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WHEN RIVALS BECOME PARTNERS: ACCULTURATION IN A NEWLY-MERGED ORGANIZATION

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Mergers, frequent and disruptive business practices, are increasing in the U.S. and abroad. A qualitative inquiry of a newly-merged travel agency revealed six acculturation themes: identity, reputation, leadership, membership, information, and appearance. These themes suggest an acculturation agenda for the long period of turmoil that follows a merger.

"The world of the modern corporation is being transformed by mergers" (Haspeslagh & Jemison, 1991, p. vii). Mergers, as big news, are frequent and disruptive business practices that suggest layoffs, relocations, leadership change, and product and marketing alterations (Pare, 1994). The inside experience in newly-merged organizations is less public (Jerimer, Slocum, Fry, & Gaines, 1991). This study presents a view of shared understandings within an organization at the beginning of the "long period of turmoil" (Badaracco, 1991, p. 67) that follows a merger, and it examines mergers in four new ways: an in-depth view of one merged organization supplements the common depiction of mergers as a business trend; qualitative methods provide an understanding of insiders' experience; shared perceptions identify acculturation issues; and findings suggest an acculturation agenda for an organization that grows through a merger.

Acculturation is the process of change that takes place when two different cultures come into direct contact (Berry, 1980; Nahavandi & Malekzadeh, 1988). Each premerger organization brings an established organizational culture to a merger transaction, and these patterns are disrupted by contact with the other premerger entity (Schein, 1990). The acculturation process is especially tumultuous when the premerger organizations are rivals, because competitive strategies and animosities are no longer appropriate: "they" are now "we."

Informant accounts in a newly-merged travel agency revealed six acculturation themes: identity, reputation, leadership, membership, information, and appearance. Members of the newly-merged organization did not share history, values, or routines (Levitt & March, 1988), and these differences created an environment of ambiguity within the company. Reducing this ambiguity was a leadership challenge for the postmerger period. The six themes suggest obstacles for organizations

that are planning a merger or are experiencing postmerger acculturation; nonmerging organizations, however, may also encounter these problems in the course of other organizational changes.

Brief overviews of mergers and acculturation introduce this inquiry. The newly-merged organization is then described, followed by an explanation of the research methods and the findings. A discussion of the findings and implications for organizations concludes the study.

Mergers

Although the language of mergers is imprecise in both the literature and in practice, Halperin and Bell (1992) provide a useful definition. A merger is the combining of two or more entities through the direct acquisition by one of the net assets of the other, either friendly or hostile, for cash or for stock: "A new corporate entity is not created" (Halperin & Bell, 1992, p. 199). A newly-merged organization, however, resembles a new organization due to changes that follow the merger transaction.

Merging is a prominent domestic and international strategy for organizational growth (Haspeslagh & Jemison, 1991; Ravenscraft & Scherer, 1987) and four merger waves mark American history—one that peaked in 1901, a milder one during the late 1920s, a third in 1968, and a resurgence in the early 1980s (Barley & Kunda, 1992; Ravenscraft & Scherer, 1987). Merger activity of large U.S. firms slowed in the early 1990s but is now rising in both small and large firms (Halperin & Bell, 1992; Pare, 1994). The strategic purposes of mergers include enhancing financial performance (Haspeslagh & Jemison, 1991), uncertainty reduction (Brenner & Shapira, 1983; Cyert & March, 1963), organizational independence (Goldberg, 1983), and information sharing (Badaracco, 1991). Organizations that merge are expected to perform better as a combined organization than they could as individual entities.

The organization under study, Chatwin Travel (a disguised name), was formed through a horizontal merger, one of five types of mergers classified by the Federal Trade Commission (others are vertical, product extension, market extension, and conglomerate) (Ravenscraft & Scherer, 1987).

"Fact: Most mergers don't work" (Clark, 1991, p. 3). This statement reflects the prevailing view that over time, merged organizations do not provide the financial benefits that their architects predict (Bastien, 1989; Buono & Bowditch, 1989; Shrivastava, 1986). Mergers are evaluated primarily from a financial perspective because organizational performance is usually measured in these terms (Shrivastava, 1986). Weak premerger planning is cited as one reason for poor postmerger performance: mergers yield disappointing results because managers devote too little critical thought before the merger to determining how the partners' operations should be integrated to achieve maximum efficiency and to identifying problems that might interfere with attaining the desired results (Ravenscraft & Scherer, 1987).

Not all assessments of merger performance are negative. Jensen and Ruback (1983) suggest that mergers create value and benefit the entire economy. Haspeslagh and Jemison (1991) maintain that when effectively preassessed and integrated, acquisitions provide opportunities for strategic renewal. The continuing proliferation of mergers suggests that this strategy holds the promise of financial rewards. This study does not examine financial performance of the newly-merged organization but acknowledges that financial objectives initially motivated the merger transaction.

