be patient” theme worked for some issues, it was particularly difficult for some employees to buy into when issues concerning their jobs and responsibilities were involved. One employee explained to me an example of where the theme was used and probably caused some unintentional alarm. Because the early communication this employee described involved an oral communication at a meeting he attended during the integration process, I could not examine the texts specifically; rather, I present the employee’s telling of the incident: 

I was sitting in a hotel meeting room in [city], it was the first time we’d gotten together. And [a vice president] goes up there, and he puts an overhead on the projector, and he says, “Here’s the org chart” (draws an org chart with empty boxes). And he had all these nice little boxes and squares. And no names. And everybody in the room ... it was the most amazing process I have ever experienced in my entire life ... it was just incredible ... everybody in the room sat there and they looked up there and they counted all the boxes. And they looked around the room and they counted all the people. And we were about a +5 at that point (writes +5 outside the org chart). And it’s like “DAMN, this is gonna be fun.” (laugh) And I just say that because, y’know, that IS what an employee is thinking. It’s like, “Here’s the ‘new era’ (the org chart), am I here (laugh) (in one of the boxes), or am I here (in the +5)? And until you get past that, nothing else counts.  
(NewSeeds manager; interview) 

In this story, the vice president displaying the blank org chart was apparently illustrating that the decisions had not yet been made about who would fill what position in the organization. The employees, however, rather than drawing on the “We don’t know all the answers; please be
patient" theme instead were naturally still wondering what would happen to them as individuals based on themes they brought to the experience such as the "Mergers/acquisitions mean layoffs" theme. Meanwhile, the vice president was thinking more in terms of how the new organization would work. This story illustrates how some fantasy themes can dominate others, depending on the individuals and their perspective in the situation.

"The result will be worth the effort"

Another theme that I found in the early communications of both organizations was "The result will be worth the effort." This theme was expressed differently in Firmco and NewSeeds, in ways adapted to each organization’s situation. In Firmco, this theme was presented as "This is a growth strategy," while in NewSeeds it was presented as "This merger will cause synergies." I next discuss the development of these themes in Firmco and NewSeeds.

"This is a growth strategy" (Firmco)

In my analysis of the early communications of Firmco and NewSeeds, I found that each organization employed "The result will be worth the effort" fantasy theme in a way adapted to its own particular merger/acquisition situation. To deal with employees’ uncertainty about their positions and their future with the company, Firmco used the theme "This is a growth strategy." This theme was intended to address employees’ uncertainty about whether jobs would be lost by offering assurances that there would not be downsizing—there would be growth.

The "This is a growth strategy" theme came through in many Firmco communications, beginning officially with the "Celebrating Our New Vision" meeting. For example, the slide presentation shown during that meeting included the slide shown in Figure 4.

<table>
<thead>
<tr>
<th>How will this impact me?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Opportunity to grow with top firm serving middle market</td>
</tr>
<tr>
<td>• More and better training</td>
</tr>
<tr>
<td>• Increased growth opportunities as Firmco expands</td>
</tr>
<tr>
<td>• Core business will stay the same</td>
</tr>
<tr>
<td>» Our staff won't be selling Largeco products</td>
</tr>
<tr>
<td>• This is a growth strategy—we'll need to hire more people</td>
</tr>
</tbody>
</table>

Figure 4: "How will this impact me?" slide from Firmco "Celebrating Our New Vision" slide presentation
The partner conducting the “Celebrating Our New Vision” meeting of the Green economic unit that I saw on videotape stated during the slide presentation, in conjunction with the slide shown in Figure 4, that “This is a growth strategy that is going to require significantly more people and give them many more opportunities” (Partner in charge of Green economic unit, speaking in “Celebrating Our New Vision” meeting, videotape of Green economic unit’s meeting, 5/10/Fl).

After the “Celebrating Our New Vision” meeting, the “This is a growth strategy” theme was reinforced in many of the written early communications directed to all Firmco employees. For example, in an article in the employee magazine, Firmco CEO Barry Dunleavy stated:

Employees will be happy to know that this business combination will not affect jobs or job responsibilities and—more importantly—will NOT result in employee reduction. In fact, we’ll have a greater need for more talented, qualified people. This presents an excellent opportunity for people to take advantage of the employee referral bonus program. If you aren’t familiar with that program, check with your local human resources/office manager. (Barry Dunleavy, Firmco CEO, article in Firmco Expressions employee magazine, 10/F1)

The “This is a growth strategy” theme was also reinforced by items in the question/answer database, such as the following:

Q: Will any positions be eliminated?
A: Because of expected growth and acquisitions, we expect that our overall head count will increase rather than decrease. (Business Combination Database)

Q: How will job categories change, particularly administrative functions?
A: We cannot answer at this time. With growth and structure changes, there will be change. (Business Combination Database)

Additionally, in OMP Online, Barry Dunleavy emphasized the “This is a growth strategy” theme as well, as the following example illustrates:

This has been an exciting time, but not nearly as exciting as the future is going to be. There’s one message we consistently delivered to the media people who called us: “This is a growth strategy which promises exciting opportunities for our people to grow with us!” (Barry Dunleavy, Firmco CEO, in OMP Online, 10/F1)

This quote illustrates how the “This is a growth strategy” theme was spread outside of the firm as well. Firmco hired a public relations firm to help with distributing the message to local and national news media. The media is an important source of employee communications as well, because it is natural that employees will be interested in news reports about their company. For example, an article in a major metropolitan newspaper entitled “Largeco purchase not very taxing for accounting firm” contained the tagline (emphasis included): “Most acquisitions lead to job cuts at the target company, but when the Firmco partnership announced that it would be
bought by Largeco, the goal was to grow" ("Largeco purchase not very taxing for accounting firm," newspaper article). Such newspaper articles provided additional reinforcement of the "growth" theme for employees reading the article.

In addition to the firmwide communications, the "This is a growth strategy" theme was spread personally in local offices as well. For example, one partner I interviewed explained the effect the chaining of the fantasy theme had in his office, especially for employees who had been aspiring to be partners in the Firmco partnership:

And I think the more they heard, like when we came back from Cincinnati [the partners’ meeting], we said "We’re going to have this awesome growth, and we’re going to need partners all over the firm." Then it turned around and got a little bit more exciting. But yeah, I mean, initially, anybody’s going to get concerned. We didn’t lose anybody, thank God, but it was nervousness and things like that initially.
(Firmco accountant, partner level; interview)

The nervousness referred to by the partner in the preceding quote was reflected in the comments of several of the employees I interviewed. Some employees, similar to those described by the partner in the previous quote, seemed to indicate that the "This is a growth strategy" theme was helpful in addressing their uncertainty about the status of their jobs:

And so, yeah, we were all a little nervous and asking "What’s going to happen to our jobs?" and what is this going to mean for Firmco. I think that definitely the [Celebrating Our New Vision] meeting helped explain everything and made us feel a LOT more comfortable about it. ... Our partner in charge explained, in detail, all about it. ... And it made us feel like we weren’t really going to be changing anything. ... And that our jobs were all very secure. And that it also opened up a lot more room for growth and expansion of our office.
(Firmco administrative employee, staff level; interview)

The comments of other employees also indicated their buy-in to the "This is a growth strategy" theme:

I think that the difference is mainly that we now have the potential to REALLY GROW. ... But it’s like, now people are seeing that ... the partner group is really dedicated to get to this five-year goal of being a million dollar company.
(Firmco administrative employee, professional level; interview)

As far as opportunities for growth, yeah, that’s good. From day one, I always thought that would be there, and I still think that’s going to be there.
(Firmco accountant, staff level; interview)

Some employees did not buy into the growth theme as quickly as others, particularly just after the "Celebrating Our New Vision" meeting, because in that meeting the growth was described as occurring in particular aspects of the business. The comments of this employee indicate that some types of employees may have felt left out of the "This is a growth strategy" theme:
What happens to our audit people? I mean, [management’s] goal of advancing the tax and consulting and making it the biggest piece, that pushes out the audit piece, in some people’s minds. And it wasn’t presented, I don’t think, that “That practice just isn’t going to grow like the rest of it. It’s still going to be there.” And that was a concern. And I think audit people sort of got a little worried. (Firmco accountant, manager level; interview)

Some employees thought the “This is a growth strategy” theme seemed to contradict the “We don’t know all the answers yet; please be patient” theme, thus failing to alleviate some uncertainty about job security:

And everybody just started stressing out, wondering if there were going to be layoffs. “They say there weren’t going to be layoffs, but were there really?” Because they really didn’t know what was going to happen with the merger, so how could they possibly tell us these things are concrete, when they didn’t even know. So I think for a couple weeks, everybody was sort of on their toes, and just kind of keeping their ears open and listening to what other people were saying. (Firmco accountant, staff level; interview)

Another employee’s comments illustrate the same sentiments:

[The early communications] addressed some issues. [The communications] may have answered some of [our] questions. But I think [some employees] still had in the back of their minds, “This could POSSIBLY mean that I’m going to be out of a job.” And the fear factor, I think, probably still existed. It may not have been as STRONG, but it was still there. I don’t think that changed until AFTER the actual purchase, and people saw that they weren’t going to be just let go and fired and lose their jobs. Then they were able to relax and say “Oh, this isn’t so bad.” (Firmco administrative employee, staff level; interview)

Another common concern expressed by the employees I interviewed indicates that they had difficulty envisioning the “This is a growth strategy” theme being played out in reality:

I don’t think [the business combination] pushed anyone who was content with what they were doing to say, “I need to look for a job because I’m afraid I’m not going to have one.” ... I think the bigger concern, that I heard voiced, and that I had personally was, this continuing talk about how we’re going to GROW. And the reality is, how are we going to do that if we can’t staff what we have right now. That was the biggest concern people had. ... They [the leaders promoting the “growth” theme] were saying “We’re going to grow.” And staff translates that into “You need to work harder. So we can reach this 100 zillion percent growth in the next 10 years or whatever (laugh).” And people were like, “I can’t work any harder than I am right now.” (Firmco accountant, senior manager level; interview)

As the preceding comment illustrates, a fantasy theme started by one group can be translated differently by another. In this case, the partners’ “This is a growth strategy” theme may have become a “work harder” theme for lower-level employees. In order to resolve this discrepancy, more evidence of the actual means of growth may be necessary.
"The merger will cause synergies" (NewSeeds)

Synergies are often a key reason for undertaking mergers and acquisitions. "Synergy" in itself is one of the reasons many people immediately think of the "Mergers/acquisitions mean layoffs" theme when they hear about an impending merger or acquisition. The "The merger will cause synergies" theme made it evident from the initial announcement that the NewSeeds merger would result in some layoffs. One employee I interviewed gave me a copy of a newspaper article from the day of the announcement entitled "Drugmaker merger may doom jobs." In the article, the employee, a research scientist, had underlined the word "researchers" in the following statement:

Bestco and Greatco said they will eliminate 10,000 of their 134,000 jobs. Managers, salespeople and researchers will be just as vulnerable as factory workers, and the United States is expected to be a major target.

(newspaper article, "Drugmaker merger may doom jobs")

The next paragraph of the article emphasized the other side of the "synergy" coin, however:

But the larger impact will come as other companies examine the threat posed by this new industry behemoth, to be called Newco.

(newspaper article, "Drugmaker merger may doom jobs")

The "The merger will cause synergies" theme thus had both positive and negative aspects.

The initial statement CEO Gil Carney made to the GreatSeeds employees on the day of the merger announcement emphasized only the positive aspects of synergies:

The thrust that we will have with a combined presence in the market will be much greater than we had individually. This is a classic example of synergy, and we expect to work together to capitalize on this opportunity to bring new products and technologies to the customer. So, I see this merger as a DEFINITE plus.

("Statement of Gil Carney, CEO of GreatSeeds, on the merger of Bestco and Greatco," 3/7/N1)

Both positive and negative synergies were mentioned in the Newco press release, although the positive ones received the most emphasis. The Newco initial press release quoted the president designate of Newco as saying:

There is a superb strategic fit between our two companies which intensifies our market power and unlocks resources for further expansion."

(Newco press release, "Bestco and Greatco announce plans to merge," 3/7/N1)

This press release also mentioned the negatives:

The integration process will result in worldwide job reductions, the extent of which will be clarified as the integration task force begins its work. A special fund will be created to help workforce transition, ... focusing on job retraining...."

(Newco press release, "Bestco and Greatco announce plans to merge," 3/7/N1)
As presented in this press release, the "The merger will cause synergies" theme emphasized the positives in the communications, but did not deny the negative aspects of synergy.

The positive aspects of the "The merger will cause synergies" theme were the aspects most evident in the early communications I examined. These positive aspects were emphasized in many communications, at a variety of levels. In the Interaction newsletter issued to all Newco employees, an article focusing on the seeds division and BestSeeds and GreatSeeds included this statement:

While both companies have made progress independently toward expanding their presence in corn in the U.S. and abroad, collectively, they are better positioned to make rapid gains through collaborative research and development, sales and marketing efforts.
("Seeds: Staking out a position for long-term growth" article in Interaction newsletter, 10/N1)

Additionally, in a Merger Update, the Newco executive in charge of NewSeeds' division was quoted as speaking of these synergies in a visit to NewSeeds headquarters:

First off, [the NewSeeds executive in charge of NewSeeds' division] said that "NewSeeds will be part of a group that financial analysts around the world are calling the '600 pound gorilla' of agribusiness. Newco's agribusiness will be the largest in the world, the most profitable and the fastest growing, judging from the products in the pipeline."
(Merger Update, 5/3/N1)

The positive aspect of the "The merger will cause synergies" theme continued to be emphasized as the integration process continued. In a press release announcing FTC clearance of the NewSeeds merger, CEO Gil Carney was quoted as saying:

The combined research and development capabilities of our two organizations will be instrumental in achieving competitive advantage in a changing marketplace. Together, we are much better positioned to make rapid gains through collaborative research and development, sales and marketing efforts.
(Gil Carney, NewSeeds CEO, quoted in "FTC clearance of Greatco-Bestco merger produces third-largest field corn seed company in U.S.", press release, 12/17/N1)

The positive aspects of the "The merger will cause synergies" theme were emphasized both within and outside the company. The video "19N2: The Year of NewSeeds," which was issued to employees and customers, stressed the synergies, showing many top leaders speaking of specific aspects. In speaking of the positive synergies, the video included a shot of several articles from newspapers with headings such as "Everybody wins' when two seed companies tie the knot" ("19N2: The Year of NewSeeds" video).

The symbolic cue "1+1=3" was used throughout the integration process. This symbolic cue emphasized the positive aspects of the "The merger will cause synergies" theme.
Although I did not have access to documents illustrating this cue being used, one manager described its use to me as follows:

> We tried to position the whole thing as two companies that were REALLY on-the-go, really on the verge of breaking lose and growing, on their own, were now together. I remember one of the things we talked about is "1+1=3." In meetings we talked about, "Now we're 1+1=3." ...We had a lot of PowerPoint presentations that we did, for meetings, y'know, "This is what we're gonna do, this is what we're gonna be."

(NewSeeds upper level manager; interview)

Employee response to the "The merger will cause synergies" theme and the "1+1=3" symbolic cue were mixed. The employee in the following quote, for example, thought themes such as this one might have been a bit overstated, and continue to be:

> For merging, usually, you don't gain in the sales of both, you actually lose. In the merger year, we stayed flat, between the two companies. So that would be pretty positive. In the year after the merger, we had a decent gain. But, y'know, the goals that the parent company set were just unrealistic. And they set another set of unrealistic goals this year.

(NewSeeds research scientist and manager; interview)

Other employees emphasized that at least some of the predicted synergies were achieved:

> Well, I think they were successful in that it was one of the few times that two seed companies were able to merge together and actually grow their market share. Usually ... one plus one doesn't equal two. One plus one equals one and a half. This is the first time that I'm aware of that one plus one, it might not have equaled three, but it equaled at least two and a half. And that was positive. REAL positive. And everybody felt good about that. Because, I've been around it enough, and, y'know, it JUST DON'T happen. You DON'T buy market share in the seed business. Because you end up ticking too many people off somewhere along the line. And they say, "Well, I'll just go to somebody else down the road to buy my product."

