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Justification, Legitimization and Naturalization of Mergers and Acquisitions: A Critical Discourse Analysis of Media Texts

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Abstract. This article concentrates on the discursive construction of mergers and acquisitions in the media. Drawing on critical discourse analysis, the article focuses on justification, legitimization and naturalization processes in three historically significant cases in the Finnish media. The analysis reveals four distinctive discourse types—'rationalistic', 'cultural', 'societal' and 'individualistic'—and elaborates their structural characteristics. The analysis shows that rationalistic discourses typically dominate discussion, while the other discourses are subordinated to the rationalistic discursive practices. This usually means justification of particular merger or acquisition deals and legitimization of specific actions taken by management. In the longer run, this is likely to lead to naturalization of specific management practices in the mergers and acquisitions context.

How Are We to Interpret This?

The following text appeared as a column in the largest Finnish tabloid when the two previously most powerful commercial banks in the country—the Union Bank of Finland and Kansallis Banking Group—were just over a year into their merger, forming the new Merita Bank. The column entitled 'Will Merita's Jungle Adventure Come to an End?' was written by Mr Antti-Pekka Pietilä, one of the most influential Finnish business journalists of the 1990s: Merita will lose its customers, its owners and its entire existence if it is not able to pay dividends. If Merita does not find a way out of the jungle of losses, *it will not even be good enough to be sold to the Swedish Handelsbanken or SE-Bank.*

The only good news from Merita is that they are trying to split it into two. The most profitable businesses would be placed in an investment bank. These businesses would enable them to pay dividends if the costineffective retail banking were to be isolated in a company of its own. *The retail bank that receives deposits would then be brutally run down, and replaced by automatic bank tellers.*

. . . Integration in Europe and the ever-accelerating EMU process will increase the number of mergers, acquisitions and structural arrangements where finance wizards [i.e. investment bankers] are needed.

. . . Internal compulsion also escalates change within Merita. The present style of reorganizing has destroyed the work motivation of the personnel. *The atmosphere in the bank is that of a concentration camp, where the only way out is through the chimney.*

The desire to leave is strong at the top, too. The managing director, Pertti Voutilainen, is prepared to become the next managing director of Imatran Voima [the major Finnish power company of the time]. He has also been offered two other ‘good jobs’, but not in banking.

. . . *Day by day, the likelihood of an explosion at Merita increases.* Either the businesses will be quickly reorganized or Merita’s banking will fall into foreign ownership for a purchase price of about FIM 3.8 billion (an estimate of an English merchant bank). (*Ilta-Sanomat*, the leading Finnish tabloid, 12 April 1996, our italics)

Mergers and acquisitions are contemporary phenomena that shape industries and corporations. Established bureaucracies are dismantled and firms cross historical boundaries and merge into large entities. Organizations are becoming temporary and disposable. Mergers and acquisitions also affect the lives of people as employees, consumers or stockholders. They create a need to make sense collectively of what is happening. Much of this collective sensemaking takes place through media texts or is reflected in them. The emergent discourses shape collective understandings of these complex phenomena.

In our view, the text from the Finnish tabloid quoted above is a good example of how such discourses are constructed. It contains specific perspectives and themes and shows how several discourses are flexibly intertwined in individual texts. It raises questions about what is taken for granted and what is left out. It provides a glimpse of how organizational change is constructed in public discussion.

In this article, we examine the discursive construction of mergers and acquisitions in the media as a specifically revealing example of the social construction of organizational change. We focus on the processes of justification and legitimization and maintain that these processes are crucial parts of the naturalization of specific aspects of the phenomena at hand. We thereby hope to contribute to the still scarce literature on media texts that socially construct organizational change.

Drawing on critical discourse analysis (Fairclough, 1997), we concentrate on three historically significant Finnish cases: the merger of Union Bank of Finland and Kansallis Bank (1995) forming Merita Bank; Kesko’s acquisition of Tuko (1996) in the Finnish retail sector; and the merger of Merita Bank and the Swedish Nordbanken (1997). Based on this

analysis, we identify and specify four discourse types—‘rationalistic’, ‘cultural’, ‘societal’ and ‘individualistic’—and suggest that particular discourses and discursive practices are more (and others less) equipped for critical scrutiny of mergers and acquisitions in general, and the rhetoric and actions of managers in particular.

Discursive Construction of Mergers and Acquisitions

Dominant Themes and Perspectives in the Literature on Mergers and Acquisitions

Organizational research on mergers and acquisitions has drawn on a range of different traditions. Since the 1960s, mergers and acquisitions have been studied from a *strategic perspective*, with close links to economics and later finance literature (Kitching, 1967; Levinson, 1970; Salter and Weinhold, 1979; Kusewitt, 1985; Fowler and Schmidt, 1989; Larsson, 1990; Haspeslagh and Jemison, 1991; Pablo, 1994). Studies from a strategic perspective have typically concentrated on the decisionmaking processes preceding merger arrangements (Salter and Weinhold, 1979), choice of acquisition targets (see, for example, Kusewitt, 1985; Fowler and Schmidt, 1989), and lately also on managing the subsequent integration process (Hunt, 1990; Haspeslagh and Jemison, 1991; Pablo, 1994; Larsson and Finkelstein, 1999). The studies have most often been based on understanding management as a rational, unified agent solving organizational problems.

Studies adopting a *human resource management perspective* have provided a contrast to the more strategically oriented analyses (Davis, 1968; Schweiger et al., 1987; Buono and Bowditch, 1989; Napier, 1989; Cartwright and Cooper, 1990; Schweiger and DeNisi, 1991; Greenwood et al., 1994). These studies have often sympathized with the concerns of employees in the emergent, merger-related change processes and have closely examined employee reactions leading to resistance to change.

Closely linked to these studies, with the rise of a more general interest in the study of culture since the early 1980s, researchers have started to consider and examine mergers and acquisitions from a *cultural perspective*. Accordingly, a growing stream of studies has emerged with a focus on cultural differences at organizational (Sales and Mirvis, 1984; Marks and Mirvis, 1986; Walter, 1985; Datta, 1991; Chatterjee et al., 1992; Cartwright and Cooper, 1993; Kleppestølash, 1993) and national levels (Olie, 1994; Very et al. 1997;

Gertsen et al., 1998). These studies have mainly concentrated on the cultural clashes occurring in different types of acculturation process (Nahavandi and Malekzadeh, 1988).

In parallel to the dominant perspectives, a number of alternative frameworks have recently been introduced to the literature on mergers and acquisitions; these include cognitive simplification (Duhaime and Schwenk, 1985), rationalities (Ericson, 1991), ambiguity (Risberg, 1998) and organizational politics (Vaara, 2001). However, it seems that relatively few studies have been interested in the wider societal consequences of mergers and acquisitions or adopted an inherently critical perspective. The few studies that have paved the way in this direction include the analysis of Lubatkin and Lane (1996), which points to the crucial role of consultants and investment bankers in these processes, and the study of Tienari (2000), which illustrates how mergers can be seen as social domains producing gender (re)segregation.