Acculturation

A merger disrupts behavior patterns in premerger entities and a "long period of turmoil" (Badaracco, 1991, p. 67) of acculturation follows. Acculturation, a term adapted from anthropology, is the process of intercultural borrowing through the continuous transmission of traits and elements between different peoples which results in new and blended patterns (Berry, 1980; Nahavandi & Malekzadeh, 1988). Both terms, acculturation and culture, are usefully displaced from anthropology and are here applied to organizations (Morey & Luthans, 1985). When used to examine organizations, these two terms are more narrowly focused than when they are used to examine societies, the usual anthropological perspective. This cultural perspective provides a lens through which we study artifacts in order to acquire insight into basic cultural assumptions (Schein, 1990). Informant accounts, a type of artifact, portray the shared understandings or social constructions of organization members during postmerger acculturation (Berger & Luckmann, 1966). Such a cultural study differs from research that assesses specific topics such as communication in mergers (Bastien, 1989; Schweiger & DeNisi, 1991), merger-related stress (Schweiger & Ivancevich, 1985), differences between premerger groups (Datta, Grant, & Rajagopalan, 1991), or models of postmerger development (Haspeslagh & Jemison, 1991; Jemison & Sitkin, 1986; Shrivastava, 1986).

Newly-Merged Organization

A turbulent and competitive business environment comprised the context in which two U.S. travel agencies merged. Descriptions of the business environment, premerger organizational background, and the motives for the merger follow.

Business Environment

The travel industry's business environment is turbulent, highly competitive, and is dependent on high technology and emotional labor for service delivery (Ashforth & Humphrey, 1993). This environment is characterized by deregulation, domestic and international economic changes, airline and other vendor price wars, and frequent new products. Travel agencies have relied on high technology for computer reservations and accounting systems since the early 1980s. This economic and technological environment contrasts with the emotional labor that maintains relationships with suppliers and clients.

The newly-merged Chatwin Travel had 147 competitors in the same city as its headquarters, a metropolitan area with a population of 1.1 million. New entrants to the industry appeared regularly. According to industry folk wisdom, "All you need to set up a travel agency is a computer and a telephone," because no highly-specialized or long-term professional training is required to perform most jobs. A company's name and reputation differentiate it from other agencies in an industry in which most agencies sell similar products (airline tickets, car rentals, hotel reservations, cruise and tour packages).

Organizational Background

Chatwin Travel Consortium, a company that retained its name after the merger, acquired the Sloan Travel consortium in a horizontal merger transaction. The newly-merged organization, with 350 employees in 22 offices throughout 2 states, became the thirteenth largest travel agency in the U.S.

The two premerger entities differed so greatly in reputation, appearance, and philosophy that the Sloan employees dubbed themselves the Nordstrom of travel and called their Chatwin partners the K-Mart of travel. The two organizations, however, shared similar historical background characteristics—they were founded as family businesses and grew in adjacent geographical areas during the same decades. The premerger names, Chatwin and Sloan, differentiate the newly-merged members' premerger roots throughout this study.

Chatwin Travel. Chatwin Travel was established 15 years prior to the merger in the state capital, a large metropolitan area. The agency grew through aggressive marketing practices such as providing deep discounts to new customers, acquiring small travel agencies, and establishing a low-priced air charter service to popular vacation destinations. At the time of the merger, the company's headquarters were in a large warehouse in the city's industrial district. A sprawling aggregation of offices, portable dividers, and work cubicles in an airplane hangar-like building created a utilitarian ambiance. The community knew the company as a low-cost travel agency.

Sloan Travel Consortium. Five independently-owned travel agencies comprised Sloan Travel Consortium, the other premerger entity. These five companies created an alliance three years before the merger to take advantage of economies of scale in purchasing and advertising. These small family-owned companies originated during the 1950s, 1960s, and 1970s and served local leisure and commercial markets. Impeccable professional reputations, high quality service, and a classy appearance distinguished them in an industry in which competitors sold similar products. Two companies dominated this consortium, and their established reputations contributed a visible community presence in their respective cities. The other three agencies added heft to the consortium. Sloan offices were located in commercial districts, presented a sophisticated or a cozy ambiance, and stressed customer service as a top priority. Sloan Travel's reputation contrasted with Chatwin's: Sloan's service orientation and world tours appealed to upscale customers, while Chatwin's no-frills packages attracted budget-minded travelers.

Founding Mothers. A team of eight male executive officers led the newly-merged Chatwin Travel, an unusual leadership structure in an industry in which women dominate. A legacy of women who founded this burgeoning empire, however, is found just one generation back. Women's entrepreneurship and mentoring laid the groundwork for the newly-merged organization: three women established the premerger travel agencies and, years later, turned them over to their young college-graduate sons.

Virginia Chatwin began Chatwin Travel at a spare desk in her husband's manufacturing warehouse in the late 1970s. She grew the business that became the low-price, high-volume travel leader in the state. She sold the company at the time of the merger, and her son became the figurehead president of the newly-merged Chatwin Travel. His position as president reflected the family's stock ownership and his mother's desire for continued informal influence in the organization.

Two other women separately founded agencies during the 1950s in cities 20 miles apart, and these two agencies eventually became the dominant entities in the Sloan Travel Consortium. These travel agencies grew to serve the local markets, while the women's sons grew up working within the businesses. At the time of the merger, two sons headed the two Sloan agencies built by their mothers.