(NewSeeds research scientist and supervisor)

As the preceding quote illustrates, the positive aspects of the "The merger will cause synergies" theme are often easier to talk about than they are to achieve. Other employees I interviewed expressed that the "synergy" theme was not specific enough:

> I think if earlier on, they would have focused on some very specific synergies we had, that we could have rallied around a little bit. And some of that was done. But the trouble of it is, it's a lot easier to go to generalities than it is to smoke out specific areas where once we're combined we'll have some specific competitive advantages over our competitor. ... What they need is to be reinforced with very specific positive things that are coming out of the work and the confusion and the pain that [the merger] created.

(NewSeeds manager; interview)

Another employee (who indicated he has been through six mergers/acquisitions) explained his perceptions of why the "The merger will cause synergies" theme was vague:
Everybody has to put out flowery words and flowery statements. Because nothing has been decided, they can't start talking specifics until they get specifics to say. Y'know, you can't start talking about when you're gonna start bagging everything in the same bag until you get a logo to put on the bag. So we say, "We all have to work together and pull really hard as a team to get all this stuff so we can slay the enemy." And what they mean is, "We haven't the slightest idea what we're going to work on Monday, but we'll figure something out." I mean, what are they gonna say, "No, this is not a team, we all hate each other"?

(NewSeeds upper level manager; interview)

Another employee explained that the symbolic cue "1+1=3" can actually be detrimental because people who buy into it may end up getting disappointed when they discover that, because of the negative aspects of synergies (some resources get reduced), each company doesn't enter the merger with as much as it had as a separate company:

1+1=3? (laugh) That's a good one. ... That probably did more harm than good. Because people look at that and say "1+1=3"? ... People who’ve been around the corporate block a few times think, "It’s more like .75 + .75 = what?" (laugh) Is it still 3? Ok, so you can see the twist going. So my take on that was 1+ 1= maybe 2.2. (laugh) I thought 3 was overblown. (laugh). ... It sets expectations too high. They’re unachievable.

(NewSeeds research scientist and upper level manager; interview)

Another employee also described how the "1+1=3" symbolic cue sometimes brought up the negative aspects of synergy, even though it is intended to emphasize the positive:

As someone who was involved in the process, at the same time we were saying [1+1=3], there was also what became a more cynical word going around, there was a lot of talk about synergies, and the synergy meant that it was strictly a budget-related thing. That we have budget A and budget B, but our new budget is going to be something less than A+B (laugh). So it wasn’t 1+1=3, it was 1+1 = 1.5, or something, for the budget. Which is also TRUE. I mean, that’s a big motivation for mergers. You’ve got duplicated facilities. But what it means is that some people, and some budgets, are going to lose.

(NewSeeds research scientist and upper level manager; interview)

The negative aspects of "The merger will cause synergies" theme were not heavily emphasized in the early communications I examined, although they were addressed. Some media announcements of the merger, such as the “Drugmaker merger dooms jobs" newspaper article I quoted from at the beginning of this section, emphasized the negative effects of synergy. Gil Carney’s official statement to GreatSeeds employees that same day made no mention of layoffs—although he did refer employees to the discussion in the Wall Street Journal, which most likely did mention potential layoffs. Employees, however, were not surprised when layoffs ultimately occurred, as this employee explained:
I mean, they came right out and said "We'll capture as many synergies as we can, which includes eliminating 1100 employees." Or something, if I remember the number right. And we just knew that was going to happen.

(NewSeeds manager; interview)

Discussions of the negative aspects of synergies in the communications were straightforward, although they often drew attention to the positive aspects of the situation at the same time they mentioned the negatives. For example, in the Newco Interaction newsletter, the Newco Chairman of the Board addressed both the negative and positive aspects of the "The merger will cause synergies" theme:

The merger is about much more than cost savings; it is, above all, an opportunity for long-term revenue growth. With the emphasis on growth, the up-side potential is unlimited, whereas the benefits from merger-related cost synergies are by nature limited. Clearly, this is no reason for not pursuing aggressively all identified cost synergies.

(Newco Chairman of the Board, quoted in Interaction newsletter, 10/N1)

The Newco Chairman of the Board also discussed the negative aspects of the "The merger will cause synergies" theme specifically:

I expect our managers to use good judgment, make fair decisions, provide open and frank information, show understanding and compassion, and take time to help those who are having difficulty coping with the new situation. In these difficult moments, we cannot allow employees to feel isolated and alone. Managers who are not up to this task have no place in Newco. From the employees, I expect more self-confidence and the willingness to see the changes not just as threats, but as opportunities.

(Newco Chairman of the Board, quoted in Interaction newsletter, 10/N1)

The preceding statement illustrates a subtheme, "We will be fair and compassionate when employees are negatively impacted," relating specifically to the negative aspects of synergy. Although I did not have access to many of the communications dealing directly with the downsizing aspect of the merger, I noticed this theme in the communications I was able to examine. For example, an information package sent to all NewSeeds employees describing the voluntary retirement and employee transition severance packages contained a letter from the president of Newco U.S., which emphasized this "fair and compassionate" theme:

Clearly the large majority of current Greatco and Bestco employees will be retained in the new organisation. Nevertheless, ... each of us wants to know: "What will happen to me? What will happen to my colleagues?"

Unfortunately, it may well be still quite some time before we are able to answer those questions for everyone, but I assure you that we are addressing the organisational issues just as quickly as we can. .. The fundamental goal of the program is to help all employees impacted by the merger to successfully bridge to the next phase of their careers/lives, so that they land on their feet. To achieve this, we will provide individual outplacement support and a package of financial benefits.

(President designate of Newco-U.S., letter regarding the early retirement and employee transition support programs, 6/20/N1)
This letter was accompanied by a letter from NewSeeds CEO Gil Carney to all NewSeeds employees. In his letter, Carney carried forward the “fair and compassionate” theme:

I believe the details of the plan show that Newco is committed to doing its best to support its employees—including those who, by the very nature of a merger, will not work for the new organization. ... These two programs are designed to make the merger of two fine organizations into Newco as positive as possible. (Gil Carney, NewSeeds CEO, letter introducing early retirement and employee transition support programs, 6/20/N1)

The employees I interviewed obviously could not comment as personally about these communications as could someone who had been directly affected by them, but some of the employees I interviewed did have colleagues or subordinates who were affected by the downsizing that resulted from the merger. Because these employees expressed no negative responses to the way the downsizing worked, I conclude that the “fair and compassionate” theme was supported by reality.

**Rhetorical Challenge: Building an Identity and Encouraging Identification**

As I discussed in Chapter 2, building an identity and encouraging identification is another rhetorical challenge faced in mergers and acquisitions. In my examination of the early communications of Firmco and NewSeeds, two themes I identified in association with this rhetorical challenge are “Our relationship with our merger/acquisition partner will be ...” and “Our image will be ...” I discuss each of these themes in the next sections.

“**Our relationship with our merger/acquisition partner will be ...**”

The relationship between merger/acquisition partners is important for employees to understand because this relationship affects the organization’s identity, which in turn affects employees’ decisions about whether or not they want to identify with the organization after the merger/acquisition. Because the situations of Firmco and NewSeeds were very different, these organizations employed different themes to express the “Our relationship with our merger/acquisition partner will be ...” theme. Firmco emphasized the theme “Firmco’s identity will be separate from Largeco,” while NewSeeds used the theme “This is a merger of equals.” In the next sections, I discuss each of these specific applications of the “Our relationship with our merger/acquisition partner will be ...” theme.

“Firmco’s identity will be separate from Largeco” (Firmco)

For Firmco, the theme that I found in the early communications that was promoting the “Our relationship with our merger/acquisition partner will be ...” theme was “Firmco’s identity will be separate from Largeco.” This theme was important to Firmco employees because Largeco’s reputation within the public accounting profession was rather negative. Largeco’s specialty was low-priced relatively simple individual tax returns, while Firmco prided itself in being a sophisticated provider of financial services to businesses and wealthy
individuals. Almost all of the Firmco employees I talked to told me that they had a very negative response when they first learned that Firmco’s business combination partner was Largeco.

Here are some examples:

When I first heard about it, and I heard the Largeco name, I thought “Oh my gosh,” (laugh) “not with them.”

(Firmco accountant, senior manager level; interview)

My perception when I first heard about it was negative. Largeco, I mean, they’re kind of a joke. Before, if we were working on a return that was very very simple, we’d say, “Why isn’t this client with Largeco?”

(Firmco accountant, advanced staff level; interview)

When I first heard about it, I thought “Are we going to go by the Largeco name?” That was something I absolutely didn’t want to do. And if that had been the way it worked out, I would have quit. And maybe that’s selfish (laugh) or ego, or whatever, but I felt I’d worked TOO hard, because that name has a negative connotation. There’s a negative perception of that. So that would have been one thing that would have probably forced me out of the firm.

(Firmco accountant, senior manager level; interview)

The above responses illustrate the extreme importance of gaining employee buy-in to the “Firmco’s identity will be separate from Largeco” fantasy theme. The remarks of this partner sum up the magnitude of this rhetorical challenge:

The bottom line on that is that there’s just a whole bunch of professionals that didn’t want to be associated with Largeco and nobody felt positive about that. I don’t know a single person that felt positive about that.

(Firmco accountant, partner level; interview)

The “Firmco’s identity will be separate from Largeco” theme was introduced to the general employee group by Firmco CEO Barry Dunleavy in the initial email announcing the business combination, as this excerpt from that email illustrates:

Most of us associate the Largeco name with individual tax returns; however, if an agreement is reached, we envision the branding of our name in a separate subsidiary.

(Barry Dunleavy, Firmco CEO, email announcing merger talks, 4/24/F1)

The above excerpt suggests that, even in the early stages of the business combination process, management knew that gaining employee acceptance to the “Firmco’s identity will be separate from Largeco” theme would be critical.

After the initial announcement, the next major firmwide communication concerning the “Firmco’s identity will be separate from Largeco” theme occurred during the “Celebrating

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As I learned from my interviews, gaining partner acceptance of the “Our identity will be separate from Largeco” theme was one of the biggest challenges faced by the Strategic Advisory Group in getting the partner approval for the business combination. However, I did not have access to the communication with the partner group and therefore that aspect of the employee communication is beyond the scope of my study.
Our New Vision” meetings held in all economic units of the firm. In the meeting I viewed on videotape, the partner leading the meeting made several references to this theme. For example, he stated the theme directly:

    Keep in mind, this is not going to be branded as Largeco; this is not going to be branded as a division of Largeco.

*(partner in charge of Green economic unit, speaking in videotape of Green economic unit’s “Celebrating Our New Vision” meeting, 5/10/F1)*

Additionally two other symbolic cues pertaining to this theme were brought up in the “Celebrating Our New Vision” meeting. One pertained to the Largeco jokes that started circulating in connection with news of the firm’s association with Largeco. Two of the partners I interviewed explained the potentially damaging nature of these jokes:

    For example, I’m on a number of community boards and executive boards with competitors, who are my friends, and it’s not unusual, now that my name comes up in conversations, or they’re doing something, someone will raise their hand and say “If we can’t get ahold of you at the office, can we reach you at [Largeco] on the weekends?” Those types of issues. That was our big concern.

*(accountant, partner level; interview)*

    The jokes were significant for a period of time. Largeco—low quality, y’know, ... I mean, that affects people’s morale about their job.

*(accountant, partner level; interview)*

One of the challenges in promoting the “Firmco’s identity will be separate from Largeco” theme was countering these inside jokes. For example, the leader of the Green economic unit’s “Celebrating Our New Vision” meeting that I viewed on videotaping acknowledged those jokes in that meeting:

    I’m sure you’ve all been the brunt of these jokes that have been going around— “Which [branch of Largeco] do we drop our tax returns at?”

*(partner in charge of Green economic unit, speaking in videotape of Green economic unit’s “Celebrating Our New Vision” meeting, 5/10/F1)*

However, the leader of this meeting went on to explain why Largeco was an appropriate partner, and continued to stress the “Our identity will be separate from Largeco” theme, as indicated by this statement from later in the Green economic unit’s “Celebrating Our New Vision” meeting:

    We won’t be selling Largeco products, that’s NOT our market.

*(partner in charge of Green economic unit, speaking in videotape of Green economic unit’s “Celebrating Our New Vision” meeting, 5/10/F1)*

The other symbolic cue I identified in the early communications of Largeco pertaining to the “Firmco’s identity will be separate from Largeco” theme was the comparison of the Largeco-Firmco relationship to other parent-subsidiary relationships where the parent and subsidiary are not widely recognized as being associated. For example, in the Green economic unit’s “Celebrating Our New Vision” meeting, the partner conducting the meeting stated:
[Largeco] recognizes their name is a problem for us. We'll be just like many other companies that you don't know who the parent is. You NEVER hear that Dayton Hudson and Target are the same. Two totally different market segments they appeal to, but they're the same corporation. Two totally different segments. It will be that way for us. It will be Firmco for our market segments and Largeco for theirs.

(partner in charge of Green economic unit, speaking in videotape of Green economic unit's “Celebrating Our New Vision” meeting, 5/10/F1)

This parent-subsidiary symbolic cue for the “Our identity will be separate from Largeco” theme was also present in the OMP Online electronic newsletter:

Also, remember that we will be branding our identity separate from Largeco.

... People may be asking you, “How will you like working Largeco?” What they don’t understand is that you will be working for our firm, which just happens to be owned by Largeco. Hertz car rental operations are owned by Ford Motor Company, but most people aren’t aware of this because Hertz is branded as a separate company. Our situation will be similar to this.

(Barry Dunleavy, Firmco CEO, in OMP Online, 6/F1)

In my interviews with employees, I found that this parent-subsidiary symbolic cue seemed to have successfully chained throughout the firm and been accepted by employees, as these two comments from employees in different economic units illustrate:

I think [our partner in charge has done] a good job of saying “It’s the same relation that Ford has to Hertz.” You go and rent a car from Hertz, but you don’t think, “Ok, I’m going to Ford to get a car.” Or when you go to Target, you don’t think you’re going to Dayton-Hudson, or vice versa.

(Firmco administrative employee, professional level; interview)

I wasn’t too concerned about how it was going to personally affect me because I knew I would still have a job. I had worked many many years ago for Dayton Hudson Corporation. If you’re familiar with Dayton’s, you know they own Dayton’s, [an upscale department store] and they own Target [a discount mass merchandiser]. And my W-2 told me I worked for Dayton Hudson Corporation, but I worked for Dayton’s. And nobody is ever going to confuse Dayton’s merchandise for Target merchandise. Completely different clientele. That is how I looked at this merger.

(Firmco accountant, advanced staff level; interview)

Other communications stressed the “Firmco’s identity will be separate from Largeco” theme as well. For example, the press release announcing the business combination stated:

The acquisition of Firmco is a major step in Largeco’s strategy to broaden its customer base and build financial advisory-based relationships with both accounting firm clients and existing Largeco tax clients, although Largeco’s individual tax return business will remain separate from Firmco.