Studies that seriously consider the discursive elements in mergers and acquisitions are extremely rare. Important exceptions are a study by Hirsch (1986), which examines the metaphors and vocabularies of hostile takeovers, and a study by Schneider and Dunbar (1992), which provides a psychoanalytic reading of hostile takeover events. Vaara (forthcoming) has, in turn, distinguished different types of discourse—‘rationalistic’, ‘cultural’, ‘role-bound’ and ‘individualistic’—through which top decision-makers involved in Finnish–Swedish mergers and acquisitions reconstructed their post-merger experiences. This suggests a need to develop discursive approaches to make sense of the media text presented above.

Discourse Analysis as a Method for Understanding the Social Construction of Organizational Change

Discourse analysis is a cross-disciplinary method of study that has been linked to the analysis of text and talk in almost all of the humanities and social sciences during the last few decades (Cicourel, 1980; Brown and Yule, 1983; Drew and Heritage, 1992; Coulthard, 1994; Fairclough, 1997; van Dijk, 1997). Discourse analysis is also closely connected to postmodern and post-structuralist philosophy (Foucault, 1973, 1980; Derrida, 1978, 1982; Lyotard, 1979; Bruner, 1986, 1990; Fisher, 1987).

The definition of, and meanings ascribed to, the terms ‘discourse’ and ‘discourse analysis’ are, however, varied and far from unambiguous. Linguists seem to understand discourse as

language use, psychologists as cognition, and sociologists as social interaction (van Dijk, 1997). There are also different levels and units of analysis extending from utterances to meta-discourses, and different methods ranging from detailed textual or symbolic analyses to broader delineation of general socio-cultural discourses. The former studies may often be more 'rigorous' analyses that also use quantitative techniques, while the latter are usually characterized by a search for general patterns at a high level of abstraction.

Approaches in discourse analysis also vary greatly in terms of their relation to social practices (Keenoy et al., 1997: 150–1). Some concentrate on the 'texts' themselves without the linkage to the concrete social settings. Others emphasize the close connection to social practices and embeddedness in them. There are also significant differences as to whether the researchers adopt a more neutral or critical stance towards the subject matter and the object of study. The former may draw from more traditional conceptions of value-free science, while the latter can be linked with more radical post-structuralist ideas (Foucault, 1980; Fairclough, 1997).

In organization and management studies, discourse analysis has been linked with research efforts to replace positivist-modernist methodological dominance (Knights and Morgan, 1991; Jeffcut, 1994; Czarniawska, 1997, 1999; Mumby and Clair, 1997; Oswick et al., 1997; Grant et al., 1998). Since the first studies in the beginning of the 1980s (Morgan, 1980, 1983; Martin, 1982; Martin et al., 1983), discourse analysis has become increasingly popular (Tsoukas, 1991; Boje, 1991, 1995; O'Connor, 1995; Barry and Elmes, 1997; Czarniawska, 1997; Garsten and Grey, 1997; Hamilton, 1997; Litvin, 1997; Phillips and Hardy, 1997; Fournier, 1998; Alvesson and Kärreman, 2000; Welcomer et al., 2000; Xu, 2000).

It is evident that a focus on discourse(s) has provided a new avenue, especially for those interested in the processes of social construction of organizational phenomena in general, and in the central role of texts, metaphors, dramas, conversations, narratives and stories in particular. Seminal studies have illustrated that discourses should not be understood only as reports or accounts of 'organizational reality'. The point emphasized is that discourses are an inherent part of the social construction of organizations, organizing, management and managing. Discourses are part of organizational action; they (re)define what is justified and legitimate.¹

In this paper, we understand discourse analysis as a method for analysing the social construction of organizational phenomena in textual form. This also enables critical

assessment of the (re)production of legitimization and hegemony in specific settings. Following Fairclough (1992), we see discourses as an inherent part of socio-cultural practices that are embedded in social contexts. Accordingly, discourses are viewed as both socially conditioned and socially constitutive (Fairclough, 1997). Hence, the discourses constitute subject positions and construct social identities, which also means (re)production of power relationships (see also Foucault, 1980).

Media texts are arguably an essential part of this (re)production, although organizational scholars have only lately given specific attention to this arena (see Mazza and Alvarez, 2000). In fact, 'empirical' studies specifying how organizational and managerial phenomena are (re)constructed in media texts seem scarce. A major reason for this may be that the media are considered a distant or secondary arena for organizations or the work of managers when contrasted with the more immediate organizational domains producing textual material in organizations, such as stories and myths in internal discussions, narratives told by organizational members or rhetorical material specifically drafted by managers for public statements or annual reports.

We believe, however, that it is extremely important to transcend the imagined boundaries of organizations when trying to understand how organizational phenomena become justified, legitimized and naturalized in wider socio-cultural contexts. In such analysis, it is especially interesting to examine the role and power of the management rhetoric.

Specific Features of Public Discussion on Mergers and Acquisitions

Mergers and acquisitions provide potential for numerous conflicting and contradictory interpretations. Mergers and acquisitions can even be seen to incorporate 'multiple realities' (Risberg, 1998). This *ambiguity* is apparent in the complexities involved in evaluating the consequences of the arrangements.

First, many actors are involved. Top management, for example, often views mergers and acquisitions differently from employees; achievement of 'synergies' may imply a loss of jobs. People on different sides within the merger setting may also have conflicting interests. Moreover, the benefits coming from the strengthening of the new corporation's strategic position may imply a poorer position for customers or suppliers, for example, due to changes in the bargaining power of the companies. Beauty may truly be in the eye of the beholder.

Second, there is the temporal aspect. What seemed beautiful in the beginning may turn ugly—and vice versa. A merger can provide opportunities for synergies, but the ‘new’ organization may not be able to achieve its potential, for example, because of internal politics. Or tough measures may bring about organizational resistance in the beginning, but provide competitive strength—growth and new jobs—in the longer run. A large part of the public discussion concerning the effect of mergers and acquisitions takes place when they are announced, which means that there is still little knowledge of the longer-term consequences. Interpretations tend to be formed before or during the initial period of merging.

Third, it is also usually difficult to distinguish the effects of the merger or acquisition from the ongoing web of cause-and-effect relationships in organizational life. For example, an improvement in financial performance may be an outcome of increased market power created by the merger or simply a reflection of an upswing in the economy. Finally, one question will always be unanswered; one will never know: what would have been the outcome had the merger not taken place?

The potential for multiple, complex and contradictory interpretations brings in the question of power. This can be approached by the idea of *voices* constructed in specific discourses; that is, whose voice is dominant, whose voice is marginalized and whose voice is not heard at all (see, for example, Fournier, 1998)? It should be noted that the relationship between social actors and (re)produced voices is far from a simple one. Rather, the voices are (re)produced within discursive frameworks that construct particular subject positions and thereby make (or do not make) it possible to hear specific voices.