The sons who inherited their mothers' businesses developed vastly different professional reputations in the newly-merged organization. Chatwin's son was the president in name only and left the company within two years of the merger. A Sloan son was vice president of operations, a charismatic and transformational leader: members perceived him as the architect and influence behind the merger. The third entrepreneur's son was the vice president of sales whose employees resented his ubiquitous golfing and absence from the office.

The three women mentored five of the eight executive officers of the newly-merged Chatwin Travel: three sons and two close friends. The travel agencies were part of family life in which "there was no division between work and life—it was all the same," according to one of the Sloan sons. Virginia Chatwin mentored two other men who also became part of the newly-merged organization's executive team. They began working in Chatwin Travel in their 20s, distinguished themselves as high performers, and purchased company shares.

The women's well-known names (all the travel agencies held the women's surnames) and their visible community profiles contributed to the concierge-like relationship between the premerger companies and their customers. The newly-merged company, however, was a creation of the sons. Although the founding mothers' names were well established in their respective cities, the merger blurred the clear genealogy of the various entities that made up the newly-merged organization.

Motive to Merge

The travel agencies merged to create an organization that could dominate the regional market: size and volume are key factors for organizational success in the

industry. A large company can bargain for volume discounts with airlines and other vendors and is able to combine support activities such as advertising, accounting, and courier services.

The merger of Chatwin and Sloan appeared to be sudden—employees of both entities found that overnight their company had become partners with its chief rival. Although unforeseen by employees, the merger strategy was not facile. Years of strategic musing prepared the agency owners to jump at the chance to grow their businesses. The eight executive officers were more prepared for their new partners because they knew each other from industry and trade meetings. Airline deregulation promised increased air travel, and these businessmen saw an opportunity for tremendous growth in their businesses. They speculated that two growing travel enterprises that joined forces would benefit from economies of scale.

The executive officers engaged in no premerger planning besides the required legal arrangements. The merger presented both opportunities and challenges. In the words of one executive officer:

> And I don't think we planned, to tell you the truth. I think we just merged and then struggled with the issues and problems, and looking back, there's a lot of things we could've done differently. We could've planned in advance the need to combine all the cultures, and maybe there could be a checklist that we could have developed that said, "You need to do this and this and this." And we just survived, we just did what we had to, made the changes that we saw we needed to make, and it probably took us longer than it could have if we had known what to expect from the merger.

Another executive officer described the heady confidence of executing this large-scale business strategy:

> in the merger, you kind of have a sense that you can accomplish much, much more. And so sometimes, at least in our case, we took that on without really having a good understanding of what that was all about. Therefore, it ended up costing us quite a bit of money.

The newly-merged organization immediately encountered problems despite careful legal structuring. The executive officers were not prepared for the conflicts that began with ticket delivery systems and went up through the executive ranks. The executive officers planned to work out the details of combining their organizations later: this is the study of later—the ensuing organizational acculturation.

Qualitative Methods

Qualitative inquiry is serendipitous and provides insights not attainable with traditional research methods (Van Maanen, 1983). The following sections describe the rationale for this research approach, the researcher–organization relationship, data collection, and analysis.

Rationale

Official pronouncements obscure much of what takes place behind the official facade that organizations present for public view (Jerimer, et al., 1991): news reports, public statements, and customer-employee interactions usually do not reveal substantive issues such as member experience nor do they provide understanding of organizational strategy. Understanding is a phenomenological process that takes place within and between people (Berger & Luckmann, 1966) and enables them to work together to accomplish personal and organizational goals (Schein, 1990). To discover these shared understandings, Geertz (1973) suggests studying forms or observable aspects of the organization: "Society's forms are culture's substance" (p. 28). Verbal accounts, a type of organizational form, provide one way of discovering what the meaning of things has for members (Fetterman, 1989; Schein, 1990). As a socially constructed reality (Berger & Luckmann, 1966), meaning can be discovered from these accounts by allowing informants to speak in their own words, and these shared social constructions comprise organizational culture (Schein, 1990; Spradley, 1979). The social constructions relevant to postmerger acculturation in Chatwin Travel are here presented as themes (Smircich, 1983). In sum, member accounts are cultural forms that provide insight into cultural substance or themes (Trice & Beyer, 1993).

Researcher–Organization Relationship

This study took a serendipitous course: it began as an inquiry about customer service and expanded to encompass the broader concept of acculturation. A basic assumption in the travel industry is that superior customer service is rewarded with organizational success, indicated by the motto, "Service is all we have to sell." The premerger entities of the newly-merged organization did not share values or routines that affected the way they delivered customer service. The executive officers identified customer service delivery as a major problem and commissioned a study of customer service in Chatwin Travel to see how it could be improved. As a key to competitive advantage, improvements were needed in customer service, but the new leaders lacked comprehensive knowledge about their morass of offices and incompatible operations.

The outside research team was charged with assessing customer service and providing feedback to the executive officers. As the research progressed, informants talked about more than customer service: other merger-related issues surfaced that affected customer service as well as other operations. After the initial ten interviews, the executive team was informed of this opportunity to learn about what was happening in the newly-merged organization. The vice-president of operations said, "We are hungry for feedback" and expanded the study to include a broader scope of merger-related issues. The inquiry subsequently addressed the basic qualitative question, "What is going on here?" (Van Maanen, 1983).