(“Largeco and Firmco sign agreement” press release, 8/31/F1)

Additionally, Firmco’s business combination database included several questions pertaining to the “Firmco’s identity will be separate from Largeco” theme. Here are two examples:
Q: Will the name Largeco be mentioned on any business cards or in advertisements?
A: No.  
(Firmco Business Combination Database)

Q: Is it likely that people will never associate the name Firmco with Largeco?
A: The name association of Firmco and Largeco will peak the day of the public announcement. Following the announcement, we will begin building an entirely separate brand identity for Firmco.  
(Firmco Business Combination Database)

In general, employee responses to the promotion of the “Firmco’s identity will be separate from Largeco” theme were positive. Although most employees indicated they were very negative about the name initially, they did not have those negative feelings at the time of my interviews, as this comment illustrates:

I think the perceptions with Largeco at the time, before we were told anything about their business practices, was pretty negative internally. There were a lot of really pathetic jokes and things. I think once people understood the values of the company and why we had chosen Largeco and why we had chosen to merge with them, I think people understood a little bit better.  
(Firmco administrative employee, professional level; interview)

One communication that did cause a bit of confusion with this theme was the “Living Large” event. This event was explained in the employee magazine as follows:

“We think employees will have a lot of fun with this activity,” says [an employee] in Firmwide Communications who is coordinating the activity. “In addition to building camaraderie, we hope the building activity symbolizes our potential as we work together to build the leading national firm.”  
(“Getting the word out: Sharing the message with employees, clients, and media”, article in Firmco Expressions employee magazine, 10/F1)

Some employees, however, felt that the “Living Large” event countered the “Firmco’s identity will be separate from Largeco” theme, as these responses illustrate:

It was horrible. We were led to believe in Cincinnati [the partners’ meeting where the business combination was approved] that we would be a separate brand, that one of the reasons we were doing this was to access capital so that we could make stronger investments in OUR brand name, which was going to be Firmco. But SEPARATELY. One of the MAJOR concerns that partners had was with the Largeco name.  
(Firmco accountant, partner level; interview)

I didn’t have a problem with the idea as such, but we turned around and billed it as “Living Large.” And coming on the heels of saying, “We’re going to separate ourselves from Largeco,” to me, it was just sending a BIG-TIME mixed message. Internally. But I think the concept was good. I don’t know, I think we just positioned it wrong. As a firm.  
(Firmco administrative employee, professional level; interview)
From a fantasy theme perspective, the original intent of the "Living Large" event seemed to have been to generate interest in the closing of the business combination deal and to get employees excited about the future (i.e., promote the "This is exciting!" theme discussed in the emotions section earlier in this chapter). However, some employees saw the event moreso as countering the "Firmco's identity will be separate from Largeco" theme. Overall, however, several of the employees I interviewed were positive, or at least neutral, towards the "Living Large" event. The most negative reaction to the event, came from the partners I interviewed. For them, the "Our identity will be separate from Largeco" theme was a key reason why they agreed to the combination in the first place, and communications such as "Living Large" that countered that theme would understandably be unsettling. This example illustrates how different themes have differing levels of importance for different subcultures.

"This is a merger of equals" (NewSeeds)

The "Our relationship with our merger/acquisition partner will be ..." theme was evident in the early communications of NewSeeds. The way this theme was generally articulated in NewSeeds' situation was by the theme "This is a merger of equals."

The "This is a merger of equals" theme was articulated in the early communications of both NewSeeds and its parent company Newco. The initial press release of the merger of Greatco and Bestco stated:

The chairmen of the boards of Greatco and Bestco announced today the common decision to definitively merge and form a new company, Newco. An agreement has been signed, pending shareholder approval, to create a combination of both entities based on the concept of a merger among equals.

( Newco press release, "Bestco and Greatco announce plans to merge," 3/7/N1)

Additionally, this press release quoted the chairman of Bestco as commenting:

To combine two strong and successful companies into an even stronger and more successful new entity represents a fascinating vision, indeed.

(Chairman of Bestco [future Chairman of the Board of Newco], quoted in Newco press release, "Bestco and Greatco announce plans to merge," 3/7/N1)

The preceding quote promotes the "This is a merger of equals" theme by emphasizing that both companies were already strong and successful and that the resulting merger would form an even stronger company. In his statements to NewSeeds employees, NewSeeds CEO Gil Carney also carried forward the "This is a merger of equals" theme:

This is a MERGER and not an acquisition. TWO world-class companies have been joined to make ONE world-class company.

("Statement of Gil Carney, CEO of GreatSeeds, on the merger of Bestco and Greatco," 3/7/N1)

The "This is a merger of equals" theme was meant to convey that neither organization would be in charge; both organizations would have an equal say in how the new company was
run. This theme was reiterated by the Newco executive in charge of NewSeeds’ division during a visit to NewSeeds’ headquarters, as reported in a *Merger Update* voicemail/fax to GreatSeeds employees during the in-play period:

[The Newco executive in charge of NewSeeds’ division] had some great things to say about GreatSeeds and some exciting predictions for the future and we thought we should share them with all of you. ... [The Newco executive] stressed the point—it’s a merger, not a take over.

(*Merger Update, 5/3/N1*)

The “*This is a merger of equals*” theme was also promoted symbolically throughout the integration process as well. For example, many of the managers I interviewed made the point that very conscious efforts were made to have equal representation from both organizations when assigning members to integration teams. NewSeeds CEO Gil Carney explained to me how this perception of equality was required from the Newco level on down:

What happened in the overall merger, [at Newco headquarters], is that they came up with the parameter that this was going to be a “merger of equals.” And therefore, on EVERY management team, there was going to be an equal number of officers from the two companies. In fact, it even got so detailed that, let’s say, if we do business in 70 countries, they said, “35 of the country presidents will come from Bestco, 35 of the country presidents will come from Greatco.” And so it was a force fit from that perspective. And also, once that was in place, there was also a criteria that you couldn’t tamper with it for 18 months.

(*Gil Carney, NewSeeds CEO; interview*)

This requirement of equal representation on management teams for the first 18 months was a way of symbolically spreading the “*This is a merger of equals*” theme. Additionally, Gil Carney (who had been with GreatSeeds only five months prior to the merger announcement) explained how his lack of a vested interest in either company was helpful during the integration:

I think it was helpful for me to come in because people would sit down and say, “Well, this is how we did it in BestSeeds.” And other people would say “Well, this is how we did it in GreatSeeds.” And I’d say, “I don’t have a vested interest. So let’s talk about how we’re going to do this TOGETHER in this new culture. And let’s take what worked well and throw away what didn’t work so well.” Whereas, I think if I would have come from either one of those environments, it would have been a lot harder because either 1) I probably WOULD have been biased or 2) if I wasn’t, people would have perceived me as being biased. And in those parts of the company where that WAS the case, that’s exactly what happened. ... Whether we came up with the best answer or not wasn’t as important as “This is a new culture.” So in a way, it was more symbolic, and then we could build on it. And I think that worked very well. It was important. Especially with two strong-minded cultures.

(*Gil Carney, NewSeeds CEO; interview*)

The preceding quote illustrates that Carney’s lack of a vested interest in either NewSeeds or GreatSeeds helped him provide a reality link for the “*This is a merger of equals*” theme both substantively and symbolically.
Employee responses to the "This is a merger of equals" theme were positive, yet practical. As this employee stated, sometimes the "This is a merger of equals" theme wasn't carried out because of the size of the business units involved:

I would say it was a merger of equals at the time it happened, only in the context that no one knew who was really gonna be running the show. It WASN'T a merger of equals in the context of size of the businesses. So people could quickly deduce that, y'know, well, I think GreatSeeds is going to end up with most of the power out of this deal because their business is two times or three times the size of BestSeeds business, on the seed size. And it was clear on the chemical side, it QUICKLY went the other way. The Bestco chemical business was five times the size of the Greatco chemical business. So it was really easy to figure out what was going to happen.

(NewSeeds upper level manager; interview)

Another employee expressed the same sentiments, indicating that the effort to symbolically spread the "This is a merger of equals" theme was effective, even if the theme was not always actually applied in reality:

To the credit of everyone involved, I think there was an effort to make merger team representation equal. To consider all sides. But when you actually look at the decisions that were made, in the end, many of them, tended toward existing processes and existing structures that GreatSeeds had. But I could look at specific examples and say this specific time, we should have decided something differently. But sometimes, you just have to choose. There isn't a definite advantage to one procedure or the other. So you just make a choice.

(NewSeeds research scientist and upper level manager; interview)

In summary, the "This is a merger of equals" theme was symbolically carried out, even though specific aspects of the business may have ended up more like one of the merger partners than the other, simply because that partner was more dominant in that area. The effort to symbolically carry the theme through, however, seems to have been effective in gaining employee buy in to the concept of making the new organization a "merger of equals."

Our image will be ...

An additional theme I found in my examination of the early communications of Firmco and NewSeeds was the "Our image will be ..." theme. This theme helped employees come to a common understanding of how the new organization would be represented both internally and externally. This theme was expressed in Firmco as "Firmco will be a national brand" and in NewSeeds as "NewSeeds will be a new company."

Firmco will be a national brand (Firmco)

The "Firmco will be a national brand" theme was presented throughout Firmco's early communications to create a common consciousness of how the business combination with Largeco would change Firmco's external and internal images. This theme was initially articulated by Barry Dunleavy in the email announcement of the talks with Largeco:
We are very excited about Largeco’s desire to develop a leading financial services firm serving owner-managed, entrepreneurial firms. They are very interested in Firmco’s ability to build a national middle-market accounting and consulting business.

(Barry Dunleavy, Firmco CEO, email announcing merger talks, 4/24/F1)

The “Firmco will be a national brand” theme was also emphasized in the “Celebrating Our New Vision” meeting. In the video shown at that meeting, Firmco CEO Barry Dunleavy stated:

We are going to become THE leading firm serving our segments throughout the United States. And by branding our name, we will have much less of Firmwho?

(Firmco CEO Barry Dunleavy, speaking in “Celebrating Our New Vision” video, 5/10/F1)

The “Firmwho” symbolic cue illustrated that Firmco was currently not a nationally recognized name and helped demonstrate the need for more national name recognition. The idea behind the “Firmco will be a national brand” theme was that the Largeco business combination would provide Firmco with the capital to make Firmco a nationally recognized brand name. The “Firmwho” symbolic cue was used again in the “Celebrating Our New Vision” video by a Strategic Advisory Group member shown speaking at the Cincinnati partners’ meeting in which the business combination was approved:

The thought of going out five years and being recognized in the marketplace as Firmco instead of Firmwho? is what is truly exciting to me.

(Strategic Advisory Group member shown speaking at Cincinnati partners meeting, “Celebrating Our New Vision” video, 5/10/F1)

The “Firmco will be a national brand” theme was also spread externally and was evident in the press release announcing the business combination:

Following the acquisition, Largeco intends to integrate its previously acquired accounting firms into one firm known as Firmco. This national accounting, tax and consulting practice will share a single client service philosophy and have approximately 470 managing directors and nearly 4,000 employees in more than 70 offices nationwide.

(“Largeco and Firmco sign agreement,” press release, 8/31/F1)

This press release was also available to employees and was helpful in promoting the “Firmco will be a national brand” theme both internally and externally because it provided details as to what being a “national brand” would entail. These details were helpful in creating a common idea of what the firm aspired to become as a result of the business combination.

The Firmco employee magazine also promoted the “Firmco will be a national brand” theme and brought up many of the details connected to it. The magazine provided a visual symbol of the business combination being promoted nationally by picturing news clippings from well-known national news media such as the Wall Street Journal, The Chicago Tribune,
The New York Times and Yahoo! Finance (photograph in “Getting the word out: Sharing the message with employees, clients and the media” article in Firmco Expressions employee magazine, 10/F1). Another article in the employee magazine included a quotation from Firmco’s executive partner in charge of marketing:

> Our real challenge going forward is determining what we want our name to represent to the public, including our clients. When a client or prospective client hears our name, what image does it conjure up in his or her mind? Our challenge is to determine what that image needs to be, then once it’s defined, how do we consistently deliver on that same brand promise in 60-plus offices nationwide?

(‘Firmco’s executive partner of marketing, quoted in “What’s in a name? We must become what we say we are” article in Firmco Expressions employee magazine, 10/F1)

The above quotation carries forward the “Firmco will be a national brand” theme by describing the challenge that achieving the “national brand” represents. The article also goes on to further describe the process of developing the national brand:

> Firmco’s national marketing office is currently developing the process for defining what the Firmco brand should represent. The first step will be to complete some significant mailer research. Based on the research ... Firmco’s brand identity will be defined and a plan developed to market the brand.

(‘What’s in a name? We must become what we say we are” article in Firmco Expressions employee magazine, 10/F1)

The preceding quote further helps employees get a more concrete idea of how the “Firmco will be a national brand” theme will be played out in reality.

In the early communications I examined, I noted that often when the “Firmco will be a national brand theme” was used, the “Firmco’s identity will be separate from Largeco” theme was also often invoked. One of the reasons for this connection may have been to dispel employee concern that Firmco would become a national brand by using Largeco’s already nationally known name. Additionally, when announcements of the business combination appeared in the national press, Largeco’s name was often featured in the announcement. The following excerpt from OMP Online can be viewed as an effort to spread both the “Firmco’s identity will be separate from Largeco” and the “Firmco will be a national brand” themes:

> Some of you have expressed concern about the fact that the Largeco name has been getting equal or greater prominence than the Firmco name in the news media. Stories about our business deal have, by necessity, given the Largeco name prominence. Some of the emphasis placed on the Largeco name results from Largeco’s strong name recognition. ... We will continue our efforts to do everything we can to brand Firmco, while also being aware that Largeco is our parent company.

(Barry Dunleavy, Firmco CEO, in OMP Online, 11/F1)

Another early communication that made a connection between these two themes was a roleplay video designed to help Firmco employees learn how explain the business combination to
clients. The video featured two Firmco partners roleplaying various situations such as explaining the business combination to a client, a prospective employee, or a center of influence (e.g., a potential source of client referrals such as an attorney or banker). In a roleplay scenario involving an employee explaining the business combination to a banker, the employee states:

Largeco has nearly 100% name recognition in the market that it serves, and they don't want to disturb that. We hope to be as successful in branding our name as Largeco has been in branding theirs.

(Statement of roleplayer [client] to other roleplayer [banker] in “Roleplay Video,” 10/F1)

This statement carried forward both the “Firmco’s identity will be separate from Largeco” and the “Firmco will be a national brand” themes by identifying the hope that Firmco, operating in its own segment of the market, would be able to achieve the branding success that Largeco had already achieved with its own name in its own market.

Employee buy-in to the “Firmco will be a national brand” theme seemed to be relatively strong. Most of the employees I interviewed understood and believed the theme, as this employee’s comments indicate:

I think in terms of the brand, I think that was well received. I think people have a real good understanding of who Firmco is and what we’re trying to do as a firm, from that respect. And, I think, what I try to do is continually talk to people internally here, and I like to explain it to them even further, so THEY have a good grasp of it, so they can go and talk about it when they go outside.

(Firmco administrative employee, professional level; interview)

Note that the employee in the preceding quote also indicated that he or she participated in spreading the “Firmco will be a national brand” theme locally.

Other employees, although they bought into the “Firmco will be a national brand” theme initially, indicated that they had expected to see more action on it by the time I conducted my interviews (approximately 4-5 months after the business combination was finalized), as this employee’s comments indicate:

I kind of thought that that would be one of the things they’d jump on immediately because their long-term goal to triple the size of the firm in five years isn’t very long-term. And to do that ... the more we can get our name out there before that happens, the better off, the easier it is. And maybe they’re doing it in other markets more maybe than in [this one] since we’re already pretty dominant in [this one] so they just haven’t felt this was the market they needed to work on INITIALLY.

(Firmco accountant, staff level; interview)

Other employees I interviewed explained that there did not seem to be enough advantage taken of the public enthusiasm and interest that generally follows a merger or acquisition:

I think that we’ve MISSED the wave of the merger. ... There’s always enthusiasm and momentum generated in a merger. You can catch that momentum, make it peak and ride it a long ways to your strategic advantage. Or
if you don't do anything for a long enough period of time, the wave will curl and break over, and you can't recapture that momentum without SIGNIFICANT investments and it's impossible to start over at the same momentum. I think we missed it. With clients, employees, centers of influence, press. We just didn't get there. Certainly not locally. Nationally? I don't know. ... Locally, we missed them all. Does that affect our reputation as Firmco locally? No. That's not my point. Our reputation was solid before, it's solid after. What we lost is the opportunity to gain additional momentum because of the merger.