Top managers with the ‘legitimate formal power’ to orchestrate the change processes following mergers and acquisitions are of particular interest here. Their talk and actions are often the primary focus of media attention. At the same time, managers are gatekeepers for much of the ‘factual’ information circulated. This creates a peculiar power position for the managers vis-a-vis other actors.

It is clear that the managers in charge—as a collective and as individuals—have vested interests in the public discussion. It is important to gain acceptance and legitimization for the initial merger/ acquisition decision and for the subsequent initiatives for organizational change, often involving controversial measures such as personnel reductions. This results in a

need to justify the actions taken, as reflected in the body of literature concentrating on communication issues in mergers and acquisitions (Napier et al., 1989; Schweiger and DeNisi, 1991).

From a managerial perspective, it is thus no trivial matter how the merger or acquisition in question is being portrayed. If the media report and reproduce the managers' thoughts concerning a need for industrial restructuring and a demand for creation of competitive strength, this easily convinces the reader of the necessity of the merger. In turn, if the media focus on the employment concerns and emphasize the loss of jobs, the image becomes negative and the arrangement is not justified and the actions taken are not legitimized.

As individuals, managers also seek positive public recognition. This creates a need to emphasize the successful features of the arrangements. It also creates a need for attribution of credit. In situations of negative assessment, there is a need to play down responsibility. This has been demonstrated in studies of managers' narratives of cross-border acquisitions (Vaara, 1999a).

However, the public discussion on mergers and acquisitions is not based on arbitrary grounds. The texts are based on specific discourses and discursive practices. The crucial point is that different discourses (as discursive frameworks) are likely to enable different kinds of framing and evaluation of the phenomena. Some aspects are given more emphasis and dominate the discussion. Those receiving less emphasis become marginalized or are 'hushed up', depending on the structural properties of the discourse.

Central in specific discourses is that they construct different types of subject positions and attach different types of identities to the central actors. These subject positions form the basis for evaluation of implications and attribution of responsibility. Consequently, different discourses provide different kinds of vehicles for justification and legitimization. If, as proposed, different discourses produce different types of interpretations of consequences—and enable different types of attributions of responsibility—it is no trivial matter which kinds of discourses and discursive practices are employed.

The Research Setting and the Methods of Analysis

In the present study, we focus on two mergers and an acquisition, each of which have received wide attention in the Finnish media. The context of Antti-Pekka Pietilä's column,

the *merger between Union Bank of Finland and Kansallis Banking Group*, was at the time of its announcement in February 1995 the largest merger ever in Finland measured in terms of personnel and turnover. The two formerly fierce competitors formed Merita Bank, which at the outset held a domestic market share of over 50 percent in business customers and some 40 percent in private customers. In general, the merger was conceived by the top bankers involved as a response to a need to secure the future of the national financial system, which was still recovering from the crisis of the early 1990s. The making of Merita created an unprecedented public discussion that highlighted the ramifications of mergers.

Kesko's acquisition of Tuko was the largest ever in the Finnish retail sector measured in terms of personnel and turnover in May 1996. Kesko and Tuko had for a long time been portrayed in public as archrivals. The Commission of the European Union brought a distinct flavour to the acquisition. Although the acquisition at first glance appeared to be a purely domestic one, it eventually became one of the first to have been aborted by the Commission's competition officials. The public discussion in Finland was lively, and expanded the range of issues previously linked to mergers and acquisitions. Especially national and international distinctions within the European Union were problematized.

The *merger between Merita Bank and the Swedish Nordbanken* was a historical landmark. When it was announced in October 1997, it was the largest merger ever to have taken place between Finland and Sweden in terms of personnel and turnover. Particularly interesting in this case is that the media again seem to have picked up new themes and meaning structures—which in turn shaped public consciousness, specifically reflecting the Finnish–Swedish dimensions.

The text presented in the beginning of this article is one among many. Our first step was to collect comprehensive text material on the three cases. We decided to focus the analysis on three newspapers and a business magazine published in Finland, concentrating in particular on the first year of each case.

1 *Helsingin Sanomat* (HS) is the leading Finnish daily newspaper.

2 *Iltä-Sanomat* (IS) is the leading of the two tabloids in the country.

3 *Kauppalehti* (KL) is the more established of the two daily business newspapers.

4 *Talouselämä* (TE) is the main weekly business magazine.

The empirical material gathered consists of 526 articles in the selected media, ranging from news reports to specific commentaries. A summary of the empirical material is provided in Table 1.

Table 1. A summary of the Text Material

	Kanasallis-UBF	Kesko-Tuko	Merita-Nordbanken	Total
<i>Ilta-Sanomat</i>	66	29	15	110
Period	9.2.95-8.11.96	28.5.96-3.6.97	13.10.91-28.4.98	
<i>Helsingin-Sanomat</i>	77	60	22	159
Period	9.2.95-11.9.97	28.5.96-16.10.97	14.10.97-24.5.98	
<i>Kauppalehti</i>	98	67	36	201
Period	9.2.95-11.9.97	28.5.96-17.11.97	14.10.97-15.5.98	
<i>Talouselämä</i>	28	17	11	56
Period	6/1995-28/1996	16/1996-17/1667	34/1997-27/1998	
Total	269	173	84	526

Written media have traditionally played an important role in dissemination of news in Finland. The newspaper, for example, has been portrayed as a persistently self-evident medium for the average Finn (Ridell, 1998). *Helsingin Sanomat* has at present a daily circulation of approximately 1.2 million and *Ilta-Sanomat*, published six times a week, a circulation of over 800,000. Both papers are published by Sanoma- WSOY, which is a corporation apparently controlled by Aatos Erkko, a Finnish media tycoon and one of the wealthiest persons in the country. *Kauppalehti*, owned by a Finnish media group called Alma Media, has a circulation of about 85,000. *Talouselämä*, controlled by the Talentum Group, in turn, has a circulation of over 70,000. These numbers are extremely high considering the fact that the whole population of the country is 5.2 million.

Our analysis of the text material proceeded in stages. At the first stage, we conducted a preliminary analysis of the texts in the first two cases. This provided an understanding of the historical developments and the most apparent interpretations of these processes. A student then independently carried out a content analysis of the texts in all three cases, summarizing the main themes involved. This was followed by a focused joint analysis, leading to identification (and comparison) of discourses and discursive patterns in the first two cases. These findings are reported in Tienari et al. (1999). Subsequently, the third case was

reintroduced in the analysis. This was done to create a comparative setting of national–international considerations.