Data Collection

Data collection began 4 months after the merger transaction. Sixty-three informants were individually interviewed at 10 company locations during a 2-month period. A snowball sample (Babbie, 1979) included 8 executive officers, 26 managers and supervisors, and 29 employees (agents and support staff). Forty-two women and 21 men whose ages ranged from 19 to 55 were interviewed by one researcher. Purposive sampling (Lincoln & Guba, 1985) gave voice to men and women in various locations, job descriptions, and from both premerger organizations. All interviews were voluntary and confidential and informants were told that the executive officers would receive copies of the research findings. Most informants reacted with delight—at last, the executive officers wanted to hear from them, albeit through a researcher. Several old-timers (tenure of eight years or so), however, did not share this enthusiasm. They were skeptical and said that no changes would result from the inquiry—they had talked to researchers before and had seen no subsequent organizational changes. Nevertheless, all informants willingly described working in the "mixed up mess of a merger."

Open-ended questions such as, "If you could spend 15 minutes with the owners of the company, what would you like to discuss?" encouraged informants to describe important issues related to the merger. Private individual interviews lasted from 20 minutes to one hour and 45 minutes. Detailed hand-written interview notes were subsequently transcribed to computer disk for data analysis. The interviewing process ended when interviews became redundant and provided no new information or insight (Strauss & Corbin, 1990).

Analysis

We analyzed the data through comparative methods and analytic induction. Over 200 pages of informant transcripts revealed recurring themes, categories that explained consistent and repetitious patterns that ran through the data (Martin & Turner, 1986; Smircich, 1983; Strauss & Corbin, 1990; Turner, 1988). Six themes emerged from the iterative process of multiple readings, memoing, creating categories of incidents, collapsing and refining categories, and searching for disconfirming examples. Movement from data to theme was across levels of abstraction: it was not a numerical tabulation of incidents associated with a discovered theme (Martin & Turner, 1986). For more complete descriptions of this inductive process, see Belk (1991), Glaser and Strauss (1967), Martin and Turner (1986) and Strauss and Corbin (1990).

Findings: Themes

Six acculturation issues created ambiguity within the newly-merged organization: identity, reputation, leadership, membership, information, and appearance. These themes are described and are illustrated with verbatim informant quotations that serve as exemplars.

Theme 1: Identity: Who Are We Now?

Confusion about Chatwin Travel's name, culture, and vision created an organizational identity crisis.

Name. The newly-merged company, "Chatwin Travel," inherited the pre-merger Chatwin name. The Sloan Travel consortium members resisted adopting their former rival's identity. One Sloan agent asked, "Why have we had to change our name and some of them haven't?" Another Sloan agent lamented: "Since the merger, I've felt a sense of loss. I don't want to be Chatwin. Time has helped heal, but it was a shock to the Sloan people. It is a blow to not be that [Sloan] anymore."

Culture. No shared company identity, culture, or vision united the newly-merged organization. According to a Chatwin executive officer, "We have never formalized [who we are] for our people, or documented it." A Chatwin agent explained:

> I don't think anyone really knows what we're trying to achieve. They [executive officers] haven't shared their goals. It is definitely important. If we're working towards the same end, we'll get there quicker. . . . I work hard for the company, but where is this going to lead me? It is hard to be loyal if I don't know what I'm loyal to.

Another Chatwin agent said, "We do not have the corporate culture that we need." A Sloan supervisor explained the identity problem: "We're a big company trying to act like a little company, but it doesn't fly anymore. We need to know who we are, where we stand in line, what titles mean.

Vision. A Chatwin executive officer described the organization's lack of vision:

> We've had difficulty since the merger—we're tiny agencies trying to be a corporation. Centralization is difficult for the outlying areas. It mushroomed. There is no procedural manual for any area and it is important for all of us to know a vision.

One of his Sloan partners recognized the lack of organizational identity and described their joint intent to create a vision for the future:

> A vision is developing. The nature of the merger had us so engrossed in putting it together and surviving that we have not emphasized a vision or shared it: no time to. It is there in all of us, underneath. We want it. 1988 is a turning point: the phenomenal growth and out-of-control trend is caught up, and now we can really work on things we want to work on.

Theme 2: Reputation: What Do We Stand For?

The merger combined organizations with vastly different reputations, confusing customers. The exodus of big-spending customers provided material evidence of the merged company's suffering reputation.

Professionalism. Members of the newly-merged Chatwin Travel wanted a stellar reputation. According to one Sloan manager, "We need professionalism—the same as a doctor or lawyer's office—a certain quality of delivery: helping

mode, service-minded." The premerger companies, as competitors, sold similar services in the same geographical market, although they had different strategies and clientele. Premerger Chatwin was known for low prices, and Sloan was known for its high status and quality service. A Sloan manager described the juxtaposition of two different business orientations:

> We've merged Nordstrom's and K-Mart. It is very difficult to merge the tasteful with the tacky and immature. Chatwin doesn't treat the client well—they move them in and move them out—a cattle car approach. We believe the client is first, and the merger cheapened the entire operation.