(Firmco accountant, partner level; interview)

From a fantasy theme perspective, one of the reasons the momentum from the merger might not have been as easy to pick up on as in other merger/acquisition situations was the simultaneous themes of "Firmco will be a national brand" and "Firmco will have an identity separate from Largeco." Much of the momentum from the merger came from the association with Largeco, however, if that association was emphasized, then members of the rhetorical community may have seen that as a contradiction to the "Firmco will have an identity separate from Largeco" theme, as seemed to have happened to some degree with the "Living Large" event.

"NewSeeds will be a new company" (NewSeeds)

Based on the early communications I analyzed from the early stages of NewSeeds' merger, the "Our image will be ..." theme was expressed using the "NewSeeds will be a new company" theme.

In the case of NewSeeds and its parent company Newco, the names of the merged companies themselves symbolize the "NewSeeds will be a new company" theme. Newco was formed from Bestco and Greatco and NewSeeds from BestSeeds and GreatSeeds—the new company names are new and are not based on the names of the old companies.

One way the "NewSeeds will be a new company" theme was emphasized at both the Newco and NewSeeds levels was to remind employees that they represented the new company to customers. This idea was expressed in a letter by the Newco president and chairman of the board to all Newco employees:

We have a unique opportunity to reinforce the positive perceptions created with the merger announcement in March. The next few weeks will have a lasting impact on how we are viewed by all of our stakeholders. We are counting on each and every one of you as you represent Newco. ... In some mergers, companies have faltered in their first few months as a newly formed entity. ... We will need to be confident and vigilant at the same time ... as we strive every day to fulfill our aspirations and mobilize the enormous potential of our organization.

(Letter from the Newco president and the chairman of the board announcing finalization of the Bestco-Greatco merger, 12/17/N1)

In addition, the idea that employees were key in representing the new brand and the new company was stressed by Newco CEO Gil Carney in a video issued in connection with the announcement of NewSeeds' brand and logo:
However, your role in building our brand is even more crucial than an advertising campaign. The customer's experience with a company employee or representative determines the company's brand position in that customer's mind. In short, YOU are the brand in their eyes. 

(Gil Carney in "We're Well On Our Way: Brand/Logo Introduction" video, 5/N2)

NewSeeds' new brand and logo was another important symbol in carrying forward the "We will be a new company" theme. This new brand was mentioned in a letter that Gil Carney sent to all employees in conjunction with the one year anniversary of the merger announcement:

Our next major push will come later this spring and through the summer as we really start spreading the word about the GS Brand—the banner under which NewSeeds will sell its full array of seeds.

(Gil Carney, NewSeeds CEO, letter to NewSeeds employees recognizing the first anniversary of the announcement of the merger of Bestco and Greatco, 3/10/N2)

When the NewSeeds' GS Brand was launched in the market, the "We will be a new company" theme was addressed in another communication from the Newco vice president of marketing sent to all NewSeeds employees:

But first I want to address directly what has been discussed with emotions for months. We will officially launch our new "GS Brand" after this spring. By adopting the GS Brand, we are borrowing some brand equity from the past. Our charge is to build on that foundation as we introduce our customers to a new company and a new brand that will stand for technology leadership and innovation.

(NewSeeds Vice President of Marketing, letter to NewSeeds employees about the brand launch, 5/8/N2)

This letter acknowledges the difficulty that some BestSeeds employees may have been experiencing in losing the brand identity of their former company. Indeed, because the GreatSeeds GS brand was chosen as the NewSeeds brand name, for some employees this may have countered the "This is a merger of equals" theme. In addressing this emotional issue, the vice president of marketing also invoked the "We understand your emotions" theme discussed earlier in this chapter in conjunction with the "We will be a new company" theme:

"NewSeeds" will no longer be used as a brand after this spring. I know this is an emotional issue for many of you. The NewSeeds concept played a key role in the introduction of a new technology, and we are proud of what it has accomplished in the short time prior to the merger. However, we need to adapt to ongoing changes in the market place, and I am sure all of you will agree that this market place has changed considerably in the past year or two. ... you'll hear more about our new marketing, brand and advertising strategies this summer.

(NewSeeds Vice President of Marketing, letter to NewSeeds employees about the brand launch, 5/8/N2)

In my analysis of the early communications of NewSeeds, I discovered that clothing is another important symbol of the "We will be a new company" theme. In connection with the
one-year anniversary of the merger announcement, Gil Carney sent all employees a Newco shirt and stated the following in the cover letter:

I thought I’d recognize the occasion by sending a Newco shirt as a graphic representation of the new company we’re working for.

(Gil Carney, NewSeeds CEO, letter to NewSeeds employees recognizing the first anniversary of the announcement of the merger of Bestco and Greatco, 3/10/N2)

One of the NewSeeds employees I interviewed explained the significant symbolism that clothing can convey after a merger:

Take the logos on the shirts. Say if somebody would walk in the office from the field, and he’d have the BestSeeds hat on and the BestSeeds logo shirt and the BestSeeds coat on [in the first few months after the merger], we’d think, y’know, “Doesn’t he know that we are now NewSeeds?” He’s somebody who wouldn’t give it up. Y’know, it took him six months or a year or whatever to get the new logo and wear it like he should. Well, that person is flaunting, “Hey, I’m from BestSeeds and I don’t care if this is a merger.”

(NewSeeds upper level manager; interview)

The preceding comments illustrate how clothing can be used to signify an employee’s buy-in (or refusal to buy in) to the “This is a new company” theme.

The employees I interviewed pointed out that the “This is a new company” theme was at times challenging to implement and accept. For example, NewSeeds CEO Gil Carney explained to me the difficulty of developing name recognition for NewSeeds in an interview I conducted with him approximately 18 months after the merger was finalized:

People will say “Who are you with?” and I’ll say “NewSeeds.” And they won’t understand that. And I’ll say, “the old GreatSeeds.” And they’ll say, “Oh yeah, my granddaughter detasselled corn for GreatSeeds.” And so GreatSeeds had 110 years of history and reputation and credibility in the community. And so, you say “GreatSeeds” and you have instant trust, credibility, etcetera, because of the job they did over those 110 years here locally. You say “NewSeeds” and it’s still an unknown entity. ... And so when you talk about how you build a culture and make that culture credible, part of it is a time thing too. And the recognition.

(Gil Carney, NewSeeds CEO; interview)

Some of the employee comments listed in the summary of a communications survey conducted at the end of the first year of the merger also expressed frustration with this lack of recognition. In the category of “Burning Issues,” these comments appeared:

“Our customers don’t even know who the heck we are!” and “Two companies wanting to hold onto the old company. Our future is NewSeeds, Inc.” (NewSeeds Employee Communications Reality Check communications survey). These comments illustrate that there were challenges to overcome both within and outside of the company in gaining acceptance to “This is a new company” theme.
Summary of Fantasy Theme Analysis

In this section, I summarize the findings of my fantasy theme analysis. First I summarize the fantasy themes presented in this chapter. Then I discuss the rhetorical vision I have identified as being at the core of the fantasy themes used in the early communications. Finally, I discuss the elements of fantasy theme artistry that I found affected how well the fantasy themes within the rhetorical visions spread within Firmco and NewSeeds.

Fantasy themes

In this chapter, I have identified several fantasy themes that I found pertaining to the four rhetorical challenges that I identified through the literature review presented in Chapter 2. The themes that I discovered in my analysis of the early communications of Finnco and NewSeeds are summarized in Table 5, which shows not only the overall themes, but the specific themes I found used by Firmco and NewSeeds.

Rhetorical vision

As defined by Bormann, a rhetorical vision is a “unified putting-together” of the various fantasy themes that “gives the participants a broader view of things” (Bormann, 1985, p. 8). Based on the themes I identified in the situations of Firmco and NewSeeds, I argue that in each situation, these themes combined present the rhetorical vision of the “bigger, better organization for tomorrow.” In fact, this phrasing comes from one of the NewSeeds participants (for whom this was his sixth merger/acquisition experience), who stated:

Everybody has to put out flowery words and flowery statements. ... There’s only one thing they can say: bigger, better company for tomorrow.

(NewSeeds upper level manager; interview)

I believe “bigger, better organization for tomorrow” represents the rhetorical vision stemming from all of the fantasy themes in Table 5. As the discussion in this chapter illustrates, these themes were used very frequently in the early communications to address the rhetorical challenges while at the same time gaining employee buy-in to the rhetorical vision.

Master analogue

The “bigger, better organization for tomorrow” rhetorical vision as it is presented in the early communications seems to be based on a master analogue consisting of both pragmatic and social elements. As Bormann, Cragan and Shields (1996, p. 4) define it, a master analogue (the underlying philosophy of the rhetorical vision) can generally be classified into one of three categories: righteous (emphasizing the “right” or “moral” way of doing things), social (emphasizing human relations such as friendship, empathy and compassion), or pragmatic (emphasizing expediency, practicality, utility, and efficiency). I argue that the “bigger, better organization for tomorrow” rhetorical vision as it is presented in the early communications of both Firmco and NewSeeds is neither totally pragmatic nor totally social; it is both.
Table 5. Rhetorical challenges and fantasy themes in early communications in mergers and acquisitions

<table>
<thead>
<tr>
<th>Rhetorical challenges</th>
<th>Fantasy themes</th>
</tr>
</thead>
</table>
| Setting the stage for cultural change | “We will be a nationally prominent organization”  
“We will be the top firm serving middle market clients” (Firmco)  
“We will be the number two seed company” (NewSeeds)  
“Our values will drive us forward”  
“Our already strong values will continue” (Firmco)  
“Our people are as important as our clients” (Firmco)  
“This is a new beginning to build a new culture centered around our values” (NewSeeds)  
“Keep the focus on the customer” (NewSeeds)  
“We WILL be able to come together successfully”  
“Largeco shares our goals and will not change our culture” (Firmco)  
“Additional firms will be integrated into Firmco” (Firmco)  
“Get over us/them” (NewSeeds)  
“The enemy is not inside but outside” (NewSeeds)  
“Develop hybrid vigor” (NewSeeds) |
| Addressing emotions | “We understand your emotions and we appreciate your efforts” (Firmco and NewSeeds)  
“This is exciting!” (Firmco and NewSeeds)  
“This provides opportunity!” (Firmco and NewSeeds) |
| Dealing with uncertainty | “Ask questions, and we will answer when we can” (Firmco and NewSeeds)  
“We don’t know all the answers yet; please be patient” (Firmco and NewSeeds)  
“The result will be worth the effort”  
“This is a growth strategy” (Firmco)  
“The merger will cause synergies” (NewSeeds) |
| Building an identity and encouraging identification | “Our relationship with our merger/acquisition partner will be…”  
“Firmco’s identity will be separate from Largeco’s” (Firmco)  
“This is a merger of equals” (NewSeeds)  
“Our image will be…”  
“Firmco will be a national brand” (Firmco)  
“NewSeeds will be a new company” (NewSeeds) |
Reviewing the fantasy themes in Table 5, it can be seen that some of these themes are focused on addressing human responses to the merger/acquisition situation while others are focused on the end state and why, from a strategical business perspective, it is desirable or necessary. Although the merger/acquisition is presented in the early communications in both cases as being undertaken for very practical reasons (pragmatic master analogue), the way the merger/acquisition process is to be implemented and the combined organization is to operate is presented using fantasy themes based on very social premises (social master analogue). For example, Firmco’s communications present the business combination as being the best way of fulfilling the organizational vision/goal of being the “top firm serving middle market clients,” which is a very practical goal, based on a pragmatic master analogue. Yet the way the business combination is to take place and the way the “bigger better organization” is presented as operating is based on a very social master analogue as presented in such fantasy themes as “We understand your emotions and we appreciate your effort” and “Our already strong values will continue.” Similarly, NewSeeds’ early communications present the merger as being a way to become “the number two seed company” (a pragmatic goal based on a pragmatic master analogue) but one of the ways of accomplishing that is to “get over us/them” (a fantasy theme based on social master analogue of how to work together to achieve the “bigger, better organization for tomorrow” rhetorical vision). Thus, I argue that the righteous, social and pragmatic master analogues identified by Bormann et al. (1996) are not mutually exclusive and can in fact exist simultaneously in the same rhetorical vision. The fantasy themes making up the rhetorical vision included pragmatic elements to get employees and other stakeholders to buy into the idea that the merger would be a good move in the long run and social elements to help them envision what it would be like to participate in the integration process and work in the company after the merger/acquisition was completed.

Sanctioning agent

I found that, for both Firmco and NewSeeds, there were two main sanctioning agents (Cragan & Shields, 1992) that legitimized the appropriateness of accepting the “bigger, better organization for tomorrow” rhetorical vision: the competitive environment and the organizational leadership.

For both Firmco and NewSeeds, the competitive environment was presented as the basis of the merger/acquisition and many of the fantasy themes within the vision were based on fitting into a changing competitive environment (e.g., “We will be a nationally prominent organization” and “Our image will be...”). In Firmco’s early communications, the competitive environment was presented as the main reason that the Strategic Advisory Group recommended that Firmco pursue the business combination with Largeco. For NewSeeds, the
early communications were also focused on helping employees envision how the merged entity could fit into the competitive environment.

Organizational leadership was also a sanctioning agent. Because all of the fantasy themes began in the communications of top organizational leaders and were then repeated in lower levels of the organizations, the leaders acted as sanctioning agents for the themes.

**Fantasy theme artistry**

The "artistry" (Bormann, 1986) with which fantasy themes are presented makes a difference as to how well they work within a rhetorical community and how many participants they attract to the rhetorical vision. In this section, I discuss two factors I found influencing the fantasy theme artistry in the early communications of Firmco and NewSeeds: form and delivery of communication, and trust.

**Form and delivery of communication**

I found that Firmco and NewSeeds both used a variety of communication media (what Cross [1994c] calls multiple media communication). I cannot conclude, on the basis of this study, whether any particular medium was any more effective than any other. My sense is that although individual elements of communications may have had their strengths and weaknesses, these elements worked together in developing the rhetorical vision.

Firmco’s all-employee meetings ("Celebrating Our New Vision" and "Ready for Takeoff") provide an example of how media worked together in developing the rhetorical vision. Both of these meetings included a video, a narrated slide presentation, and a question and answer session. Even though these meetings were designed to be consistent across offices, I found through my interviews that the execution of the meeting at the local level and the person leading the meeting made a difference as to how well the meeting worked in spreading the fantasy themes. The personas involved at the local level had an impact on the themes’ effectiveness. For example, as I illustrated earlier in this chapter, if partners were not present at the meetings, or if the meetings were presented unenthusiastically, this indicated leaders’ lack of buy-in to the themes being promoted in the meetings and, therefore, had an impact on how readily the staff accepted the themes.

Another element that I found affected the way themes were accepted within the rhetorical community was the manner of delivery of the communication. The way a message is delivered has an impact on the themes that develop within the rhetorical community. The manner of delivery of the initial announcement of the merger/acquisition in the situations of NewSeeds and Firmco illustrates this point. In each situation, the announcement was a surprise to most employees. However, none of the NewSeeds employees I interviewed saw that as a problem that affected their trust of management. All of the employees I spoke with seemed to understand that
the merger was something out of their management’s control and did not resent having found out about it initially through the media. In the case of Firmco, however, several employees expressed dissatisfaction with the way the announcement of talks with Largeco was initially communicated, as this comment illustrates:

So it was like, “Oh my gosh, we found out it was going to be in the paper, now we’d better tell our employees!” ... So you get this email saying, “By the way, we’re in these talks about a merger, you’re GONNA read about it in the paper, don’t pay attention to the details because we don’t KNOW the details yet, they’re being worked out, and we’ll let you know what we know when we know it” (laugh). Everybody starts to panic, because you don’t know anything,

(Firmco accountant, staff level; interview)

This employee went on to explain how receiving the news this way created the concern that further shocking communications might be communicated in this manner:

You almost wonder if well, now the next email I’m going to get is going to be right before it happens, and “Oh by the way, all these benefits are going to change,” or “We’re going to lay off all these people.” You just had no idea what was coming. And you didn’t know how much advance notice you were going to get. Maybe the whole office was going to change, maybe we were going to move locations, maybe job descriptions were going to change. ... You just had no idea. And you didn’t know if you were going to hear that kind of information the very same day that it would happen too (laugh).