For the research reported in this article, we focused on the discursive elements of justification, legitimization and naturalization processes. We thus concentrated on the discourse types, discursive practices, strategies and moves at the ‘discursive’ rather than ‘textual’ or ‘socio-cultural’ levels (see, for example, Fairclough, 1997). We searched for ideal types, typical patterns, processes and mechanisms that were exemplified by excerpts from the material. In practice, the analysis proceeded by categorizing and recategorizing the material at hand. An important part of this analysis was also reflection on what was left out or ‘unsaid’ (Fairclough, 1997).

In order not to undermine the significance of more micro-level textual analysis in grounding the differentiation of the specific discourses, we also carried out more detailed linguistic analyses of specific texts. In particular, with a linguist specializing in systemic functional theory (Halliday, 1978, 1994), we thoroughly analysed Antti-Pekka Pietilä’s column quoted in the introduction of this article, reported in Kuronen et al. (2000). Combining systemic functional linguistics and contextsensitive linguistic analysis, we deconstructed the text to examine which discursive and rhetorical strategies the author uses, and the discourse types which he draws from, in socially constructing the UBF–Kansallis merger.

Finally, it is important to point out that our own position as interpreters of the texts is not neutral. Our judgement is coloured by specific predetermined opinions and meanings. We have studied the three cases through other lenses and with different methods, although not jointly (Tienari, 1999, 2000; Vaara, 1999a). This has provided both of us with specific understandings of the socio-cultural settings and social processes where the discourses are embedded, but it has also most probably rendered us blind to other possible readings and interpretations. An important part of our inductive reasoning thus comprised cross-checking of each other’s independent interpretations.

The Discursive Construction of Mergers and Acquisitions in the

Finnish Media: Traces of Four Discourse Types

Our analysis resulted in the identification of four discourse types: *rationalistic*, *cultural*, *societal* and *individualistic*. These types provided four distinctive discursive frameworks

within which the cases and the social actors were constructed and specific themes were brought up. In the actual texts, these discourses were often interconnected and intertwined. Their distinction is first and foremost an analytical effort and is thus open to critical scrutiny. Nevertheless, it is important to note that the rationalistic discourse was clearly the dominant discourse in these cases. On the one hand, traces of rationalistic discourses were most frequent in our material. On the other, the rationalistic discourses often occupied a central position within individual texts while the other discourse types could be seen as alternatives to this dominant discourse.

Rationalistic Discourses

Structural changes are . . . understood as necessary. Acquisitions and mergers have been one way to deal with them, bankruptcy another.

(HS, the leading Finnish daily newspaper, 28 May 1996)

The excerpt above is an initial comment on Kesko acquiring its archrival Tuko in the Finnish retail sector. It frames mergers and acquisitions as necessary moves in an inevitable restructuring of this and other industries.

In the three cases studied, *rationalistic discourses* were characterized by a focus on ‘company-level’ considerations focusing attention on the means to create economic value. In fact, the rationalistic discourses were usually constructed in a rather abstract and objectified manner. In the three cases, this usually implied the distinction between ‘management’/‘decision-makers’ and ‘organization’/‘personnel’, but no further elaboration of the different actors or their subject positions. In our analysis, we further divided the rationalistic discourse type into *competitiveness* and *rationalization* variants.

The discussions around the *competitiveness* of the companies in question seem to have paralleled the ideas of mainstream management rhetoric and used its vocabulary. Discussions corresponded to the main themes of what has been termed the ‘strategy discourse’ (Knights and Morgan, 1991; Barry and Elmes, 1997). Within this discursive framework, news reports and specific commentaries reproduced the arguments and justifications of the key decision-makers. For example, the merger of the Union Bank of Finland and Kansallis Bank was represented as both a necessary and unavoidable strategic move in a changing competitive situation:

The alternative to the merger was a bank of diminishing relative size and significance. For the largest Finnish companies [as clients], the resources of the Union Bank of Finland on its own were not enough.

(HS, the leading Finnish daily newspaper, 10 February 1995)

Enskilda's and Handelsbanken's [major Swedish banks] entry into the market forced the banks into a rational marriage, according to banking sources.

(KL, the leading Finnish business daily, 10 February 1995)

There is a specific historical background to this kind of commentary. The Finnish banking sector was deregulated from the early 1980s onwards. The banks experienced a boom period in the latter part of the decade and traditional competitive practices changed. By the early 1990s, however, the banks were confronted with a serious financial crisis. Finland plunged into the deepest recession in its history as an independent nation. Restructuring within the banking sector was widely discussed in the Finnish media throughout the 1990s, through several themes. For example, several solutions had been sketched for dismantling the apparent overcapacity resulting from the regulatory era. Then, in 1994–5 in particular, the major Swedish banks began to establish operations in Finland. One of them, Handelsbanken, had for some time been depicted in the Finnish media as a radiant example of cost-effective banking. Against this background, the merger between the two largest Finnish commercial banks seemed a ‘logical step’ in the eyes of the majority of business journalists.

In the Kesko–Tuko case, the first reports in the media were very similar to those on the initial bank merger. The leading Finnish daily newspaper quoted a member of Kesko’s top management:

With our acquisition, we cannot entirely prevent foreign companies from coming to Finland, but with this volume our Finnish retail and wholesale [operations] will be in shape to give the newcomer some real competition.

(HS, the leading Finnish daily newspaper, 12 June 1996)

Kesko was thus presented as merely securing its domestic position by deterring foreign companies from entering the Finnish market. Historically, the Finnish retail sector had been dominated by domestic players. There was an interesting national, or even patriotic, element in these reflections, implying that the interest of the Finnish corporations was similar to the

more general 'Finnish cause'. These discussions, in fact, present a blending of the rationalistic discourses with more nationally oriented cultural discourses (see the following section).

This patriotic tone was also apparent in October 1997 when Merita Bank announced its merger with the Swedish Nordbanken. Rationalism now flexibly transcended national boundaries. In the immediate commentary, Merita (or, more precisely, its CEO Vesa Vainio) was said to have made a good deal, although the Swedish media portrayed Hans Dalborg (former CEO of Nordbanken and the CEO of the new bank) as the winner:

Vesa Vainio has negotiated a magnificent deal, analysts celebrated—those who don't know much about banks, too, just to be on the safe side.

(HS, the leading Finnish daily newspaper, 19 October 1997)

Overall, in all three cases studied, it was not difficult to find justifications for the deals and the specific actions of the top managers within this particular discursive framework. In fact, these discussions were often (re)producing the arguments put forward by the initial architects of the mergers or the acquisition.

The discussions on *rationalization* in the three cases studied were, in turn, characterized by a combination of the strategic arguments of the top managers and an evaluation of the human consequences of the measures taken. The latter were usually presented as 'the other side of the coin'. In fact, the actual evaluations of the arrangements often combined rationalistic and societal discourses (see sections below). This was particularly evident when the employment implications of the arrangements were considered. In the case of the merger between the Union Bank of Finland and Kansallis Bank, the voice of the former CEO of Kansallis reproduced the main motive of the deal as follows:

The most important reasons for the merger were excess capacity and cost inefficiency.