Customer Confusion. At the merger, Sloan Travel, a prominent regional travel consortium, disappeared overnight and surfaced under the name of Chatwin, its rival. This confused customers. The new strategy of appealing to all market segments also perplexed customers. A Sloan manager explained this conflict:

> Chatwin is a cheap, low-ball, low-fare image. Our side is higher quality, better service. Our goal is to take advantage of both. We are finally starting to do a good job of the full spectrum and to make both ends feel comfortable.

A Sloan officer explained the need to create an image and communicate it to customers:

> It is not healthy to rely on another company [Chatwin] that we don't control to set our image. We have a lot of work to do. It would be easy to sit back and let them drive business our way, but it is dangerous not to try and establish our own image. We have different purposes and don't want to destroy a diverse image.

Exodus. Although the merger created a large organization, increased sales volume came from the low-priced market segment only—the premerger Chatwin appeared to replace Sloan. The newly-merged organization's reputation suffered, according to a Sloan manager: "The merger restrictions compromised the name. It gets more people in yet detracts from the quality, upscale image. Quality trips diminish as the mass grows." Another Sloan executive officer concurred: "Our clientele dropped. I visually saw people disappear, and we got a lower caliber of people. The world trips and big money disappeared. To build again, we need to get quality people who care about our image."

Theme 3: Leadership: Who Is In Charge?

Chatwin Travel members suddenly had eight executive officers instead of one premerger boss. Little direction, nepotism, and the founding mothers' absence frustrated members who wanted a clearly-defined and humane workplace.

Eight Leaders. Eight executive officers, former owners of the premerger companies, led the newly-merged Chatwin Travel. All were white males who were in their 30s and 40s. They were ardent sports fans: ex-college football players, youth team coaches, and major league season-ticket holders. Their sports identification extended beyond passive observation: an 8" x 10" portrait of the "Great 8" team was displayed in each executive's office in which he and his partners were

dressed in football uniforms, complete with face blackening. The picture sent the message, "We're an all-male team and we're ready to play ball—hard," but the photograph portrayed a unity that was not evident in practice. One Sloan executive officer described the team: "We need to be equally yoked, running as a team. We're entrepreneurs as partners with our strengths and weaknesses. Our weakness is that we're soloists rather than team members. We're not running unity—we're doing our own things."

No Direction. Members did not know who the executives were, what they did, or what their relationship was to employees. One Chatwin agent said, "I don't know who most of the owners are. First impressions are not very good." Another Chatwin agent said, "No one knows who is in charge. Who's running the company? There are split directions." A Chatwin manager who interacted with both the executive officers and the agents explained:

> The merger tore the company apart—it demoralized the agents. They do so much and don't see the owners working—they just see them out on trips and out of the office . . . officers are confused about what they're supposed to be doing. I interact with several officers, and they should be more clearly communicating among themselves. I am in their middle communicating for them, caught in the middle, degrading them to each other. I add to that because I get conflicting directions.

Despite the frustration of not knowing who ran the company, members looked for change. One Chatwin agent said, "If we could just talk to the officers and let them hear what we need . . . they don't know what is going on in the company."

Nepotism. Informants perceived the heritage of family-run businesses as nepotism—the wives of several executive officers had prominent organizational positions. For example, one Chatwin manager described problems with the personnel director, the president's spouse:

> There are problems with the personnel director—she is way overloaded. The PR responsibilities have increased with the merger and so have human resource needs. The human resource needs are not being met. Employees don't know what she's doing—she is gone a lot and negative things are said. Being married to the president is an issue.

Founding Mothers. Three officers were sons of the women who independently started premerger travel agencies and turned over management of the companies to their sons. Despite their retirement, the charismatic matriarchal legacy of the three women remained. A Chatwin agent recalled one of the women founders: "[Virginia Chatwin] was excellent at creating and maintaining personal rapport with employees—she hand wrote notes and helped with personal problems. . . . The old employees miss her." An organizational story circulated that Virginia Chatwin once asked her top salesperson for a personal loan: the company incentive plan was so good that the salesperson's personal earnings allegedly far exceeded her own.

Theme 4: Membership: "They" Are Now "We"

New partners resisted working with each other, showed ethnocentric attitudes, and imposed their ways on newcomers. No avenues existed to negotiate or to share ideas. One member described the division between the groups:

> The spring party at [the Hyatt], after the merger, was Chatwin's party—we [Sloan] were just observers. It was not positive—we didn't want to merge—we went with the attitude, "Let's see if they can impress us." They didn't. It didn't do anything to me to reinforce the idea of a family. We're married now and need to realize we are one big company.

Our Way or Leave. Sloan members who held deeply-ingrained values and routines maintained a stand-off atmosphere: only Chatwin members who appeared to conform to Sloan standards were allowed to work in certain offices. One Sloan manager explained the pressure exerted on former rivals: "There were people [from Chatwin] in this office since the merger—some quit, some were reprimanded on service quality, and some adapted and are still here."

Theme 5: Information: What is Happening?

A comprehensive and integrated view of the organization did not exist. No one knew where essential information could be found, so members had to search for basic information necessary to perform their jobs.

