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TECHNOCRATIC CONTROL IN ORGANIZATIONAL IDENTITY CHANGE IN A MERGER CONTEXT

Case Metso Outotec

Master's Thesis
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Abstract of master's thesis

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Abstract

Organizational identity is typically associated with socio-ideological control, such as discourse, value, mission, and vision statements, symbols and traditions, employee socialization, and leaders' example. Nevertheless, it has recently been argued that also technocratic forms of control, such as different financial and non-financial targets and measures, are involved in the processes related to organizational identity and organizational identity change. Indeed, it has been suggested that socio-ideological and technocratic control should not be considered separate control systems, but rather be understood to exist in a mutually sustaining relationship. From this perspective, technocratic control can be understood as non-obvious source of socio-ideological control and identity work.

Despite of the increased interest in the intersection of technocratic and socio-ideological control, little is known on the abovementioned accounting measures' implication on the process of organizational identity change in a merger context. Although mergers continue to server as popular means for organizations to reach their growth aspirations, they often fail to fulfil the expectations or reach the objectives set for them. It has been argued that the origins of these issues stem from the people side within organizations as mergers tend to stir up feelings of loss and uncertainty and lead to undesirable social phenomena, such as status evaluations and dominating behavior. This, in turn, tends to result in more conflict, lower motivation, and decreased performance in the post-merger organization.

The findings of the thesis' exploratory case study illustrate how accounting measures both enhance and complicate the organizational identity change process in a merger. In line with the existing literature, accounting measures produce persistence, clarity, transparency, comparability, and direction that support organizational members in the identity change process. Accounting measures' quantified knowledge allows for benchmarking against high-performing social referents and provides access to information on organization's self-defining attributes and identity-image discrepancies. Similarly, it provides tools for crafting future vision for the post-merger organization and may increase the sense of perceived continuity among organizational members. Nevertheless, issues in number interpretation, measurement, and combining information from different sources can cause frustration and uncertainty. Consequently, this can create a certain sense of meaning void and change overload among organizational members and thus lead to increased ambiguity in the organizational identity.

Keywords Mergers and Acquisitions, Organizational Identity Change, Organizational Identity-Image Discrepancies, Socio-ideological Control, Technocratic Control

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Abstract of master's thesis

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Tiivistelmä

Organisaatioidentiteetti yhdistetään tyypillisesti sosio-ideologiseen kontrolliin, kuten diskurssiin, arvoihin, missioon ja visioon, symboleihin ja perinteisiin, työntekijöiden sosialisaatioon ja johtajien esimerkkiin. Viime aikoina on kuitenkin esitetty, että myös teknokraattiset kontrollin muodot, kuten erilaiset taloudelliset ja ei-taloudelliset tavoitteet ja mittarit, osallistuvat organisaatioidentiteettiin ja organisaatioidentiteetin muutokseen liittyviin prosesseihin. Onkin ehdotettu, että sosio-ideologista ja teknokraattista kontrollia ei tulisi käsittää erillisinä kontrollijärjestelminä, vaan hahmottaa niiden olemassaolo toisiaan ylläpitävän suhteen kautta. Tästä näkökulmasta katsottuna teknokraattinen kontrolli voidaankin ymmärtää epäsuorina sosio-ideologisen kontrollin ja identiteettityön lähteinä.

Huolimatta lisääntyneestä kiinnostuksesta teknokraattisen ja sosio-ideologisen kontrollin vuorovaikutusta kohtaan, yllä mainittujen laskentatoimen tavoitteiden ja mittareiden vaikutuksesta organisaatioidentiteetin muutosprosessiin yritysfuusioissa tiedetään vähän. Vaikka yritysfuusiot ovat suosittuja strategioita organisaatioiden kasvupyrkimyksissä, ne eivät useinkaan täytä tai saavuta niille asetettuja odotuksia ja tavoitteita. On väitetty, että näiden ongelmien alkuperä juontuu organisaatioiden ihmispuolelta, koska yritysfuusiot tyypillisesti herättävät menettämisen ja epävarmuuden tunteita ja johtavat ei-toivottuihin sosiaalisiin ilmiöihin, kuten statusarviointeihin ja hallitsevaan käyttäytymiseen. Tämä puolestaan johtaa yleensä konflikteihin, alhaisempaan motivaatioon ja heikentyneeseen suorituskykyyn yritysfuusion jälkeisessä organisaatiossa.