(Mr Pertti Voutilainen in IS, the leading Finnish tabloid, 18 February 1995)

Personnel reductions became a major theme related to efficiency considerations in the bank mergers, especially in the case of Merita. This is exemplified by the very initial speculations on the making of Merita:

The merger would offer potential for large-scale rationalization in banking; the number of bank employees would be decreased by the thousands, [and] hundreds of branches and teller machines would be closed down.

(KL, the leading Finnish business daily, 9 February 1995)

It is important to note that an atmosphere of uncertainty had already been present in Finnish banks for years before this initial Merita merger. Most of the bank employees in Merita had experienced a merger and/or an acquisition, or several, sometime earlier. It is also useful to note that, during the period 1989–94, the aggregate number of employees in Finnish deposit banks had already been reduced from approximately 53,000 to 36,000. By year-end 1996, the figure was down to approximately 28,000.

The painful consequences of rationalization were also sometimes reproduced in the texts dominated by the rationalization discourse in a tone that can be interpreted to be critical. This was typically done through the ‘faceless’ female voice of individual employees or their representatives:

Oh no, I lost a bank again!

(IS, the leading Finnish tabloid, 18 February 1995)

In this context, it is noteworthy that banking has traditionally been a feminized field in Finland. Jobs on the shop-floor continue to be almost exclusively carried out by women, while men have dominated the diverse managerial levels (Tienari, 2000). Interestingly, the construction of subject positions in the rationalization discourse often reflected this power-based segregation.

Nevertheless, the arguments of the top managers usually tended to be dominant in the rationalization discourse. In the banking cases, the specific kinds of framing employed meant that, although the ‘human consequences’ of the mergers could be evaluated critically, they were still seen, to a significant extent, as ‘necessary’ or ‘unavoidable’. It is also interesting to note that, in the discussions dominated by the rationalization discourse, questions concerning the legitimacy of such managerial actions as downsizing often did not focus on the need for personnel reductions as such, but concentrated rather on ‘fairness’ or ‘equality’ when considering the implications for different groups of employees.

Cultural Discourses

The former managers of Kansallis are leaving Merita; 'Serbs' and 'Croats' are fighting at the headquarters.

(IS, the leading Finnish tabloid, 22 February 1996)

The excerpt is an illustrative example of framing the merger/acquisition as a cultural conflict. Journalists implied that the terms used—'Serbs' and 'Croats'—were based on the emergent rhetoric within Merita. This also exemplifies the typically harsh Finnish way of expressing potentially delicate issues. Subject positions in media texts were based on clearly distinguishable cultural identities.

Characteristic and illuminative of the *cultural discourses* in the three cases studied was that they conceptualized the merger or acquisition processes as a cultural confrontation. Typically, the discussions were built upon a clear juxtaposition of two distinct merging organizations and their representatives. The terminology used was a reflection of this. The texts were typically based on 'us versus them' settings, although some of the discussions took more abstract forms when concentrating on specific organizational or national characteristics related to values or practices.

Culture-related commentaries rarely elaborated other distinctions such as organizational 'sub-cultures' or 'counter-cultures' or, for example, discussed cultural ambiguity. This seems to be a general tendency in cultural discourse within mergers and acquisitions. The discourse is (ambiguously) simplistic and thereby problematic (Tienari and Tuunainen, 1998; Vaara, 1999b).

The metaphorical labelling of the making of Merita as a struggle between 'Serbs' and 'Croats' was perhaps the most striking example of how integration problems were portrayed. However, only rarely was it acknowledged that both Kansallis and UBF had recently been involved in other mergers and acquisitions (cf. Tienari, 1999), and that they were thus not likely to be 'cultural monoliths'.

We further divided the cultural discourse type into *organizational* and *nationalistic* discourses, depending on the focus of attention. Public discussions drawing on organizational cultural discourse enabled reflections of how cultures, practices and values are being changed and recreated. Such discussions were common in the making of Merita:

Kansallis' forced marriage with UBF is destroying the last remnants of the language wall in banking. (IS, the leading Finnish tabloid, 9 February 1995)

The colour of money has lost its meaning for good in the free Finnish capital market.
(HS, the leading Finnish daily newspaper, 10 February 1995)

Here, it is illustrative to describe the roots of the two banks. Finland has traditionally been characterized by distinctly centralized governance structures. A manifestation of this was the formation of economic power blocs, two of which centred on UBF and Kansallis (Tainio and Virtanen, 1996). UBF was established in 1862. It was the first commercial bank in Finland. During the early decades of its operation it was labelled the bank of 'Swedish-speaking money' in Finland.² Kansallis, established in 1889, was a distinctly Finnish countermove to this concentration of bank financing. The remnants of these diverse corporate origins were cherished throughout the years and, arguably, lived on in the banks' profiles. The merger of the two banks in 1995 was a dramatic move.

Such institutionalized views were rarely challenged in the public discussion. In a rare comment, one of the most well known contemporary Finnish bank historians, Antti Kuuster'a, provided the readers of *Helsingin Sanomat* with other views on the roots of the two banks:

According to the myth, a limited group of Swedish-speaking industrialists founded the Union Bank of Finland. Kansallis has been characterized as a popular movement, with a new Finnish-speaking group behind the scenes. This myth was initiated when Kansallis was established and it has been consciously constructed over the years for the bank's sales promotion. However, reality does not correspond to this idea.

(HS, the leading Finnish daily newspaper, 21 March 1995, our italics)

Cultural discourses seem to have proven very effective for comparing power positions and reflecting on 'equality' between the merging organizations. In all three cases studied, there were numerous examples of such comparisons. For example, in the Merita case, people from UBF were presented to be in a dominant position, while the people from Kansallis were ascribed an inferior position.

The received view in the Finnish media seems to have been that, by the announcement of the merger in February 1995, Kansallis was close to bankruptcy, despite its earlier efforts to safeguard capital adequacy. The typical impression was that UBF 'saved' Kansallis, and that the merger was thereby not between equals, as the official company version went, but rather a gentlemanly takeover by UBF.

In the case of Kesko's acquisition of Tuko, the cultural discourse was far less visible. This was mainly due to the fact that the case never proceeded to a stage where the two organizations were combined. However, in most commentaries, the cultures of Kesko and Tuko were contrasted radically, the former being given the label of 'success' and the latter 'failure'. This type of contrasting is likely to be very typical in acquisitions of takeover character (see also Hirsch, 1986; Schneider and Dunbar, 1992).

In the case of the merger between Merita (i.e. UBF and Kansallis) and the Swedish Nordbanken, introduced in October 1997, nationalistic discourse placing the merger in the context of national confrontation provided a particularly fruitful framework for discussions concerning the problems of cooperation and dominance, as is often likely to be the case when the national and international aspects of organizational change are apparent (see also Billig, 1995; De Cillia et al., 1999). The following are typical examples:

Is the spirit of international matches still alive? Many are sceptical about the success of Finnish–Swedish cooperation.