(Firmco accountant, staff level; interview)

The above quotes, which also illustrate ideas expressed by other Firmco employees, suggest that the manner of delivery of a communication can affect fantasy theme development. The manner in which the Firmco announcement was communicated seems to have opened up the door for employees to develop their own fantasy themes (i.e., as part of the process where “everybody starts to panic; because you don’t know anything” as the Firmco employee quoted above stated). As stated earlier in this chapter, SEC regulations constrained Firmco’s options for timing and content of the initial announcement to employees.

Another point to be made about the content and delivery of communications is that different communications and communications media work in developing themes within some subgroups of the rhetorical community better than in others. Timing is also an important issue. For example, earlier in this chapter I discussed the situation of a vice president showing a blank organizational chart to employees in a room where there were not as many employees as boxes on the chart. Because these employees were still very unsure about their roles within the organization, this communication caused the employees to draw upon fantasy themes such as “Mergers/acquisitions mean layoffs” rather than the meaning the vice president was actually trying to communicate. The response to this communication would have been completely different if all the employees in the room felt comfortable they would have a job in the new organization. Another example of timing being important among different groups comes from
Firmco. All employees other than partners were told about the business combination at the same time. Some employees I interviewed believed that the needs of certain employees could have been considered a bit more carefully:

For senior managers not to know what was going on, when they’d been here maybe 10, 12, 13 years, and to come to find out that “Well, we’re being bought out.” That doesn’t sit real good when they’ve invested that much time into stuff. And they weren’t clued into it until after it was basically a done deal. Along with everybody else.

(Firmco accountant, manager level; interview)

Another instance of themes working differently in different groups was the “Living Large” event held by Firmco to generate excitement in the business combination. Of the employees I interviewed, in general, the strongest negative feelings about it came from partners, some of whom used terms such as “horrible” to describe it. Perceptions of other employees about the event ranged from “fun” and “worthwhile and effective” to “silly” and “kind of lame.” I found that responses to this event also varied by office. Offices in which the event was heavily promoted and strongly supported by the partners tended to generate more positive responses from employees. The problem with the “Living Large” event seemed to be an inconsistency in the perception of the fantasy themes the event was designed to promote; the designers of the event believed it would promote the “This is exciting!” theme while the some of the partners believed it was countering the “Firmco’s identity will be separate from Largeco” theme.

The use of silence is another important aspect of fantasy theme artistry that I noticed in my study. Although I spent significant time studying what was said in the communications in developing the rhetorical vision, it is also important to consider what was not said, as silence is an important rhetorical device (Huckin, 1999). I found that silence was important in eliciting both positive and negative emotions. The early communications I examined elicited positive emotions in part by only infrequently alluding to negative emotions like fear and sadness. For example, as explained earlier in this chapter, the Firmco “Celebrating Our New Vision” meeting described common emotions associated with change, both positive and negative, acknowledging negative emotions would be present, but mainly stressing the positive. The NewSeeds communications also referred to the emotions associated with the conflicts that would inevitably arise when employees from the previously separate companies began arguing about processes, the emotional difficulties associated with downsizing, and the emotional impact of selecting GreatSeeds’ GS brand over the BestSeeds brand to be the NewSeeds brand. Thus, even though negative emotions were prevalent, they were not mentioned often in the early communications. Rather, the emphasis was on positive emotions such as excitement, as can be seen in the list of fantasy themes provided in Table 5. I argue that one purpose of the fantasy
themes in the rhetorical vision was to override the fantasy themes associated with the negative emotions that employees would create on their own. Being relatively silent about negative emotions while not ignoring them completely can be an effective rhetorical use of silence.

Silence can also elicit negative emotions. It provides the opportunity for employees to develop their own fantasy themes and for rumors to spread. Rumors did not seem to be a major problem in either the Firmco or NewSeeds situation, most likely because there were many and frequent early communications. Also, both organizations used continual reiteration of the “We don't know all the answers yet; please be patient” theme to prevent rumor themes from spreading. It is also essential that employees trust management when the “We don't know all the answers yet; please be patient” theme is used. If employees do not trust management enough to buy into this theme, they will develop themes of their own that will most likely run contrary to the “bigger, better organization for tomorrow” rhetorical vision.

Trust

I found that trust was a key element that affected the way fantasy themes were received by employees. In order for the “bigger, better organization for tomorrow” rhetorical vision to spread throughout organizations, those spreading its constituent themes must be trusted.

In the case of Firmco, I found that trust in the Strategic Advisory Group members and the partners was a critical element in determining how the fantasy themes delivered in the early communications were received. Although I could find no specific mention of trust in the texts of the Firmco early communications I examined, there was evidence of the theme that the decision-makers could be trusted chaining throughout the levels of the organization. The six members of the Strategic Advisory Group that made the recommendation to go forward with the business combination with Largeco initially needed to develop the trust of the other Firmco partners in order to have the decision approved, and they did so very effectively. One of the members of the Strategic Advisory Group explained the importance of this trust to me in an interview:

I think there was a lot of faith that the players we had involved in the Strategic Advisory Group were trusted. And so ultimately, a lot of people came up to me and said, “This is too complex for us to understand all the details, but based on what we've heard, we know you've analyzed it, and we trust all of you that you've made the best decision for Firmco.” So I think it was the composition of the group, the trust they had with the partners, and the in-depth analysis that we had done that allowed us to create that positive buy-in. [Also], the six people were relatively high-profile players in the firm. So I think that the combination of diversity of the group and the in-depth look we did just created people's buy-in and trust for us.

(Firmco accountant and Strategic Advisory Group member, partner level; interview)

Another partner I spoke with also indicated that the trust cultivated by the Strategic Advisory Group was very strong and very important in making the deal go forward:
The Strategic Advisory Group was very very credible. I mean, they said “We looked at the industry, we looked at all the changes, and we know we're going to run out of capital if we don't get some and this is the way that we're going to go about getting it, and that's our best recommendation.” And that group had a lot of credibility. There were some very credible people in that group. And they got up, and they did their testimonials and I think we all believed them.

(Firmco accountant, partner level; interview)

Excerpts of these testimonials were included in the video shown at the “Celebrating Our New Vision” meeting. The excerpts shown were designed to illustrate the hard work and careful thought put into the decision. For example, the narrator of the video said:

Enthusiastic support of Firmco partners at a special partners meeting endorsed 18 months of work by the firm’s Strategic Advisory Group. The group’s research and recommendations helped convince partners that the group’s recommendation was right on.

(“Celebrating Our New Vision” video, 5/10/F1)

The Strategic Advisory Group’s trustworthy personas were very important aspects of the themes delivered in this video, as were the personas of the Firmco CEO and other leaders.

Once the trust in the decision was developed among partners as indicated by their approving the business combination at the Cincinnati partners meeting, this trust needed to chain among other members of the firm as well. One of the purposes of the “Celebrating Our New Vision” meeting was to spread this trust out to employees. The video did not do this alone. An important aspect of spreading trust was also the ethos of the person delivering the message, which also had to have been developed prior to the message’s delivery:

Our partner in charge told us about how all the partners voted on it and they had like a 99% rate saying “yes” that they should go with it. And these partners are really, very smart, and y’know, they wouldn't have gone with it, I don’t think, if they would have felt that it wasn’t the right thing to do. ... So I think, just hearing it from him, because he’s somebody we all respect and trust, I think that made a lot of difference in making us feel comfortable about it.

(Firmco administrative employee, staff level; interview)

After the “Celebrating Our New Vision” meeting, other communications were also issued to spread the theme that the Strategic Advisory Group’s work and the decision of the partners could be trusted. For example, several quotes from employees across the firm were interspersed in the employee magazine. Here is one focused particularly on the Strategic Advisory Group:

The Firm seems to have put a lot of time and resources into looking into the future of public accounting. I think many of the ideas are excellent in making us the leading national CPA firm in the middle market.

(Firmco employee [staff level], quoted in Firmco Expressions employee magazine, 10/F1)

Thus, trust in the decision to go forward with the business combination was built in many ways.

In addition, the personas of the people initially presenting fantasy themes in the rhetorical vision were important aspects of getting the buy-in of the rhetorical community. This
employee's comments explain the importance of the presenter's persona as a charismatic leader in delivering the message at the "Celebrating Our New Vision" meeting:

I think the fact that [the partner who presented the "Celebrating Our New Vision" meeting] was so well-respected, that if he's behind it, y'know, he kept saying all the way through it, "I'm SO pumped up about this. This is the most EXCITING thing in my career." He personalized it. If he would have just done the slideshow in itself, or even if it would have been another partner, I don't know if it would have went off as well. He has a tremendous amount of charisma. And people believe in him. The partner-in-charge of our economic unit, interestingly enough, didn't give the presentation, [this other partner] did. And it was a conscious effort by our partners because [this other partner] has a little bit more charisma than the partner in charge. Y'know, that's reality (laugh).

(Firmco accountant, partner level; interview)

The reason this persona and those of other leaders were so important in presenting the rhetorical vision is that they were recognized throughout Firmco as having an interest in what was best for the firm. It is important to remember that the nature of the transaction was that the partners were selling most of their partnership interests to Largeco (and thus personally benefiting financially). Therefore, in order to buy into the hard work and potential sacrifices that achieving the rhetorical vision could potentially require, employees needed to be able to believe that the business combination with Largeco was being done because it was best for the firm, rather than for the partners' individual financial gain. An employee I interviewed, speaking of the "Celebrating Our New Vision" presentation in another economic unit, said the following about the presenter and the way the business combination was initially presented:

He presented it enthusiastically. And he presented it as "I wouldn't have done this just for myself. I really believe that ultimately that we had no choice here. This is the way we had to go. You live in the world as you find it. You may not like it. But you have to live in it as it really is, not as you want it to be." And that's how he presented it. "This will be ultimately the best thing for you long-term. Because we are in a position of mergers and acquisitions and we can't be one of the small players, we at least have to keep our market niche." But he didn't say, "You're going to make a ton of money, and we're going to own a billion dollars worth of stock, and you're going to ..." No. It's not his style.

(Firmco administrative employee, professional level; interview)

Although the official communications to employees played a role in trust development, the acceptance of the rhetorical vision within the rhetorical community also relied very much on the prior positive reputation of the individuals delivering the themes in the rhetorical community.

In NewSeeds, in contrast to Firmco's situation, many of those spreading the themes within the rhetorical vision were unfamiliar to others in the rhetorical community. In addition, because BestSeeds and GreatSeeds were being combined into one company, many employees were unfamiliar with one another as well.
As in Firmco’s situation, issues of trust were not often addressed in NewSeeds’ early communications, although the need for trust was mentioned at both the Newco level and the NewSeeds level. For example, the president of Newco stated in the Interaction newsletter:

Everyone, individually and as part of a team, can make an important and essential contribution to maintain and further build trust internally and externally.

*(Newco President, quoted in Interaction newsletter, 11/N1)*

Additionally, the need to build trust was also emphasized in NewSeeds’ communications, such as this one NewSeeds CEO Gil Carney sent to employees along with a NewSeeds shirt in honor of the one year anniversary of the announcement of the intent to merge:

Most of the time between March and December [year] was spent getting to know one another, developing trust, arguing loud and long about important points of differences between the two companies and putting a structure in place that would carry us forward after the merger was complete.

*(Gil Carney, NewSeeds CEO, letter to NewSeeds employees recognizing the first anniversary of the announcement of the merger of Bestco and Greatco, 3/10/N2)*

The employees I interviewed also indicated that trust was essential in making a merger work, and that trust took a great deal of time to develop, as this employee explained:

Building the culture, that’s based on trust, and it’s slow going. ... I think that once there’s trust there, then you can communicate, and eventually get to where you need to go. If you don’t have the trust, you might as well just throw it out the window.

*(NewSeeds research scientist and upper level manager; interview)*

Simply stating that trust is being built is not enough, it has to be built through actions, as Gil Carney stated in an interview approximately 18 months after the merger was finalized:

We have to make sure that we’re walking our talk. ... And those systems are still too new. ... And until we deliver on that, and that’s going to take two or three years in a row so that until people know that we’re effectively balancing human values and profitability, there’ll always be that element of doubt. Until that trust gets built, and until we do that, I think probably we’ll be in a “wait and see” mode.

*(Gil Carney, NewSeeds CEO; interview)*

In sum, trust is an essential element in spreading fantasy themes. In contrasting the situations of Firmco and NewSeeds, the leaders involved in the Firmco situation (the Strategic Advisory Group and the other Firmco partners) already had trust developed within the rhetorical community prior to the business combination, which seemed to help the fantasy themes being promoted be accepted more quickly. In the case of NewSeeds, Gil Carney and the other leaders were only known to one or the other of the merging organizations, and Gil Carney had been with GreatSeeds less than six months prior to the merger announcement. As Carney’s comments in the preceding quote indicate, trust takes longer to build when the people involved are unfamiliar. Although the fantasy themes in themselves can help in building trust, they cannot do the job on their own. If the people spreading the themes are trusted within the rhetorical community, that trust will help the themes become more widely accepted more quickly.
CHAPTER 5:  
IMPLICATIONS AND APPLICATIONS OF RESULTS

In this dissertation, I focused on two main research questions.

- What are some of the recurring rhetorical challenges surrounding the early stages of mergers and acquisitions and what fantasy themes are used to address them?
- What theoretical, methodological, pedagogical and practical implications for rhetoric, professional communication, and management are suggested by a fantasy theme analysis of the early communications in mergers and acquisitions?

I addressed the first part of the first research question through my literature review in Chapter 2 by examining the empirical, theoretical and practitioner-oriented literature and identifying four rhetorical challenges in the early communications in mergers and acquisitions:
- setting the stage for cultural change
- addressing emotions
- dealing with uncertainty
- building an identity and encouraging identification

In Chapter 3, I described the methodology I used to gather my text and interview data from two merger/acquisition situations and analyzed the data using the fantasy theme method of rhetorical criticism. In Chapter 4, I presented my analysis of the early communications and the fantasy themes I identified, as well as employee perceptions of those themes.

In this chapter, I discuss the theoretical, methodological, pedagogical, and practical implications of my fantasy theme analysis of the early communications in mergers and acquisitions. Finally, I provide suggestions for further research.

Theoretical Implications

In this section, I discuss the theoretical implications associated with the fantasy themes I identified for each of the rhetorical challenges. Then I discuss the theoretical implications of my fantasy theme analysis pertaining to genre.

Rhetorical challenges in the early communications in mergers and acquisitions

Through my fantasy theme analysis of the early communications of mergers and acquisitions, I identified two or more fantasy themes associated with each of the four rhetorical challenges. In the next sections, I discuss the theoretical implications of my study for each of the categories of fantasy themes I identified.

Setting the stage for cultural change

The fantasy themes that I identified as addressing the rhetorical challenge of setting the stage for cultural change are "We will be a nationally prominent organization," "Our values will drive us forward" and "We WILL be able to come together successfully." I next discuss some implications of these themes.
These fantasy themes illustrate how organizational visions and values are used in primarily persuasive, rather than merely descriptive ways. Organizational vision and value statements are often presented to employees as statements of fact, even though they are actually "a mental image that portrays a desirable future state, an ideal, or a far-reaching dream" (Conger, 1989, p. 38). The fantasy themes in the "bigger, better organization for tomorrow" rhetorical vision seem intended to get the buy-in of skeptical and cynical employees to the merger/acquisition and the uncertainty, hardship and extra work it will entail. These fantasy themes are also designed to help employees come to a common understanding of what the organization will be ("We will be a nationally prominent organization"), what it will be like to work in the organization ("Our values will drive us forward"), and how this organization will come about ("We WILL come together successfully"). These fantasy themes dealing with organizational vision and values work together to persuade employees that the culture or the organization is capable of effectively adapting to the merger or acquisition and becoming the "bigger, better organization for tomorrow."