Tämän tutkielman tulokset havainnollistavat, kuinka laskentatoimen tavoitteet ja mittarit sekä tehostavat että haastavat organisaatioidentiteetin muutosprosessia yritysfuusion yhteydessä. Olemassa olevan kirjallisuuden mukaisesti ne tuottavat sinnikkyyttä, selkeyttä, läpinäkyvyyttä, vertailtavuutta ja suuntaa, jotka tukevat organisaation jäseniä organisaatioidentiteetin muutosprosessissa. Tavoitteiden ja mittareiden tuottama kvantitatiivinen informaatio mahdollistaa vertailun korkean suorituskyvyn sosiaalisiin referensseihin sekä tarjoaa pääsyn organisaatiota määritteleviin attribuutteihin ja identiteetti-kuva-eroihin liittyvään informaatioon. Samoin se tarjoaa työkaluja tulevaisuuden vision luomiseen yritysfuusion jälkeiselle organisaatiolle ja voi lisätä organisaation jäsenten havaitun jatkuvuuden tunnetta. Numeroiden tulkintaan, mittaamiseen ja eri lähteistä peräisin olevan tiedon yhdistämiseen liittyvät haasteet voivat kuitenkin aiheuttaa turhautumista ja epävarmuutta. Tämä puolestaan voi luoda niin kutsutun merkitystyhjiön sekä muutoskuormituksen organisaation jäsenten keskuudessa ja siten johtaa lisääntyneeseen monimerkityksellisyyteen organisaatioidentiteetin osalta.

Avainsanat Yritysfuusiot ja yritysostot, Organisaatioidentiteetin muutos, Organisatoriset identiteetti-kuva-eroavaisuudet, Sosio-ideologinen kontrolli, Teknokraattinen kontrolli

PREFACE AND ACKNOWLEDGEMENTS

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1 INTRODUCTION

1.1 Background of the study

Mergers continue to be a common way to seek growth in the increasingly more global and competitive business environment (Giessner et al., 2011; Rottig, 2017; Van Dick et al., 2006). Despite their popularity, mergers often fail to fulfill the expectations or reach the objectives set for them (Giessner et al., 2011). It has been argued that the origins of these issues reside in the ‘soft side’ of the organizations – merging people is more difficult than merging systems (Giessner et al., 2012; Ullrich et al., 2005). Indeed, it has been suggested that the financial failure of as much as fifty to eighty percent of mergers can at least partly be traced back to the human side of merger activities (Giessner et al., 2012).

One of the most relevant concepts related to merging people is the concept of organizational identity (see e.g., Corley & Gioia, 2004; Giessner et al., 2012; Ullrich et al., 2005). Even though academics have not yet come to an agreement on the official definition of it, organizational identity is typically defined as organizational members’ collective and shared sense of who they are as an organization (e.g., Abrahamsson et al., 2011; Albert & Whetten, 1985; Corley & Gioia, 2004). Additionally, it is often understood to reside either in the institutional claims within organizations (Whetten, 2006; Whetten & Mackey, 2002) or in the collectively shared beliefs and understandings among organizational members (e.g., Corley & Gioia, 2004; Gioia & Thomas, 1996). When organizational identification is strong, people tend to demonstrate less conflict, higher levels of motivation, improved job satisfaction, and organizational citizenship behavior, increasing the chances for a merger to succeed (Giessner et al., 2011; Van Dick et al., 2006).