Does Anyone Know? Two categories of information contained the keys to understanding the newly-merged organization—insight into organization-wide issues and knowledge of where to go for job-related information. Members lacked basic information about the organization, as indicated by one Chatwin agent: "How does the agency run as a whole—the entire company? Who is who and what is what?" Members expected information to come from their managers, but, as another Chatwin agent said, "No one has ever sat down and shared this [where the company is going]." Exclusion from timely information gave the impression that agents were not vital to the organization. One Chatwin agent was shocked at organization-wide developments: "The big picture? I felt stupid that one month ago I found out that Virginia Chatwin no longer owns the company. I thought someone was pulling my leg. What's going on?"

Where is It? Members did not know where to get the information necessary to perform their jobs. Information was scattered around the organization, and no clear paths led to the discovery of pricing, policies, job descriptions, and resources. The merger created the expectation of secure structure and routines that a large organization could provide. According to one Chatwin manager:

> I thought this office would come into a nice, organized, secure system—I assumed we would fit into the network and help build business. I need more information about structure, resources, policies, and procedures—a solid foundation on which we can build. It took months to figure out who to call for specific information.

In the Dark. Agents were embarrassed to find themselves without current marketing and advertising information. One Chatwin agent explained, "It's pretty

bad when your customers call you on the phone and know more about the fare rates than we do. They just read it in the paper, and we don't know anything about it." The information that was disseminated flowed one way-from officers to employees—yet members wanted to have input into organizational procedures. One Chatwin agent explained the isolation: "I feel left out of a 'secret team' when team leaders go to their meetings. They should discuss with us, make us a part of the company. I have ideas. No systems are set up for input."

Theme 6: Appearance: What Do We Look Like?

Office decor, employee appearance, and employee etiquette influenced public relations, customer service, and coworker comfort.

The Offices. Physical appearance symbolized quality and social class. Despite the goal of Chatwin Travel to project a professional appearance, the offices varied in structure, decor, and ambiance. For example, the Chatwin headquarters office was located in an industrial warehouse district. It housed the majority of employees and handled the largest volume of business but was ugly and dirty. Most employees worked in a windowless warehouse with low office partitions, threadbare carpets, and cement floors. It was noisy and unkempt despite cleaning efforts: employees were responsible for janitorial services in order to keep overhead costs low. Employees recounted stories of "rat sightings." One Chatwin manager explained her discomfort when she brought clients on site:

> We need to clean up the office. The lavatories are never cleaned often enough, and there are piles of clutter everywhere. Close off the telephone room. It is embarrassing to bring clients here—I want to protect them from seeing around.

Chatwin's industrial setting contrasted with the professional decor of the Sloan offices—oak furnishings, glass walls, plush forest-green carpeting, and a dignified law office atmosphere.

The People. Members did not agree about what defined acceptable work dress and grooming. Men dressed in slacks and shirts but argued over details such as ties, beards, hair length, and fabric: "Should we allow denim?" Women's dress ranged from suited skirts to jeans and hair curlers. The lackadaisical appearance of some Chatwin members frustrated Sloan informants who worked in offices that enforced a professional dress code. One Sloan manager described the business implications of casual dress:

> The dress code should be strict. For example, at a party at the Radisson, an established businessman looked at the group of women [Chatwin travel agents] and the way they were dressed and said, "If I were spending $10,000 on a trip, no way would I spend it on those girls!" They were dressed cheaply, and one was wearing fringed go-go boots!

A Chatwin manager suggested a solution to the variability in dress and grooming styles: "We're not going to gain business as we look now. I would like to enforce professional dress. Most are pretty good. A suggestion—give a clothing allotment to enable people to follow dress guidelines."

Etiquette. Offices and clothing were not the only aspects of appearance. Agent behavior concerned image-conscious members. A Chatwin supervisor described her coworkers' telephone behavior: "We need phone skills. The things people say are scary, like their grammar, talking over a caller rather than putting him on hold, language, and swearing." Another Chatwin manager expressed concern about how employees behaved at social events: "We need to remind agents of proper behavior—don't attack the hors d'oeuvres at functions and don't talk about accounts." Informants claimed that professional appearance and decorum attracted a sophisticated clientele and bolstered both individual and office self-image.

In sum, fundamental problems in this newly-merged organization included identity, reputation, leadership, membership, information, and appearance. These six themes indicated areas of ambiguity, acculturation issues that created barriers to shared understanding within the organization.

Discussion and Implications

Acculturation began with the disruption of the premerger organizational cultures. The six themes of identity, reputation, leadership, membership, information, and appearance that surfaced through informant accounts suggest acculturation problems. These themes, as categories, represent shared employee perceptions: variation within each theme, however, indicates that the newly-merged organization was a culture of ambiguity (Martin, 1992). The newly-merged company had no integrated organizational culture for members to learn—therefore all were newcomers who experienced culture shock (Louis, 1990).

This study provides insights for organizations that are planning mergers or that have begun postmerger acculturation. Despite the maxim that "mergers don't work" (Clark, 1991, p. 3), merging is a prominent business strategy that is increasing in frequency (Pare, 1994). The themes also describe organizations that change in other ways, such as relocating, introducing new products, changing leadership or personnel, and acquiring a new name. Three implications for such organizations include problem identification, organizational learning, and action.