The fantasy themes also illustrate that the early communications in mergers and acquisitions are a key part of the acculturation process. They help employees envision what the new organization will be like and how they will fit into it, setting the stage for the form(s) of acculturation that will be used (assimilation, integration, rejection, or deculturation) (Berry, 1980; Sales & Mirvis, 1984). In the cases of Firmco and NewSeeds, the fantasy themes in the early communications projected acculturation as occurring through integration, as illustrated by the company-specific themes used to convey "We WILL come together successfully." Firmco's specific themes "Largeco shares our goals and will not change our culture" and "Additional firms will be integrated into Firmco" portrayed that not only would Largeco integrate Firmco by allowing it to operate as it had before the business combination, but also that additional firms (including those already owned by Largeco) would be integrated into Firmco's existing culture. For NewSeeds, the specific themes "Get over us/Them," "The enemy is not inside but outside," and "Develop hybrid vigor" also conveyed that the two companies would be integrated together and that a new culture would emerge.

I found that the overall themes used in the early communications in the two situations I studied were successful in addressing the issues of different organizational cultures or ethnicities, but did not seem to do quite as well at addressing specific organizational subcultures. In both of the situations, I found that on an overall organizational level, the fantasy themes dealing with culture change countered and prevented resistance. The "We will be a nationally prominent organization" and the "Our values will drive us forward" themes set a positive overall image for the future and the "We WILL be able to come together successfully"
theme set positive expectations for making that image reality. In both of the situations I studied, the fantasy themes implied that organizational ethnicities would be respected and that diversity would be valued. From the perspective of organizational subcultures, however, the themes in themselves did not do as well at negotiating “conflicting meanings” (Flower, 1996, p. 77). The themes used in the overall rhetorical vision were very broad and had the potential of leading to misinterpretation by one subculture while working successfully with another. Such misinterpretation happened with Firmco’s “Living Large” event, which appealed more to the administrative subculture because it was a fun diversion, but was generally perceived neutrally and negatively by employees from the accounting subculture in general who saw the event as a distraction from the work at hand and as not supporting the “Ask questions, and we will answer when we can” theme, and to the partner subculture in particular who saw the event as running contrary to the “Firmco’s identity will be separate from Largeco’s” theme.

Addressing emotions

Fantasy theme criticism provides a means for conducting a “critical analysis of the emotional” (Bormann, 1972, p. 365). In performing my analysis, the fantasy themes that I identified as addressing the rhetorical challenge of addressing emotions are “We understand your emotions and we appreciate your efforts,” “This is exciting!” and “This provides opportunity!” In the next paragraphs, I discuss some implications of the themes I identified pertaining to emotions.

These fantasy themes promote emotions that differ from those employees naturally experience in mergers and acquisitions. The mergers and acquisitions literature does not discuss employees perceiving business combinations as “opportunities” and “exciting.” Rather, much more common emotions are sadness and grief, anger and hostility, stress, anxiety, and fear (Buono & Bowditch, 1989; Cartwright & Cooper, 1996; Marks & Mirvis, 1986, 1994, 1998). In my study, I found negative emotions acknowledged in the early communications mainly in the “We understand your emotions and we appreciate your efforts” theme; however, although these negative emotions were acknowledged, they were not mentioned very frequently. Rather, the focus in the early communications I examined was on the positive “This is exciting!” and “This provides opportunity!” themes. This rhetorical choice to focus on positive emotions raises issues of power and ethics. Those in power must make decisions about how to use themes to counter the negative emotions employees initially experience and encourage the more positive emotions that enable employees to be more productive. My study shows that themes accentuating positive emotions are an effective means of combating the negative emotions employees are more prone to have. This emphasis on the positive does not seem to be unique to the two situations I studied. For example, Buono and Bowditch (1989)
quote a manager in their study of a bank merger as saying: “I’m still not sure it isn’t better to have a charade at first to get people involved. Perhaps we should have been more candid, but you have to keep the morale of the troops up, even if only for the short term” (p. 131).

Although accentuating the positive is important, and even expected by employees, the key issue I argue that rhetors must consider is whether these themes are or can be grounded in reality within a reasonable period of time. In some cases, themes that may be slightly less optimistic, yet still hopeful and upbeat, may do more to lessen the negative impact on emotions and trust levels should unexpected, less positive outcomes eventually arise, as they so often do in merger and acquisition situations. It is a difficult decision for which there are no easy answers.

Different organizational cultures and subcultures will respond differently to these themes. For example, Firmco’s accounting subculture viewed the “This is exciting!” theme skeptically, although most of the participants I interviewed expected it to be used and understood that it provided necessary momentum to the situation.

The role of trust in how fantasy themes are delivered and perceived is another important theory building implication of my study that also helps in making connections between rhetoric and professional communication research and management. In mergers and acquisitions, high level executives often initially make very positive statements about the future, which is understandable because they would not undertake the transaction if they did not believe it had promise. However, if events do not eventually play out in the ways initially portrayed, these initial positive statements risk eroding employee trust and causing perceptions of betrayal (Elangovan & Shapiro, 1998). Trust is determined by the interplay of employees’ values, attitudes, and emotions, and when any of these elements change, trust levels can be affected (Jones & George, 1998). The fantasy themes in the “bigger, better organization for tomorrow” rhetorical vision are highly connected to values, attitudes, and emotions, and thus also highly dependent on trust. When positive statements (i.e., the fantasy themes in the “bigger better organization for tomorrow” rhetorical vision) are made at the beginning of a merger or acquisition by high-level executives and the rhetorical vision/reality link does not materialize, employees’ trust in those promoting the vision can decrease, along with belief in the vision. In both of the situations in my study, trust in the personas featured in the themes as well as the managers delivering the themes was one of the reasons why the fantasy themes in the “bigger, better organization for tomorrow” rhetorical vision initially worked so effectively in gaining employee buy-in to the merger or acquisition.

Another important implication from my study is that emotional responses to the fantasy themes should be viewed from a subcultural perspective as well as an organizational perspective and the fantasy themes tailored accordingly. Different people have different emotional
responses to the same situations; some may view the merger or acquisition as a very negative emotional experience, others may view it neutrally, while still others may find it to be positive and these people will interpret fantasy themes differently. For example, as indicated in Firmco’s situation, different professional subcultures have tendencies to different emotions. The “This is exciting!” theme was viewed very skeptically by many of the accountants, while other employees such as marketing and human resources professionals more readily accepted this theme. Tailoring fantasy themes to subcultures (as the “Develop hybrid vigor” theme was tailored to researcher/geneticists in NewSeeds’ situation) may enhance the effectiveness of the themes in chaining throughout the various subcultures in the organization. Thus, themes tailored to specific subcultures may be easier for employees to relate to than one-size-fits-all themes.

Dealing with uncertainty

The fantasy themes that I identified as addressing the rhetorical challenge of uncertainty are “Ask questions, and we will answer when we can,” “We don’t know all the answers yet; please be patient,” and “The results will be worth the effort.” These themes also have several theoretical implications.

The fantasy themes in early communications are a way of countering the fantasy themes arising from rumors. Fantasy themes are a way of making sense out of confusing situations. According to uncertainty reduction theory (Berger & Calabrese, 1975), people seek information when they experience uncertainty in their situations. In merger/acquisition situations, rumors are a way of “filling in the blanks” (often with worst-case scenarios) when there is insufficient communication or the perception of conflicting meanings in the communications (Bastien, 1987). In the two merger/acquisition situations I studied, rumors did not seem to be a problem. I believe one reason for this lack of power of rumors was that both situations had strong chaining throughout the organization of the fantasy themes promoted in the early communications. Thus, the fantasy themes in the early communications were able to override or counter any rumors before they effectively chained throughout the organization.

Even though they are used to counter rumors, the fantasy themes dealing with uncertainty can also be a form of strategic ambiguity. As the cases of Firmco and NewSeeds demonstrate, this ambiguity can be effective in complying with confidentiality requirements and removing pressure to give premature answers. The fantasy themes used to address uncertainty illustrate that management is struggling with answers and wants to provide them, but cannot do so for various reasons such as the unavailability of answers or confidentiality requirements. Many types of uncertainty arise in merger/acquisition situations (environmental, structural, cultural, and role) (Buono & Bowditch, 1989). Because the “Ask questions, and we will answer when we can,” “We don’t know all the answers yet; please be patient,” and “The result will
be worth the effort” themes are quite broad, they can be applied to all these different types of uncertainty. Again, this is a form of one-size-fits-all strategy that may work better in some situations than in others, depending on the types of questions being asked and the ways employees will potentially be impacted by the answers. Ultimately though, regardless of the situation, specific answers or rhetorical vision/reality links explaining why answers are not forthcoming will need to be provided. For example, confidentiality requirements were at the core of the “Ask questions, and we will answer when we can” theme in both of the situations I studied—employees and management came to a common understanding that certain information simply could not be provided, even if it were known, because of legal and strategic reasons. However, an important implication of my study is that even the need for confidentiality requires employee buy-in and this buy-in contributes to the employee acceptance of the “Ask questions, and we will answer when we can” theme. Confidentiality can also be viewed as a form of strategic ambiguity; although some confidentiality requirements are very clear-cut, some are not and allow for some degree of managerial and legal discretion. A key aspect of gaining and retaining employee acceptance of the fantasy themes pertaining to uncertainty is achieving a common understanding of why certain types of uncertainty cannot be resolved.

Building an identity and encouraging identification

The fantasy themes that I identified as addressing the rhetorical challenge of identity are “Our relationship with our merger/acquisition partner will be” and “Our image will be ...” In the following paragraphs, I discuss the theoretical implications of these themes that can build on rhetoric and professional communication and management theory.

The fantasy themes in the early communications present new organizational “identity claims” (Ashforth & Mael, 1996) in a way that encourage employees to want to identify with the organization after the merger or acquisition. Once employees have identified with an organization, they are more likely to act in accordance with its values and goals. The fantasy themes in the early communications I examined encourage employees to want to identify with the organization. As such, these fantasy themes maintain the “unobtrusive control” (Tompkins & Cheney, 1985) organizations implicitly hold over employees identifying with them. The fantasy theme about the relationship with the merger/acquisition partner developed in the early communications in both of the situations I studied gave employees a favorable idea of the identity of the organization after the merger/acquisition. The fantasy themes making up the “bigger, better organization for tomorrow” rhetorical vision are part of the socialization process that members go through in re-evaluating their identification with the organization. My study illustrates that the early communications in mergers and acquisitions are a key element of this socialization and re-evaluation process.
Another theory building contribution of my study is that I have connected rhetoric and professional communication research to management research by showing how common threads of discussion and common ideas can intersect in examining a particular problem. In using the literature from both areas to identify the rhetorical challenges in the early stages of mergers and acquisitions, I found that there were threads of commonality in the way both areas of study address identity and change. For example, management researchers argue that desired future images (Gioia & Thomas, 1996; Gioia, Schultz, & Corley, 2000) or a difference between perceived organizational identity and construed external image (Dutton & Dukerich, 1991; Dutton, Dukerich & Harquail, 1994) can motivate organizational members to support organizational change. On the rhetoric and professional communication side, Faber’s (1998) rhetorical model of change also argues that disconnects between external perceptions and internal narratives necessitate change. My study helps bring these two areas together by arguing that fantasy themes about identity promoted in the early communications in mergers and acquisitions are a way of achieving the realignment of external identity and internal narratives through organizational discourse that Faber’s model refers to and also of reconciling the differences in desired future images, perceived organizational identity, and construed external image discussed by the management researchers. Thus, my study helps connect the ideas of these fields. I argue that rather than operating separately, rhetoric and professional communication and management research have many complementarities that could be identified and utilized by both researchers and practitioners much more than they currently are.

Genres

Based on my fantasy theme analysis of the early communications in mergers and acquisitions, I argue that fantasy themes are a way of identifying genres that may not have normally been recognized as genres because the communications, although they recur, do not recur within the same organization, but within the lifeworld of the business environment as a whole. Genres are generally thought of in terms of recurring rhetorical responses to recurring rhetorical situations. For many individuals, mergers and acquisitions traditionally have not been recurring situations. Most people encounter them infrequently during a career. I argue however, that in the larger context of the business environment, merger and acquisition communications represent a category of genre made up of what I call “thematic genres.” I call these genres thematic genres because they are based on fantasy themes that recur in

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1 I say “most people” although I have no formal empirical evidence to support this claim. However, of the participants I interviewed, many of them mentioned having previously experienced a merger or acquisition. One of the NewSeeds employees (the one from whom I borrowed the “bigger, better organization for tomorrow” label for the rhetorical vision), stated that this was his sixth merger or acquisition.
communications in different situations. As people experience different merger or acquisition situations in different environments, those who are preparing the communications draw from fantasy themes they experienced in other mergers or acquisitions and those who are receiving the communications may tend to expect those same fantasy themes. For example, in both the situations of Firmco and NewSeeds, participants indicated that they expected the “This is exciting!” theme even though they did not necessarily initially buy completely into it. Also, as managers prepared the communications, they drew on previous situations (and thus previous fantasy themes) in deciding how to communicate in this new situation. I believe the idea of thematic genres is particularly important in today’s business environment as many employees move among organizations throughout their careers.

Thus, a key theory building contribution of my study is that it provides this concept of thematic genres, which provides a way of linking similar communications in different situations by classifying them as a genre with common features, namely fantasy themes. Miller (1994) argues that to understand genres, we need to understand the “system of commonality of which they are a constituent” and the “nature of the collectivity” (p. 72) of which they are a part. Miller also points out that Swales (1990) insisted that “genres belong to discourse communities, not to individuals” (9). By illustrating that the same basic fantasy themes were evident in the merger/acquisition communications of two very different research sites, I have provided a way of building commonality among the two situations, and other merger/acquisition situations as well. This view widens the discourse community to the lifeworld of organizations in general rather than specific individual situations and thus provides a way of understanding the system of commonality of which individual merger and acquisition situations are a part.

I argue that the fantasy themes I identified as being present in the early merger/acquisition communications can be viewed as “rhetorical moves” (Swales, 1990, p. 141). Just as Swales explained that academic research articles are based on a common set of “rhetorical moves,” I argue that early communications in merger/acquisition situations are based on similar fantasy themes. Just as readers of research articles have certain expectations for content and organization, my study indicates that employees in merger and acquisition situations also have expectations for the content of communications from their employers. The themes in the “bigger better organization for tomorrow” rhetorical vision seem to have symbolic value—many of the employees I interviewed seemed to expect them even though they may not have totally bought into them. For example, I found that many employees in both organizations expected the “This is exciting!” theme to be used. This expectation for certain themes to appear in early merger/acquisition communications illustrates that the themes have symbolic value. In contrast to researchers who suggest that the mere presence of early
communications is symbolic in itself (Margolis, 1998; Schweiger & DeNisi, 1992), I argue that the themes used within the communications do make a difference. Employees expect certain themes, tailored to their particular situation, and compare the themes promoted in the early communications to their sense of reality. They then choose whether or not to participate in the themes. If they choose not to participate, they may create their own themes or participate in alternate themes created by others, such as rumors.

In describing the early communications of mergers and acquisitions as a genre category, made up of thematic genres, I argue that these thematic genres are represented by the major fantasy themes being addressed:

- "We will be a nationally prominent organization"
- "Our values will drive us forward"
- "We WILL be able to come together successfully"
- "We understand your emotions and we appreciate your efforts"
- "This is exciting!"
- "This provides opportunity!"
- "Ask questions, and we will answer when we can"
- "We don’t know all the answers yet; please be patient"
- "The result will be worth the effort"
- "Our relationships with our merger/acquisition partner will be ..."
- "Our image will be ..."