When organizations are merging, they are typically also going through changes in their organizational identity (Corley & Gioia, 2004). What makes people so difficult to merge are the psychological effects these changes impose on the organizational members (Giessner et al., 2011). Organizational change often stirs up strong emotions and produces feelings of loss and uncertainty (Corley & Gioia, 2004; Mirvis & Marks, 2003; Van Dick et al., 2006). A lot of this emotional imbalance concerns worry over whether the new organization and the work in it will significantly differ from the pre-merger state (Giessner et al., 2012; Ullrich et al., 2005). Consequently, organizational members need to experience a sense of continuity to successfully move through the identity change process (Ullrich et al., 2005). Mergers tend to also increase organizational members' awareness of their pre-merger identities, fostering status evaluations (Giessner et al., 2012), 'us-versus-them' thinking, and dominating behavior (Giessner et al., 2012; Gleibs et al., 2010), making the change process even harder.

The question that arises then is how to successfully manage the process of organizational identity change in a merger context. Organizational identity is commonly associated with socio-ideological forms of control, such as organizational discourse (Alvesson & Willmott, 2002; Vaivio et al., 2021), mission, and vision statements (Bedford & Malmi, 2015; Merchant & Van der Stede, 2017), symbols and traditions (Ravasi & Schultz, 2006), employee socialization (Alvesson & Willmott, 2002; Bedford & Malmi, 2015), and leaders' example (Ullrich et al., 2005). Recently though, it has been argued that also technocratic forms of control, such as accounting measures, can be used to manage and facilitate organizational identity and organizational identity change (Abrahamsson et al., 2011; McLaren & Appleyard, 2021). For example, management accounting measures have been found to legitimize and delegitimize organizations' current self-perceptions, set boundaries and guide organizationally appropriate action, and reveal information on organizational identity and image discrepancies (Abrahamsson et al., 2011).

Indeed, with the development of different non-financial measurements, it has been possible for organizations to move beyond financial measures to control and gain information also on operational processes per se (Vaivio, 1999, 2006). Thus, accounting measures have become means to control both the 'local realities' of the organizations as well as the work and its standards (Vaivio et al., 2021). For example, when examining the interplay between accounting measures and identity, Vaivio et al. (2021) found that accounting measures provide persistence, clarity, transparency, comparability, and direction that amplify organizational discourse in identity formulation – means through which the numeric and calculable is transferred into descriptive and defining. Thus, technocratic control may be considered a non-obvious source of socio-ideological control and identity work (Alvesson & Kärreman, 2004; see also Boedker & Chua, 2013; Vaivio et al., 2021).

Considering the high rate of unsuccessful mergers and the significant issues in merging people, understanding organizational identity becomes crucial in reaching mergers' objectives (Giessner et al., 2011; Ullrich et al., 2005). Even though there exists a wide body of research on the process of organizational identity change and the socio-ideological antecedents of a successful post-merger identification, the academic literature has yet to explore the process from the perspective of technocratic control. How do accounting measures influence the process of organizational identity change? Could they perhaps be used to manage the process intentionally according to managerial aspirations? It is well acknowledged that accounting measures do not only communicate but also construct organizational realities (Hines, 1988) and that the relationship between organizational identity and accounting measures is indeed reciprocal (Abrahamsson et al., 2011). More should be known of this fascinating intersection of discursive and quantitative aspects of organizational control as well as the interaction of the two (Abrahamsson et al., 2011; Gerdin, 2020; Vaivio et al., 2021; Van Der Kolk et al., 2020).