Problem Identification

Problem identification requires sources or informants who can disclose useful information. Receptivity to what is then discovered is also necessary in order to address problems. Informants risk exposure and retaliation when they disclose their opinions, especially when their views are critical of the organization. Acquiring trustworthy organizational accounts, therefore, requires a setting in which informants are willing to speak candidly. Member voice in organizations can be initiated by either leaders or members, but in Chatwin Travel, "no systems [were] set up for input." Norms prevented Chatwin Travel employees from openly discussing broad organizational issues such as leadership and organizational strategy: they needed assurance of confidentiality during the interviews. Employees did not know

how to register problems with the leaders whom they believed could affect change: members, therefore, saw the interviews as a chance to speak out.

The serendipitous nature of qualitative research implies an openness to discovery (Frost & Stablein, 1992). Executive officers initiated this study with the explicit purpose of improving customer service. When looking for one thing, however, something else may be found, as when the initial search for customer service evolved into an inquiry about acculturation issues. Discovery of the acculturation themes was due to member concern about other pressing issues, executive interest in important new information, and researcher willingness to entertain off-track informant comments. Members were eager to talk about the organization because they concluded that work in the newly-merged company was not going well and was not improving. Neither executive officers nor employees knew where to begin organization-wide changes, so they looked to outside experts for guidance. Executive officers asserted that nonmember viewpoints were necessary to analyze the company's problems, and they wanted outside voices to articulate problems that they could not describe to their fellow team members. Although the executives requested feedback—information from informant accounts—several officers were nonetheless uncomfortable with criticism of their leadership and of their premerger companies.

Organizational Learning

Acculturation implies both readaptive and reciprocal organizational learning (Leavitt & March, 1988). An unexpected and abrupt structural change, such as a merger, provokes sudden simultaneous changes in an organization, creating an environment of ambiguity. The massive nature of these disruptions suggests that resolving problems may require more than incremental adaptation. Organization-wide change may require "picking up the other end of the stick" (Kuhn, 1970, p. 85): readaptive organizational learning (Levitt & March, 1988) in which organizations resolve problems in new ways, such as embarking on novel search strategies, combining alternative solutions, and starting new ventures.

Acculturation proceeds over time—it is an indefinite and incomplete yet creative process (Social Science Research Council, 1954). This involves reciprocal influences between organizational groups and between members and the organization (Nahavandi & Malekzadeh, 1988). At Chatwin Travel, the executive officers who initiated the inquiry began to resolve the identified problems. They assumed leadership responsibility for clarifying issues through training, modeling, writing policies and procedures, and establishing rituals—processes of internal integration (Schein, 1990).

Members may also seek solutions to problems (Louis, 1990). At Chatwin Travel, members attempted to get answers to their daily job-related questions but waited for leaders to provide organization-wide direction in the broad thematic areas of identity, reputation, leadership, membership, information, and appearance—issues that affected their sense of well-being in addition to their daily work. Although informant accounts portrayed resistance to the newly-merged organiza-

tion, they also indicated that members wanted definition and direction, suggesting a willingness to respond to leadership guidance.

Action

Leaders have a choice either to address problems or to make no interventions and allow emergent behavior to resolve issues over time. Acculturation problems influenced customer service, a critical organizational competency, so reducing the ambiguity in these areas was of strategic importance to Chatwin Travel executives. These officers initiated a study several months after the merger transaction that told the members that they wanted to identify problems and that they intended to respond to these issues. This signaled that recognizing problems in the organization was a leadership responsibility, as was the ensuing remedial action.

General implications for organizations that merge can be gleaned from the experience of Chatwin Travel. These are presented, followed by descriptions of how Chatwin Travel began to make changes in each of the six acculturation areas. Coping with a long period of turmoil, however, is not a matter of creating a to-do list and checking off tasks as they are accomplished. Change is a process that evolves over time, both through formal organizational programs and through informal emergent behavior. Scholars indicate that change following a merger extends over years (Louis, 1990; Shrivastava, 1986). Chatwin Travel merely provides an initial postmerger view: longitudinal research may help define the length of postmerger acculturation.

Identity. A merger transaction is not a negotiable event for employees; it is a strategic business decision that members must accept. A member's rejection of the changes that follow a merger implies eventual departure from the organization. Because members of Chatwin Travel had no advance warning about the merger, they were not prepared for a new name and organizational structure or new leaders, locations, coworkers, and products. The organization needed to define a new identity, but the multivocality of 22 separate offices, led by eight executive officers, presented a coordination challenge. Employees in all offices needed to learn about the scope of the company, to reconcile their membership in this large organization, and to figure out how they, as individuals in small offices, fit into it. Asserting a new organizational identity began with promoting the new name through signs, letterhead, telephone answering procedures, and advertising.

Reputation. Company reputations are established over time through advertising, customer experience, and word-of-mouth. The distinctive reputations of the premerger companies blurred with the merger of low-end Chatwin and high-end Sloan. The newly-merged Chatwin Travel required an image that would appeal to a wide audience, rather than to the premerger market niches. Chatwin Travel's confusing reputation provided an opportunity to educate the public: each inquiry about the merger was a chance to sell the company—to explain how the organization could now "exceed customer expectations" and serve customers in improved ways. A new customer service training program also taught employees how to represent

the company to the public, beginning efforts to create a high quality service reputation.