The variety of communication media (see Tables 3 and 4 in Chapter 4) used to communicate these themes illustrates that it is not the communication medium that is important in identifying thematic genres, but the action the themes are designed to accomplish. This argument is supported by Miller’s (1984) concept of genre as social action. Yet, despite the acceptance of Miller’s argument, some researchers still base analysis of genres on medium, rather than substance (e.g., Louhiala-Salminen’s [1997] study of the “genre of a business fax”). Focusing on fantasy themes as I did in my study helps center attention on the social action being accomplished by the genre, while still not ignoring the communication’s medium and the effects of that medium. Cross’ (1994c) discussion of multiple media communications illustrates the importance of examining the interactions among various media and considering how these various mediums have different qualities that work together to achieve the total rhetorical effect in a communications program. Different mediums, both dialogic (small group meetings with question/answer sessions) and monologic (e.g., printed communications, videos) are necessary to chain fantasy themes throughout organizations. In my study, I found that these different mediums represented different ways of intertextually spreading the ideology of the
“bigger better organization for tomorrow” rhetorical vision. So another theory building contribution of my study is that it provides a means, through the use of thematic genres, of examining the interactions among themes as well as the interactions among the media that deliver those themes.

One reason why these thematic genres may emerge is that early merger and acquisition communications are often prepared according to models used in other organizations or according to suggestions from consultants with experience in these situations. Organizational leaders in uncertain situations often look to other organizations who have gone through similar experiences as role models for how to behave. As individuals experience the situations more than once, the fantasy themes used in the early communications become a fantasy type for early communications in mergers and acquisitions. As people experience different merger/acquisition situations in different organizations, the fantasy type (or genre category) of early merger/acquisition communications becomes more familiar, as the following comment from a Firmco employee indicates:

When I first heard about [the business combination with Largeco], I laughed because I just came from a merger (laugh). And so I chuckled. From my very personal perspective. And I said, “Here we go again” (laugh). And it didn’t bother me at all.

(Firmco administrative employee, mid managerial level; interview)

Therefore, by adding the concept of thematic genres to genre theory, I argue that thematic genres might be particularly useful to employees encountering situations of change in different organizations. Recognizing common elements of thematic genres can serve to make uncertain and emotional situations seem more familiar.

Methodological Implications

Another important methodological implication of my study is the value of using fantasy theme analysis in understanding business, professional, and managerial communications and genre. Although the fantasy theme method has been used in a few other studies of communication in business and organizational settings (Putnam, Van Hoeven, & Bullis, 1991; Cragan & Shields, 1992; Jackson, 1999) none of these studies specifically analyzed the content of actual communications used in business situations from a fantasy theme perspective as I have done in this study.

I argue that another implication of my study is that Bormann, Cragan, and Shields’ (1996) classification of rhetorical vision master analogues into the categories of righteous, social, and pragmatic is too limiting. I believe this implication is a key theory building contribution that results from my combining rhetoric and professional communication and managerial concepts in examining these merger and acquisition communications. As I found in
my study, the "bigger, better organization for tomorrow" rhetorical vision used in the early merger and acquisition communications I examined had both social and pragmatic elements. Bormann et al.'s classification scheme implies that righteous, social, and pragmatic goals cannot be part of the same vision. Viewing social and pragmatic master analogues as being necessarily separate implies that practical objectives cannot be achieved with regard to the human impacts. My study illustrates that, in fact, practical objectives can be pursued in a humanistic manner. The early merger and acquisition communications I examined were designed to illustrate that, although the merger or acquisition was being accomplished to achieve practical business objectives, it was being carried out in a caring, socially responsible way. This point also illustrates how business and management disciplines can help researchers in rhetoric and professional communication identify how the reality of workplace situations often rules out such neat separation of the righteous, social, and pragmatic. These elements are not mutually exclusive, as I believe the examination presented in my study illustrates.

Another theory building methodological implication from my study is the importance of looking for evidence of rhetorical vision/reality links. In my study, much of the information I obtained about rhetorical vision/reality links was provided by the interviews I conducted. Fantasy theme analysis was designed to focus on the texts themselves. I believe that if I had limited my study solely to the early communications I was able to obtain, I would have been missing a significant element in examining how the thematic genres in the merger/acquisition genre category functioned in the rhetorical community. Additionally, because fantasy themes are spread in oral communications and other communications that I did not have access to, my interviews helped me to gain access to these otherwise completely inaccessible communications. Although this type of access to communications is admittedly indirect and inherently interpretively biased, interviewing multiple participants helped mitigate the bias.

Another theory building contribution of my study is that it helps illustrate how fantasy themes work within a rhetorical vision. In addition to working collaboratively to promote the rhetorical vision, themes within the vision can also contradict each other, and yet still remain part of the same vision. For example, my study illustrated how Firmco's "We don't know all the answers yet; please be patient" theme conflicted with the "This is a growth strategy" theme used to provide assurances to employees that there would not be layoffs. Some employees indicated to me that they had difficulty buying into the assurances about no layoffs (because Firmco planned to grow, not get smaller) when they were also being asked to believe that there was a great deal of uncertainty associated with the business combination. These employees' comments indicated that these two themes, running in conjunction, raised the question "If everything is so uncertain, how can you assure us there won't be layoffs?" Thus, themes within
the same vision can be contradictory and employees will have to make choices as to which ones to buy into, although they may still buy into the overall rhetorical vision. On the other hand, themes in the vision can also collaborate and thus make the vision stronger, as the “Firmco’s identity will be separate from Largeco’s” theme and the “Firmco will be a national brand” theme worked together in gaining employee buy-in to the idea that Firmco would achieve national brand status in its own right without becoming externally identified with Largeco.

Pedagogical Implications

From a pedagogical perspective, this study indicates that fantasy theme analysis is a valuable method of rhetorical criticism for business and professional communications, and it is not limited to use for merger/acquisition communications. It could be used for other categories as well, such as the other types of change communication, crisis communication, or risk communication. The notion of using fantasy theme analysis to identify thematic genres would then suggest that there would be value in incorporating fantasy theme analysis into courses addressing business, organizational, and professional communication, management, or organizational behavior.

For example, fantasy theme analysis could be introduced in courses in business and professional communication or management and organizational behavior as a way of analyzing the purpose and intent of communications that do not recur frequently in the same organization but are common in the business environment as a whole. In this manner, the fantasy theme method could be used in helping students learn to identify genres that are not normally encountered in such courses, but yet are frequently encountered in organizational settings. For example, if every student were asked to bring in a communication dealing with change, these communications could be examined for common fantasy themes. This exercise could help students come to the realization that even though thematic genres appear only infrequently within organizations, they are used frequently across organizations and even professions. The concept of thematic genre helps differentiate this type of genre from other types of genre more connected to certain professions or organizations (e.g., an audit report, a social workers’ case report, or a scientific research article.)

Practical Implications

The concept of thematic genres provides a way of building commonality so that one-time threatening events seem a bit more familiar. One of the reasons merger and acquisition communications are challenging from a preparer’s standpoint is that most professional communicators and managers have little experience in preparing them. Merger and acquisition communications, in most organizations, are not a recurring form of communication. However, mergers and acquisitions and the communications associated with them are recurring events in
the business and organizational lifeworld as a whole. From that perspective, I argue that these communications constitute a genre category consisting of thematic genres.

Another important methodological implication that has not been discussed by previous researchers is the problematic connotations of the term “fantasy.” In connecting rhetoric and professional communication research with management research and practice, this term can cause difficulties. Although this term is a technical term in Bormann’s symbolic convergence theory used to refer to a common consciousness or a shared understanding, the conventional meaning of “fantasy” can cause misunderstandings when used with business professionals or researchers unfamiliar with its meaning in this method. When presenting their work to those not familiar with this terminology, researchers should take care to explain the meaning of the term or use alternate terminology. This terminology problem also points to the difficulties that can arise when attempting to make connections between fields with different terminology and conventions. I argue that the extra effort and open-mindedness required to bridge some of these differences will help researchers in many areas make important connections with other fields that have not previously been considered.

Another practical implication resulting from my study is that the fantasy theme analysis presented in Table 5 can form a sort of baseline heuristic for writers of mergers and acquisition communications as shown in Table 6. In presenting this heuristic, I omit the term “fantasy” to prevent misunderstandings of its meaning. This heuristic illustrates the elements in the thematic genres used to address common rhetorical challenges in the early communications of mergers and acquisitions, based on the two situations I studied. This heuristic is not all-inclusive and certainly not the definitive word on the subject. It reflects the main findings from my fantasy theme analysis and provides a guideline for those in merger or acquisition situations to work from in preparing early communications. They, of course, must consider the characteristics of their own unique situations in considering which of the rhetorical challenges I identified apply and how these challenges need to be addressed. Additionally, they must look for the existence of rhetorical challenges that I have not identified. A similar baseline heuristic could be prepared for other situations of major organizational change and for other stakeholder groups, after identifying the associated rhetorical challenges as I did in my study.

Another implication from my study is that employees have different types of reactions to the fantasy themes promoted in thematic genres such as the early communications in merger and acquisition communications. In Chapter 4, I discussed many employee responses in connection with the fantasy themes I identified. These reactions are important from a practical perspective because those preparing early merger and acquisition communications should consider the potential reactions of employees when planning their communication strategy. I
Table 6. Baseline heuristic for early communications in mergers and acquisitions

<table>
<thead>
<tr>
<th>Rhetorical challenges</th>
<th>Potential themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting the stage for cultural change</td>
<td>What are the goals for the business combination?</td>
</tr>
<tr>
<td></td>
<td>e.g. &quot;We will be a nationally prominent organization&quot;</td>
</tr>
<tr>
<td></td>
<td>What are the values for the combined organization and how will they be employed in the new organization?</td>
</tr>
<tr>
<td></td>
<td>e.g. &quot;Our values will drive us forward&quot;</td>
</tr>
<tr>
<td></td>
<td>How will the organizations be integrated?</td>
</tr>
<tr>
<td></td>
<td>e.g. &quot;We WILL be able to come together successfully&quot;</td>
</tr>
<tr>
<td>Addressing emotions</td>
<td>What emotions will employees be experiencing and how can these emotions be addressed in a caring, sensitive, and motivating manner?</td>
</tr>
<tr>
<td></td>
<td>e.g. &quot;We understand your emotions and we appreciate your efforts&quot;)</td>
</tr>
<tr>
<td></td>
<td>&quot;This is exciting!&quot;</td>
</tr>
<tr>
<td></td>
<td>&quot;This provides opportunity!&quot;</td>
</tr>
<tr>
<td>Dealing with uncertainty</td>
<td>What questions and sets of concerns will differing types of employees have and how and when will they be answered?</td>
</tr>
<tr>
<td></td>
<td>e.g. &quot;Ask questions, and we will answer when we can&quot;</td>
</tr>
<tr>
<td></td>
<td>&quot;We don’t know all the answers yet; please be patient&quot;</td>
</tr>
<tr>
<td></td>
<td>&quot;The result will be worth the effort&quot;</td>
</tr>
<tr>
<td>Building an identity and encouraging identification</td>
<td>What will the organization's identity be after the merger/acquisition and how will it be perceived internally and externally?</td>
</tr>
<tr>
<td></td>
<td>e.g. &quot;Our relationships with our merger/acquisition partner will be ...&quot;</td>
</tr>
<tr>
<td></td>
<td>e.g. &quot;Our image will be ...&quot;</td>
</tr>
</tbody>
</table>

found that, overall, these responses fell into three general categories: motivation/focus, neutrality, and skepticism/wait and see. I discuss each of these categories briefly next.

Motivation/focus was the first category of employee response to thematic genres that I identified. In some cases, by promoting the themes within the "bigger better organization for tomorrow" rhetorical vision, the early communications helped motivate and excite employees about the prospects for the future. Employees affected by the themes in this way pointed out that the communications not only gave them direction as to how to interact with each other on a daily basis, but also gave them motivation to face the challenges presented by the merger or acquisition and possibly make sacrifices in connection with it (e.g., working more hours, taking on new responsibilities, doing additional work, addressing new problems, or developing new
ways of doing things). To illustrate this category of response, I present two of the quotations that also appeared in the discussion in Chapter 4, one from Firmco and one from NewSeeds:

I just think [the business combination] is a wonderful thing for the firm and I think it’s really exciting and I thought that from day one when I heard the news. Certainly I thought, “Oh my gosh, is this going to create a lot of challenge!” (laugh) And that has come true. Um, but, nothing that we couldn’t rise to the occasion.

(Firmco administrative employee, mid managerial level; interview)

In the preceding quote, the employee articulates the “This is exciting!” fantasy theme. As a participant in this theme, the employee displays the motivation to work through the challenges presented by the business combination. The following quote illustrates how NewSeeds’ “Get over us/them” theme helped employees work through difficult situations presented by the merger:

Over and over, Gil Carney [NewSeeds CEO] emphasized the fact that we do things different than they do, they do things different than we do, and it depends who “THEY” are. He said, “The first thing you’ve got to get out of your language is ‘us’ and ‘them.’... And I think that DID help a lot. I think that did drive a lot of good discussion. ... I think it was kind of a common theme when we got together and got in these PROTRACTED discussions on processes and, y’know, he’d say, “Ok, that’s enough, we’ve got to stop saying “us-them” and figure out what WE’RE going to do here combined.”

(NewSeeds manager; interview)

Both of these quotations illustrate instances where the fantasy themes being promoted by management in the early communications caught on and got employees motivated and focused on meeting the challenges presented by the merger or acquisition.

A second category of employee response to the thematic genres was neutrality. Themes did not always work as effectively as the examples in the preceding paragraph indicate. Often, the employees I interviewed commented that they responded neutrally to the fantasy themes being presented in the early communications. To illustrate this neutral response, here is a portion of a quotation that I presented in Chapter 4 from a NewSeeds participant:

And when you start hearing things like “the dawn of a new era,” well, y’know, if [the merger] had been planned up front, you kind of would buy into that. But it’s like “Yeah, right.” ... And in the midst of all this confusion .... of trying to get your job done and trying to merge together what each other are trying to do ... you get somebody who comes out and says “Well, this is the dawn of a new era” and you say “Ok, fine. Now let me get back to work.”

(NewSeeds manager; interview)

Many Firmco participants also had neutral responses to the fantasy themes being presented in the early communications. As an illustration, here is an example that was also presented in Chapter 4:
I think, at least, as of now, I don’t know that I’ve seen any changes that prevent me from saying that so far [the business combination] hasn’t been a bad thing. I can’t say that it’s a good thing, but it’s not a bad thing. Nothing’s gotten worse because of it. So I guess from that standpoint, things are at least looking positive. I can’t project them out going forward.

(Firmco accountant, senior manager level; interview)

The preceding quote illustrates that sometimes the themes did not necessarily help employees envision the future, even though that is the essence of the idea of a fantasy theme. Thus, employees with neutral responses to themes were not yet participating fully in the rhetorical vision.

A third category of employee response to the thematic genres was the skepticism/wait and see response. Here is an illustration of this response (also quoted in Chapter 4) from a Firmco employee:

I think the real thing is you want to see that happen. So it’s ok to hear it from the video, but I think, going in and looking at the video, you know the perspective that they’re coming from. They’re trying to make [the business combination] sound like it’s such a great opportunity. And it could very well be. But I guess I just see it as their opinions. And just take it at face value.

(Firmco accountant, staff level; interview)

The comments of the employee in the preceding quote indicate that he or she was looking for a rhetorical vision/reality link. The following quote from a NewSeeds employee also clearly illustrates the desire for this link:

I think what is important is examples set at higher levels. ... I think it’s more lead by example than by the themes themselves. I mean, you can say “It’s the dawn of a new era,” but if what you see on an ongoing daily basis is infighting over picky issues because people can’t come to agreement, then you think, “Yeah, it’s a new era, all right, and I don’t know if I want to be a part of it.” ... I think the important thing is upper management living out the themes. And if they live them out, then the themes DO have some meaning.

(NewSeeds manager; interview)

An important implication from my study is that neutral or skeptical responses to themes do not indicate that the themes should not be used. Employees expect management to promote these themes. This expectation for themes to be presented even though they may not be totally bought into indicates that fantasy themes connected with the “bigger, better organization for tomorrow” rhetorical vision carry symbolic value for employees.