(KL, the leading Finnish business daily, 15 October 1997)

However, it is hardly easy to integrate Finnish and Swedish cultures, although at Merita they assert that joining the cultures of UBF and Kansallis was good exercise.

(HS, the leading Finnish daily newspaper, 27 February 1998)

Interestingly, the sports rhetoric surfaced frequently in the Finnish media during the unfolding of the merger: 'Nordbanken–Merita 1–0' (headline in *Ilta-Sanomat*, 5 November 1997), 'Business Units: Sweden 3, Finland 2' (headline in *Ilta-Sanomat* addressing the new organization structure of the bank, 19 December 1997) and 'The Score in the International Match Seems to be 0–1 for the Swedes' (headline in *Helsingin Sanomat*, 28 October 1998).

In such settings, individual managers often became symbols representing their former 'cultures'. In a typical example, the new group management level organization comprising 11 positions received wide attention in the merger of Merita and Nordbanken:

Finland loses 6–5 in the organization game.

(KL, the leading Finnish business daily, 14 October 1997)

One of the most interesting discussions drawing on the nationalistic framing was triggered when the owners and top management of Merita- Nordbanken decided on Swedish as the 'official corporate language'. Such decisions touching upon socio-historically significant themes are often likely to create multifaceted discussions in the merger context, as indicated by the following excerpt describing the views of Mr Vesa Vainio, the CEO of UBF in 1993–5 and the CEO of Merita Bank in 1995–7:

The chairman of the board in Merita-Nordbanken, Vesa Vainio, is surprised over the extent of emotional turmoil that Sweden and the Swedish language still provokes among Finns. Nordic mergers and acquisitions are still commented upon in the spirit of sports meets between Finland and Sweden. (TE, the leading Finnish weekly business magazine, 27, 1998)

The cultural discourses provided vehicles for reflecting on mergers and acquisitions in a way that can be interpreted as questioning. However, the actual discussions were often dominated by framing of the cultural issues as 'integration problems', as illustrated in the examples above. In addition, the top managerial actors could also harness cultural vocabulary to create positive images of the new organization. In the banking cases studied in particular, the cultural discourses were used in the construction of new culture and identity, which can be seen as a particularly effective integration mechanism (Vaara, 1999b). In fact, breaking free from history was the main cultural issue stressed by the top managers, usually complemented with a simultaneous emphasis on 'equality' between the merger partners. This is exemplified by the discussion on the new logo of Merita Bank, a round shape based on rock and wood parts of equal size, launched in May 1995:

In this way, everyone will understand that the purpose is to build an entirely new bank.

(HS, the leading Finnish daily newspaper, 25 May 1995)

The management control of specific themes often meant subordination of the cultural discourses to the rationalistic ones. At times, this seems to have entailed discussions on culture(s) becoming part of the rationalistic discourses. In the cases studied, cultural discourses, in fact, rarely provided a way to question the ‘fundamentals’ of the merger or acquisition decisions or specific managerial actions.

Societal Discourses

The Finnish Consumers' Association on Kesko's acquisition of Tuko: the merger must not threaten the interests of consumers.

(KL, the leading Finnish business daily, 31 July 1996)

Characteristic of the *societal discourse* type was that it was built upon more general societal reflection concerning the consequences of the mergers and acquisitions in question. Societal discourses thus placed mergers and acquisitions into larger societal frameworks. The vocabulary was not dominated by ‘managerial’ rhetoric, but rather drew from more ‘critical’ sociological language.

Central actors in societal discourses were the different stakeholders or interest groups, whose representatives often took active part in the discussions to make sure that the voices they represented were heard. We further divided the societal discourse type into *employment*, *ownership* and *competition* variants.

The *employment* discourse placed the merger or acquisition into the framework of labour concerns. As noted above, this was in practice often the critical counterpart of the managerially determined rationalization discourse that emphasized the necessity of downsizing. It is not surprising that the discussions concerning employment often seem to have been critical in tone, highlighting negative consequences for bank employees and Finnish taxpayers.

For example, in the case of the merger between the Union Bank of Finland and Kansallis Bank, the Finnish Ministry of Labour as a discourse actor (through its spokesperson) expressed concern regarding the unemployment costs to Finnish society as a whole. This has links, for example, to the societal consequences of automation and self-service, themes that have from time to time surfaced in the Finnish media in the 1990s. Therein, an important

voice has been that of the ‘unsatisfied consumer’ in the face of deteriorating service in the bank branches.

In the employment discourse, the messages of top managers could be critically evaluated. This was often the case when the implications of the initial UBF–Kansallis merger were discussed, as illustrated below:

. . . the employer is not interested in anything else but reducing personnel costs, not even in how much personnel it takes to get the work done, like good management should.

(KL, the leading Finnish business daily, 26 October 1995)

The quick announcement of the new management of Merita-Nordbanken, indicating that ‘only 600 jobs would eventually be cut’, provides another typical example:

Bank employees are of the opinion that a reduction of 600 employees is just a figure that was thrown into the air, because the market had to be given some information in the context of the merger announcement.

(KL, the leading Finnish business daily, 23 October 1997)

The *ownership* discourse, in turn, concentrated on the question of changes in ownership structures. This discourse could, in principle, be used for elaborating positive developments in ownership, echoing the official rhetoric of the (owners of) the merging organizations.

In relation to the cases studied, however, the discourse seems to have typically been employed for critical evaluation of concentration of ownership—or reflection of the loss of national/societal control of specific organizations and social functions. For example, the implications of Kesko acquiring Tuko were evaluated after the announcement of the merger as follows:

It remains to be seen whether the development into extremely strong, national, industry specific consortiums is a blessing after all.

(Editorial in KL, the leading Finnish business daily, 28 May 1996)

In the case of Merita-Nordbanken, there was discussion concerning the threat of Swedes taking over decision-making authority in the Finnish economy. We would like to remind the reader here about financial ‘power blocs’ in the Finnish society distinguished along lines of language (see above).

The *competition* discourse was scarcely elaborated in the banking cases studied. The journalists themselves expressed some surprise at this. This particular quote is likely to refer to a tradition of cartels—or ‘cooperation in competition’ (Kuisma, 1998)—in Finnish business:

The Finnish competition mentality is illustrated by the fact that the dominant position of Merita in corporate financing, for example, has only been questioned by small business entrepreneurs.

(HS, the leading Finnish daily newspaper, 27 December 1995)

In the case of Kesko acquiring Tuko, however, the competition discourse became one of the central elements. The key was the assessment of Kesko’s dominant market position, and the actual and potential reduction of competition in the Finnish retail sector. In fact, Kesko’s acquisition of Tuko became a historical precedent where the Finnish Office for Free Competition and the officials of the European Union actively participated in the public discussion. Finland had joined the EU only recently, in the beginning of 1995. After the announcement of the acquisition in May 1996, the head of the Finnish Office for Free Competition, Mr Matti Purasjoki, framed the situation in the following manner:

Problems will occur, if there is no competition or threat of competition, and a [single] company can construct its strategy without considering others. It is difficult to say whether this line has been crossed here or not.