Leadership. Strong leadership is especially important for companies in the early stages of organization (Schein, 1990). The small premerger family-led companies were built on friendship and nepotism. As the result of the merger, eight men directed a large company, an organizational structure that confused both the executives and the members. Conflict and ambiguity within the executive team affected their relationships with each other, and this conflict was apparent to employees, detracting from their willingness to support the new leaders. Employees worried about the leadership team—executive officers who did something as radical as merging with rivals could make other disruptive moves. Employees also retained allegiance to premerger leaders: they watched how their own executive officer was navigating the executive ranks. The executive officers, therefore, faced the job of creating leadership credibility to their employees, both as a team and as individuals. These officers hired leadership consultants who provided self-assessment, counseling, and executive training. They planned to provide future leadership training for the managers as a second phase of leadership development.

Membership. 'We' and 'they' are ethnocentric categories that lead to war. Sudden alignment with former enemies challenges fundamental assumptions about personal and professional identity. At Chatwin Travel, long-established professional rivalries did not disappear with the merger. War had raged between the premerger companies—battles were fought in advertising, pricing, acquisitions, and public relations. Deeply-embedded feelings of antagonism and exclusion among members interfered with the superior customer service that was expected for both internal organizational customers and outside clients. Establishing work relationships in such a situation begins with identifying commonalties and accommodating differences. The former rivals, as new partners, began to cooperate as they interacted through telephones, information systems, meetings, training sessions, and social events.

Information. Employees want to know about their organization's long-term plans because strategic level decisions affect the operational level. The executive officers of Chatwin Travel did not convey their vision of the newly-merged company to the members: employees were therefore caught in the maelstrom of organizational change, not understanding where their company was headed. Officers expressed surprise when they learned that members wanted information about organization-wide issues such as long-range planning—they had assumed that members "didn't need to know." The travel industry is known for low salaries, and executive officers were accustomed to employee complaints about pay. The merger did not immediately affect employee pay, so executive officers erroneously assumed that strategic issues did not interest members. Although the human resource department provided a forum for discussing wages and benefits, there was no similar outlet for explaining organizational strategy. Officers began to disclose information about organizational plans through spokespersons, newsletters, meetings, and e-mail.

A decentralized organization that requires uniformity in service delivery needs to centralize operational information. Chatwin Travel executive officers did not plan beyond the merger transaction, so there was no standardized job-related information—each of the 22 offices had its own policies and procedures. Many of these procedures had been embedded in routines for years but were not written down. Members hunted for accurate information which they needed to do their jobs, operating on the erroneous assumption that such information existed. The central human resources and accounting departments of Chatwin Travel began to write personnel and procedural manuals, employing a participative process that solicited ideas from each of the premerger entities. The ensuing writing and training processes promised to take years.

Appearance. Appearance conveys organizational values (Rafaeli & Pratt, 1993), and Chatwin Travel attempted to cultivate an upscale image in order to attract a monied business and leisure clientele. Managers expressed the folk-wisdom that employees behave in a more refined manner when they are well-dressed. According to one Sloan manager, "You don't send your kid to church in blue jeans." Members also judged each other based on appearance. As a visible artifact, appearance contributed to the differentiation between premerger entities. Chatwin Travel's human resource department created a dress code that was intended to achieve a company-wide business-like image. This code reflected the practices of the premerger Sloan entities, so it did not require change for all members—the remedial efforts were aimed at the casual premerger Chatwin members. Members also anticipated working in a new headquarters high-rise building—an incentive to dress up.

The six themes of identity, reputation, leadership, membership, information, and appearance represent members' shared confusion about what Chatwin Travel was, who its members were, and what they did. Ambiguity in any one of these areas can create problems among members of an organization, but a merger simultaneously affected all six organizational issues. Juxtaposition of the premerger companies merely began the process of acculturation. Resolution of these acculturation issues may eventually lead to an integrated organization, to subculture definition, to continued ambiguity, or to another interpretation of organizational culture (Martin, 1992). The executive officers, managers, and employees of Chatwin Travel, however, sought an integrated organization because uniform procedures were essential to serve customers effectively.

In sum, newly-merged organizations should anticipate a long period of acculturation. Problem identification may require an organization-specific inquiry, conducted either internally or by disinterested outsiders. At Chatwin Travel, the members described problems within the newly-merged organization and executive officers paid attention to this information and began active efforts to resolve these problems. Although the six themes suggest an agenda for organizations that merge, culture varies among organizations: these themes do not include all potential issues faced by organizations. This merger took place between entities in the same geographical region where members came from a homogeneous cultural background.

Organizations that merge with entities from other regions or from foreign countries may experience greater ambiguity within a newly-merged company.

This study provides a new look at the frequent business practice of mergers by examining one organization in depth, rather than studying mergers as a business trend. Qualitative methods provide insight into shared member understandings in a newly-merged organization. The acculturation themes of identity, reputation, leadership, membership, information, and appearance indicate problems within the organization; reducing ambiguity in these areas suggests an agenda for the "long period of turmoil" (Badaracco, 1991, p. 67) that follows a merger.

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