Another important contribution of my study is that it suggests that the degree to which the rhetorical vision is accepted in the organization is important from a practical perspective because it impacts employee retention, which relates to employee loyalty. Loyalty is affected by the emotions elicited in the merger/acquisition situation and can be thought of as the willingness to stick with the organization through difficult times rather than “jumping ship” for other opportunities. Although some mergers and acquisitions involve downsizing, many employees
leave voluntarily after a merger or acquisition (Baytos, 1986; Hayes, 1996; Marks, 1982).
Despite the "Mergers/acquisitions mean layoffs" fantasy theme that many employees initially think of when they hear about an impending merger or acquisition in their organization, more employees are retained after most mergers and acquisitions than are let go. In fact, the fear of good employees "jumping ship" was a very important consideration in both the Firmco and NewSeeds situations I examined in my study. Often, the goal behind the fantasy themes in the "bigger, better organization for tomorrow" rhetorical vision is to get those themes to catch on before employees develop their own themes based on incomplete or incorrect information and, based on those themes, choose to leave the organization. The communications director of Firmco explained the essence of Firmco's strategy as follows:

> We have communicated our strategy for achieving our vision and we are currently implementing it. ... Our goal was to help our employees understand our strategy and how they fit into it. ... I believe we made a sincere and balanced attempt to educate people to the realities of the new marketplace and how that marketplace influences and shapes company actions.

*(Firmco communications director, personal email received six months after completion of my data collection)*

In its early communications, Firmco initially developed "key messages" and consistently and continually communicated those messages. As a result of this strong communication effort, many employees who may otherwise have panicked and left the organization chose to stay and work towards this vision. In fact, many of the participants in my study indicated that initially they did consider looking for employment elsewhere, but once the early communications started coming, they understood the vision and the reason for the change and saw no reason to leave. I believe the baseline heuristic presented in Table 6 helps provide those charged with preparing the early communications in mergers and acquisitions with a starting point for thinking through these situations in a way that will encourage employee loyalty. These thematic genres can help encourage employee loyalty by creating a vision of how the organization is adapting to its changing environment.

Another practical implication stemming from my study is that the rhetorical vision/reality link is a key part of the rhetorical effect of early communications. Even though the themes promoted by the early communications may work initially, they will not work indefinitely without this link and trust may begin to erode. Employees, in general, want to participate in the "bigger, better organization for tomorrow" rhetorical vision because most employees naturally want what is best for their company. As I noted in Chapter 4, the Firmco participants were already looking for reality links as my study was concluding. An email I received from one participant in response to my request for review of my draft of this dissertation provides additional evidence of the desire for these links:
If you haven’t kept in contact with anyone here, I will update you with some of the things that have gone on lately. .... First of all, Firmco has laid off over 30 people [in the last six months]. .... [Many] staff employees are looking for a new job. The morale around here is very low. People are very upset that we haven’t grown or seen new opportunities appear like everyone was talking about.

(Firmco participant, personal email received six months after completion of my data collection)

This report is one person’s perception and is by no means an indication of the success or failure of Firmco’s business combination as a whole. However, this participant’s comments bring up an important point. Just as themes can be interpreted differently by different people, so can reality links. These different interpretations depend on employees’ individual situations and their perspectives within the organization. For example, the Firmco communications director explained the layoffs another way:

We have had some layoffs in some offices, but they are unrelated to the business combination and would have happened anyway. However, that doesn’t mean employees see it that way.

(Firmco communications director, personal email received six months after completion of my data collection)

While some employees may choose to view the layoffs as evidence that contradicts the “This is a growth strategy” theme, the layoffs may be caused by general economic conditions or other environmental factors completely unrelated to the business combination. This points to the importance of continually communicating the rhetorical vision beyond the early communications and explaining how subsequent events fit into this vision. As with early communications, employee buy-in to continuing communications depends on a variety of factors such as personal tolerances for ambiguity, state of the general economy, trust in management, and other events in the industry. In developing follow-up communications, communicators should tie events back to the themes promoted in the early communications and take into account the differing ways employees may generate rhetorical vision/reality links. Ultimately, the fantasy themes may be modified, new themes added, and the rhetorical vision adapted accordingly.

A final practical implication of my study is that implicit themes (either intentional or unintentional) communicated via the early communications or via outside events (such as general events in the marketplace and changes in the competitive environment or the economy) also enter into the rhetorical vision. As discussed in Chapter 4, silence can deliver themes or cause themes to generate on their own. Also, the way communications are delivered can also cause themes to develop. For example, in Firmco’s “Celebrating Our New Vision” meeting, there was heavy participation and support by partners at the meeting, and my interviews indicated that this support was an important aspect of the positive way the communications delivered in that meeting were perceived by employees. In contrast, Firmco’s “Living Large” event had less
support and presence from management and also did not seem to be as effective in carrying forward the desired themes. By not being present at the event or lending their support to it, partners were perceived by some employees as communicating that the event was not important and that they didn't believe in its value; as such, silence can promote unintended themes. In sum, potential implied themes (whether intentional or unintentional) should be taken into account when developing and implementing a rhetorical vision in organizational communication.

Conclusion and Suggestions for Further Research

In this study, I have examined one particular category of genre of organizational communication. My study provides a means of connecting the early communications in mergers and acquisitions in one organization to those in another by identifying common fantasy themes. It argues for the idea of themes to help in identifying what I have termed thematic genres. This understanding of the presence of thematic genres and the value of identifying common themes in similar (yet very different) merger and acquisition situations contributes to the understanding of genres within organizations and their roles in effecting organizational change.

My hope is that this study will lead to further research in this area. One potential area of study is the communications directed at various stakeholder groups in change situations. In my study, I focused on the formal communications directed at employees. There were, however, many other early communications I could have examined, such as those directed at customers and clients, stockholders, potential employees, and the general public.

Another potential area for further study is the different media used in building rhetorical visions. For example, in my study I focused largely on the written communications directed at employees. Other potential areas of focus would be Web sites or face-to-face interactions.

Another area for future study would be to compare the fantasy themes evident in other merger and acquisitions situations to those that I identified in the two situations I examined in my study. Future studies, focusing on different types of organizations and merger or acquisition situations, could point to differences and commonalities that would better define the thematic genre of the early communications in mergers and acquisitions.

Finally, I have identified the concept of thematic genres. This concept can be used to identify other thematic genres that can help bring out connections among similar kinds of communication situations in the organizational lifeworld. For example, the concept of thematic genres can be used to study specific communications within the genre categories of change communication, crisis communication, and risk communication. These genre categories have importance to both rhetoric and professional communication and management/organizational behavior research and practice. Therefore, future researchers can continue to make connections among these areas, as has been my purpose in this dissertation.
APPENDIX A:
ORGANIZATION CONSENT FORM AND
CONFIDENTIALITY AGREEMENT

Memo of Agreement

To: [Name of company gatekeeper]

From: Janel M. Bloch

Date: xxxxx

Topic: Research for doctoral dissertation

This memo confirms that Janel Bloch will be allowed to conduct research at [name of company] for her doctoral dissertation. The purpose of this study is to investigate strategies employed in the preparation of early communications used in mergers and acquisitions and the ways these early communications are perceived by employees and other stakeholders.

Janel Bloch will be allowed to examine the early communications pertaining to [name of company]'s situations and to interview employees (on a completely voluntary basis) about the strategies used in preparing these communications and their perceptions of these communications.

All interview participants will be asked to sign the Consent Form to ensure they understand the nature of their participation in the study.

Neither the name of this organization nor any individual names of employees will be included in any published reports of this research.

A [name of company] representative will have the opportunity to review any publications resulting from this research prior to publication to ensure that Confidential Information (see Confidentiality Agreement) is not included in the publications.

Signature of company representative______________________________

Date________________________

Signature of researcher______________________________

Date________________________
Dear Janel:

In connection with our participation in your dissertation project on communication in the early stages of mergers and acquisitions, it may be necessary for [name of company] to disclose to you certain proprietary, financial, commercial, technical and strategic information concerning the business of [name of company]. The foregoing information, whether disclosed to you in writing or orally, is hereinafter referred to as "Confidential Information." Therefore, it is mutually agreed that, in consideration of the disclosure to you of such Confidential Information, you will execute and return to [name of company] this letter agreement confirming the following:

1. You shall not disclose to any third party except for your employees, agents or representatives who need to know such information, for a period of five (5) years from the date hereof, any [name of company] obtained by you from [name of company], and you shall not use any such [name of company] for the benefit of yourself (except on [name of company]'s behalf) or of any third party, without [name of company]'s written consent, except when, after and to the extent that:
   
   (a) any or all of the Confidential Information was known to you prior to such disclosure, and your knowledge thereof is documented in records made by you prior to such disclosure; or
   
   (b) such Confidential Information is, or later becomes, generally available to the public through no fault of yourself; or
   
   (c) such Confidential Information is lawfully received by you, without restriction as to use, from any third party.

2. You shall take no steps inconsistent with, or preventing you from, carrying out the terms of this letter agreement. You shall limit access to the Confidential Information on a "need to know" basis.

3. You shall not copy the Confidential Information without our prior written consent.
4. This letter agreement and the consent form to be signed by participants constitutes the entire agreement of the parties with respect to the subject matter hereof and shall not be amended orally, but only by an agreement in writing signed by both parties that states that it is an amendment to this agreement. This letter agreement shall be governed by, and construed in accordance with, the laws of the State.

If all the foregoing is acceptable to you, kindly so indicate by signing and returning to us a copy of this letter, which is sent to you in duplicate.

NAME OF COMPANY

By: ________________________________

ACCEPTED:

By: ________________________________
Name: Janel Bloch

Date: ________________________________
APPENDIX B:
SUMMARY OF STUDY FOR FIRMCO GATEKEEPERS

To: names of contacts at potential participating offices
From: Janel Bloch, Iowa State University
Subject: Participation in dissertation research interviews

As we discussed on the phone, I am inquiring about whether some individuals from your firm would be willing to participate in brief interviews in conjunction with my dissertation project on the early communications in mergers and acquisitions. The purpose of my study is to investigate strategies used in the preparation of these communications and the ways these communications are perceived by employees.

I am a Ph.D. student in Rhetoric and Professional Communication at Iowa State University. In September, I talked with [Partner name] at his presentation about the Largeco transaction for business faculty at Iowa State. [Partner name] then referred me to [name] in firmwide communications, who arranged for me to sign a confidentiality agreement with Firmco and provided me with many of the employee communications associated with the Largeco transaction. I have also agreed to have [name] and/or any other interested parties from your firm review my dissertation or any other publications before they are finalized.

I am now in the process of interviewing people at various Firmco offices. The questions that I use as an outline for my interview are attached, and I am focusing on two groups of people:

- those who were involved with the merger decision and/or communicating it to other employees (i.e., partners in charge, firmwide communications, marketing, human resources)
- employees (at all levels, both accountants and others) who were not involved with communicating the merger, but who received communications about it

So far I have interviewed people from [named offices and number of people interviewed].

The interviews take from 30-45 minutes, and I am willing to come to your offices any time that works best for the most people. I hope to complete these interviews before [date] because of your approaching busy season.

I will contact you the week of [date] to follow up. XXXX has been helping me set up these interviews with people in her office, so she should also be able to address any concerns you might have.
APPENDIX C:
INTERVIEW GUIDE—FIRMCO

PART 1: MAJOR MERGER COMMUNICATIONS
Initial announcement of merger talks
• How did you find out about the merger talks?
• How prevalent were rumors and how were they handled?

Events (Celebration of new vision; Living Large)
• What events do you recall celebrating the announcement and/or finalization and what are your perceptions of them?

Announcement of brand/logo
• How was it done, and in your opinion, how well was it received by employees?

Videos
• What was the purpose and how effective do you feel they were?

Other (OMP Online, ?)
• How effective do you feel they were?

PART 2: PREPARING/DELIVERING EARLY COMMUNICATIONS
• What were some of the main challenges in preparing these communications?
• How did you address them?
• What would you do differently next time?
• How did you determine your strategies for these communications?
• Which strategies/communications were proactive and which were reactive?
• What constraints were on the strategies you chose?
• How effective do you think particular aspects of your approach were?
• How effective do you feel the overall approach was?

PART 3: PURPOSE, USE AND EFFECTS OF EARLY MERGER COMMUNICATIONS
• How carefully did you read/use the early merger communications?
• Can you think of any things that turned out to be different from what was communicated in the early messages related to the merger?
• Are there any ways you think the merger communication strategy could have been handled differently or more effectively?
• Of all the merger communications you received (and/or delivered/prepared) from announcement to about a year after finalization, which is the most memorable individual one and why?

PART 4: THEMES IN EARLY COMMUNICATIONS
• "New vision" seems to be the main theme running through the communications. What are your perceptions of this theme? Are there others?

PART 5: OVERALL
• What are the main challenges in making this combination meet its expectations?
• What were your perceptions of this combination when you first heard about it?
• What are your perceptions of this combination now?
APPENDIX D: INTERVIEW GUIDE—NEWSEEDS

PART 1: MAJOR MERGER COMMUNICATIONS
- These are five I have identified. Can you think of any others?

Initial announcement of merger
• How did you find out about the merger?
• How prevalent were rumors and how were they handled?

Events
• What events do you recall celebrating the announcement and/or finalization and what are your perceptions of them?

Announcement of brand/logo
• How was it done, and in your opinion, how well was it received by employees?

Video
• How, in general, do you feel employees felt about the call to define the new culture?

Announcement of positions/org structure
• Did your position change due to the merger? How were you informed?
• Did you announce positions/org structure to others? How was this done?

PART 2: SAMPLE EARLY MERGER COMMUNICATIONS
• I'm collecting samples of early communications surrounding the merger (from the initial announcement to about a year after it). Do you have any copies of these types of communications that you can provide?

PART 3: PREPARING/DELIVERING EARLY COMMUNICATIONS
• What were some of the main challenges in preparing these communications?
• How did you address them?
• What would you do differently next time?
• How did you determine your strategies for these communications?
• Which strategies/communications were proactive and which were reactive?
• What constraints were on the strategies you chose?
• How effective do you think particular aspects of your approach were?
• How effective do you feel the overall approach was?

PART 4: PURPOSE, USE AND EFFECTS OF EARLY MERGER COMMUNICATIONS
• How carefully did you read/use the early merger communications?
• Can you think of any things that turned out to be different from what was communicated in the early messages related to the merger?
• Are there any ways you think the merger communication strategy could have been handled differently or more effectively?
• Of all the merger communications you received (and/or delivered) from announcement to about a year after finalization, which is the most memorable individual one and why?

PART 5: THEMES IN EARLY COMMUNICATIONS
• There were several common themes running through the communications: “common vision,” “the dawn of a new era,” “the enemy is not inside—but outside,” “keep the focus on the customer and everything will fall into place.” What do you recall about your responses to these themes at the time? What is your perception of these themes now?

PART 6: FOLLOW-UP
• Do you think the integration process has been completed?
• In your opinion, has the merger achieved expectations?
Consent Form: Early communications in mergers and acquisitions

I agree to participate in a research project about the communications used in the early stages of mergers and acquisitions. The purpose of this study is to investigate strategies used in the preparation of these early communications and the ways these early communications are perceived by employees and other stakeholders.

This project is being conducted by Janel Bloch, a Ph.D. student in Rhetoric and Professional Communication at Iowa State University.

I understand that my participation will consist of an interview that will last approximately 30 minutes to 1 hour. I will be offered an opportunity to review a summary of my interview to clarify content.

I may be asked to provide examples of communications from my workplace. I understand that drafts of any resulting publications will be reviewed by representatives from my company to ensure that proprietary interests are protected.

I understand that information gathered from me will not be published in a manner that personally identifies me.

I may withdraw from participation in this study at any time by notifying the researcher of my desire to do so.

Print name

Signature

Date

Email

Phone
BIBLIOGRAPHY