(KL, the leading Finnish business daily, 31 July 1996)

The potential consequences of the deal for consumers and suppliers helped make the argument more forceful. Kesko’s strong bargaining position would, for example, imply an opportunity to dictate terms to suppliers. In this debate, Kesko’s management provided counterarguments, often trying to revert back to the rationalistic discourses. However, interestingly, the management often seemed the ‘underdog’ in the debates. This was

especially the case when the voices of the Finnish competition officials and later European Union representatives became loud and clear. Interestingly, in many commentaries, one reason for the strong involvement of the Finnish competition officials in this case was the fact that they had not been able to take Merita into critical scrutiny sometime earlier.

Individualistic Discourses

Pertti Voutilainen received a one-way ticket to a sidetrack in the beginning of December.

(IS, the leading Finnish tabloid, 4 December 1995)

The excerpt above—and the one presented in the beginning of this article—illustrate how journalists focus on particular individuals as a way of adding colour to complex social situations. Personification can also be used to simplify the phenomena at hand. Both texts are on the merger between UBF and Kansallis, ‘constructing’ the former CEO of Kansallis, Mr Pertti Voutilainen, as a loser. Both texts are written by Antti-Pekka Pietilä.³

Characteristic of the *individualistic discourses* in the three cases studied was a close personal focus on key decision-makers. This reflects the idea of celebrity culture in postmodern meta-discourse (Boje, 1995; Czarniawska, 1997). The individuals’ personalities and characteristics were at times described with significant amounts of space. Reporting and speculations on their positions in organizational climbing-frames seem to have been especially popular. Often these individualistic discourses appeared as context-specific biographies rather than reflections on the merger or acquisition processes as such.

Most often, the highly personified discourses imposed rather straightforward identities and subject positions on key actors, often linked to the rationalistic, cultural or societal discursive frameworks. Typically, the key actors were categorized either as ‘winners’ or ‘losers’. For example, in the Merita case, the smiling face of Mr Vesa Vainio, the former head of the Union Bank of Finland, was on the front page of *Talouselämä* with the following text:

The winner writes the history.

(TE, the leading Finnish weekly business magazine, 27, 1998)

As is evident above, a ‘loser’ image was respectively attached to Pertti Voutilainen, the former head of Kansallis. In the Merita-Nordbanken case, the smiling face of a ‘winner’ now

belonged to Mr Hans Dalborg, formerly CEO of the Swedish Nordbanken and newly appointed CEO of Merita-Nordbanken. Vesa Vainio was portrayed as a survivor, while the position of Pertti Voutilainen was more ambiguous (some journalists seemed to be genuinely surprised that Voutilainen was ‘still around’).

In the Kesko-Tuko case, specifically important actors were the CEO of Kesko, Mr Eero Kinnunen, and the head of the Finnish Office for Free Competition, Mr Matti Purasjoki.⁴ Purasjoki was ‘backed’ by Mr Karel van Miert, at the time the commissioner for competition in the EU Commission. In this context, the personified labels were strong. For example, after the EU Commission had rejected the original acquisition agreement, the destiny of two key members of Kesko’s top management—CEO Eero Kinnunen and Director Timo Karake—was described in the following way (note also the war rhetoric and the direct reference to nationality):

Kesko’s pair went happily off to war. Now they return wounded from the victory celebration . . . Kesko and Finland got beat up.

(IS, the leading Finnish tabloid, 19 November 1996)

Ironically, in the framework of the rationalistic discourses, Eero Kinnunen had some time earlier been depicted as a hero:

Kesko and Kinnunen have earned a Medal of Honor from the retail sector.

(TE, the leading Finnish weekly business magazine, 21, 1996)

Mr Purasjoki was ultimately described as the man behind the EU ban. He, in turn, was now depicted as the ‘winner’:

Purasjoki crushed Kesko.

(Title in IS, the leading Finnish tabloid, 21 November 1996)

Generally, it is evident that key actors were frequently labelled as ‘heroes’ or ‘scapegoats’, responsible for the positive or negative consequences of the mergers and acquisitions in question. Through individualistic discourse, journalists could carry out critical evaluations and attribute responsibility to managerial action. These attributions were, however, arguably

often arbitrary and simplistic (see also Brown and Jones, 2000). Not surprisingly, the tabloid (IS) was in a league of its own here. However, because of its wide audience and broad circulation, the significance of the tabloid should not be underestimated.

Finally, some readers must have noticed the power position that was woven in all of the discourses described. However, it was particularly evident in the individualistic discourses. All of these discourses were arguably embedded in masculinism (see also Calás and Smircich, 1996; Kerfoot and Knights, 1993). If one reduces this somewhat simplistically to a 'men-women setting', the discourses in the three cases studied paint a picture of strong men fighting, with no women around (Kesko-Tuko), and a picture of strong men fighting and helpless and faceless women suffering (UBF-Kansallis and Merita-Nordbanken).

Conclusion

In this article, we have concentrated on the discursive construction of mergers and acquisitions in media texts. Drawing on methods of critical discourse analysis, we have focused on the Finnish media coverage of three historically significant cases. As a result of this analysis, we have identified four main discourse types and labelled them 'rationalistic', 'cultural', 'societal' and 'individualistic'. These discourse types provided different settings for the framing of these events, constructed different objectives and subject positions for the central actors, and thus gave room for different types of voices. Thereby, they offered different means for the justification of the merger or acquisition deals and the legitimization of managerial actions.

It is difficult to point to a simple 'order of discourse' in the discourses we studied (Foucault, 1980; McKinlay and Starkey, 1998). However, *rationalistic* discourses usually became the dominant discourse under which other discourses were subordinated. Our findings clearly suggest that rationalistic discourses provide a framework where, as a whole, mergers and acquisitions are relatively easily justified as necessary business manoeuvres, and managerial actions legitimized as 'the only way'. These discourses portray mergers and acquisitions on managerial terms as necessary steps to improve strategic positioning (as in the competitiveness variant) and/or to increase the cost-efficiency of operations (as in the rationalization variant). Within this discursive framework, personnel or human resource

concerns are easily subordinated to the primary rhetoric. If broader social or societal concerns are given specific attention, they are usually labelled ‘unfortunate but unavoidable’.

The rationalistic discourse seems to be usually controlled by the managerial actors. This is not surprising as a quest for progress and rationality can be seen as an inherent part of the management institution itself (see, for example, Sturdy, 1997). However, this analysis also suggests that the managerial ability to control both the discursive practices and content of the discussions is also related to the technologization of this discourse (Fairclough, 1997).

Cultural discourses offer potential for critical analysis of mergers and acquisitions in media texts. However, the emergent discussions often seem to be characterized by framing of cultural issues as integration problems, typically in terms of confrontation between monolithic ‘cultures’. This seems to be reflected in subordination of cultural discourses vis-a-vis rationalistic ones. The discursive patterns found in this analysis echo the findings of previous studies concerning the use of cultural discourse for managerial control (see, for example, Willmott, 1993). This is most apparent in the discourse around the construction of ‘new’ cultures and identities.

Societal discourses offer opportunities for a critical evaluation of mergers and acquisitions from a ‘wider’ perspective. However, our analysis demonstrates that elaboration of different arguments within the societal discourse type requires both several sources of information and analytic capabilities from journalists. It is therefore often likely that different societal concerns are not raised, unless other powerful societal actors with their own vested interests are involved. This was what happened in the Kesko-Tuko case, where the management faced the challenges of the Office of Free Competition in Finland and the EU Commission officials. Societal discourse became intertwined in the last discourse type identified here: the individualistic discourse.

Individualistic discourses are—in principle—able to bring to the surface critical evaluations of managers’ actions, but often easily overemphasize the managers’ roles in these processes. In fact, these discourses often fall into simplistic labelling of key individuals as winners and losers and/or heroes and scapegoats. By so doing, these discourses, albeit critical in tone, risk providing overly simplistic elaborations of the phenomena in question.

This analysis has shown that particular discourses are more (and others less) equipped for critical scrutiny of mergers and acquisitions in general and of managerial actions in particular. The analysis specifically suggests that the justification of merger or acquisition deals and the legitimization of managers' actions are usually easier within the rationalistic discursive framework than within the other discursive frameworks that provide more possibilities for critical interpretations and voices. This is to be taken seriously when considering the apparent dominance of the rationalistic discourse in the social construction of mergers and acquisitions.

The broader significance of this finding becomes clear when one understands that the justification of particular merger and acquisition deals and the legitimization of specific managerial actions are steps in a process that leads to the naturalization of these phenomena. It is thus easy to see how the dominance of the rationalistic discourses in media texts contributes to the naturalization of mergers and acquisitions and to the normalization of specific managerial practices such as downsizing through branch closures and staff dismissals. What we can thus expect in the longer run is that new merger and acquisition deals made and specific actions taken within the rationalistic framework are easily bypassed without specific critical attention—even if they imply major organizational and societal consequences. In fact, this naturalization helps us to understand the current 'merger mania'; the continuing popularity of mergers and acquisitions despite problems both in achieving the managerial objectives advocated and the social and societal consequences.

This analysis has pointed to the specific properties of four types of discourse. These discursive frameworks both constrain our descriptions of these phenomena and provide opportunities for specific (re)presentations. What this study, however, suggests is that it is not easy to break free from the dominance of the rationalistic discourse and revert, for example, to the societal discourse. Such attempts should, however, be encouraged as the dominance of the rationalistic discourse may otherwise lead only to a strengthening of managerial hegemony at the expense of other social actors and, ironically, by undermining broader social and societal consequences and resistance to change, potentially also to poorer decisions from the managerial perspective.

These discourses have been produced in a specific context: Finnish media making sense of important merger and acquisition cases. However, it is likely that these types of discourse could also be found in other contexts of organizational change (see, for example, Vaara,

forthcoming). In fact, the rationalistic discourse type identified here can be seen as a variant of the more general 'discourse on global capitalism', as analysed by Fairclough (2000). The other discourse types can, in turn, be seen as alternatives to the dominant discourse type. In the light of this analysis and based on the evidence on other studies (Welcomer et al., 2000; Dunford and Jones, 2000; Vaara forthcoming), one could expect that 'rationalistic' discourses would also dominate discussions in other contexts of organizational change. Respectively, one would expect to locate, for example, 'societal' discourses in more critical reflections and 'individualistic' discourses in specifically dramatic (re)constructions. As to the 'cultural' discourses, it is likely that their nature varies significantly depending on whether and which kind of social identification and juxtaposition characterize the particular settings. As illustrated by the Merita-Nordbanken case, one could think that especially 'nationalistic' discourses could be strong alternatives to the 'rationalistic' discourses in international cases, although their relative strength could decrease with the respective strengthening of the global capitalism discourse. In any case, identification and comparison of different discourse types is a major challenge for future research on the discursive construction of organizational change.

This critical analysis of the discursive construction of mergers and acquisitions has drawn from Fairclough's critical discourse analysis (1997). We have here concentrated on the 'discursive' level, but it is clear that there are many questions that require either more detailed linguistic analysis at the 'textual' level or broader societal analysis at the 'sociocultural' level. It would, for example, be specifically interesting to examine more closely the discursive and rhetorical practices through which 'necessity' or 'inevitability' is constructed within the rationalistic discourse or the discursive moves through which narrators switch from one discourse to another. To understand the broader societal and institutional frames constructing and constraining the media, it would be very important to pay attention, for example, to the ownership and other power relationships between the various media and the corporations that are being scrutinized. Similarly, it would be very interesting to take a closer look at the processes through which business or other types of news are constructed and the differences between various media. Finally, future studies taking a critical perspective on mergers and acquisitions or other types of organizational change could also draw from other traditions of discourse analysis. For example, Foucauldian perspectives could offer particularly sharp devices for the identification of specific 'truth regimes' or description of

'normalization' or 'marginalization' processes (see, for example, McKinlay and Starkey, 1998, Newton, 1998).

In conclusion, we have argued in this article that it is important to pay attention to the discursive elements in the justification, legitimization and naturalization of mergers and acquisitions, and extend such analyses beyond the imagined boundaries of specific organizations. This is especially the case if we want to promote the possibility of critical analysis of such significant contemporary phenomena.

Notes

- 1 For more in-depth discussions concerning the epistemological role of discourse in organizations, see the special issues in *Organization* (Vol. 7, No. 3) and *Human Relations* (Vol. 53, No. 9).
- 2 There are two official languages in Finland: Finnish and Swedish. Until 1809, for some 800 years, Finland was part of the Kingdom of Sweden. There is still today a Swedish-speaking minority in Finland, amounting to approximately 6 percent of the population. Swedish-speaking Finns typically carry a well-off image, as a number of Swedish-speaking families have controlled significant parts of business and industry in Finland.
- 3 Through a linguistic analysis of one his columns, we have illustrated and specified the rhetorical strategies Pietilä uses in his text: (1) he constructs himself as an expert, (2) he constructs the present situation as problematic (i.e. inefficient), and (3) he constructs a 'single sensible future'. In so doing, Pietilä flexibly draws from all discourse types identified: rational, cultural, societal and individualistic (Kuronen et al., 2000).
- 4 In specific discussions, the individualistic discourses also put the former head of Tuko, Mr Uolevi Manninen, on the centre stage.

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