1.2 Research objectives and scope

Reflecting on the academic needs addressed above, the purpose of the thesis is to expand the existing theoretical and empirical knowledge on the process of organizational identity change by examining how accounting measures, such as key performance indicators as well as financial and non-financial targets, influence the process of organizational identity change in a merger context. Simultaneously, the thesis builds on the academic research addressing the interplay between technocratic and socio-ideological control within organizations (see e.g., Abrahamsson et al., 2011; Carlsson-Wall et al., 2019; Gerdin, 2020; Vaivio et al., 2021; Van Der Kolk et al., 2020). Consequently, the thesis' conclusions may assist organizations in managing organizational identity within mergers and thus support their aspirations of successful growth and expansion.

The definition of organizational identity applied in the thesis leans on the established knowledge of organizational identity in the academic literature. As presented above, organizational identity is typically defined as the organizational members' collective and shared sense of who they are as an organization (e.g., Abrahamsson et al., 2011; Corley & Gioia, 2004) and understood to reside either in the institutional claims within organizations (Whetten, 2006; Whetten & Mackey, 2002) or in the collectively shared beliefs and understandings among organizational members (e.g., Corley & Gioia, 2004; Dutton & Duckerisch, 1991; Gioia & Thomas, 1996). Although these two perspectives are often considered separate streams of research, the thesis follows Ravasi & Schultz's (2006) suggestion and perceives them as complementary instead of substitutive, explaining organizational identity from different but mutually sustaining perspectives.

For the merger context, the thesis applies the organizational identity change framework by Corley & Gioia (2004). The framework provides a useful lens for analytical research as it differentiates between different stages of a rapid organizational identity change and depicts management as an operative actor in the identity change process. The process of organizational identity change is typically not straightforward (see e.g., Clark et al., 2010; Gioia et al., 2013) and tends to require a more conscious effort by the management as the strain on both the organizational members as well as the organization itself becomes heightened (Corley & Gioia, 2004). Consequently, the thesis will discuss the implications of accounting measures on the process of organizational identity change in relation to the different phases of this framework.

As for the accounting measures, the thesis focuses on both financial and non-financial metrics and targets. Since the field of research is relatively young (see e.g., Abrahamsson et al., 2011; Alvesson & Kärreman, 2004; Boedker & Chua, 2013; McLaren & Appleyard, 2021; Seal, 2001), the thesis regards it more appropriate to reflect upon various insights emerging from different studies rather than leaning merely on one specific perception or observation. In short, the main insights the thesis addresses include the ways accounting measures can influence organizational members' consciousness and behavior, offer access to self-definitional material within the organization, and allow for organizational self-reflection and re-evaluation (Abrahamsson et al., 2011; McLaren & Appleyard, 2021; Vaivio et al., 2021). Thus, the thesis considers accounting measures as a powerful and highly influential language through which organizational members can question, affirm, and construct both their current as well as their desired self-perception as a collective.

Based on the theoretical background and the research motivation described above, the research question for the thesis could be formulated as follows:

> RQ: *How do accounting measures influence organizational identity in a merger context?*

The research question is examined with an exploratory case study. The study consists of ten interviews with the management of Metso Outotec, a large Finnish manufacturing company that was formed through the merger of Metso Minerals and Outotec in the Summer of 2020. Each of the interviewees took closely part in planning and executing the merger and has thus detailed knowledge and experience on the merger and its implications on both merged organizations. The interviewees were deliberately chosen from different organizational functions and areas to gather insights from different perspectives, such as communications, human resources, and finance. Furthermore, it was ensured that the interviewees included members from both legacy organizations so that a reliable description and understanding of the pre-merger identities and the process of organizational identity change could be formed.

It is to be noted, that the study examines organizational identity and accounting measures in the case organization after the actual merger has already taken place. This has both advantages and disadvantages for the study. On one hand, the actual processes that took place in the merging organizations before and during the merger cannot be observed and followed in action. They can only be reflected upon. On the other hand, the temporal distance from the merger allows for a more comprehensive analysis of the successfulness of the organizational identity change process. The best scenario would have been to conduct a longitudinal study in the case organization, but due to the time limits of a thesis, this is rarely an option. Therefore, the thesis contents itself with reflective, past-oriented research.

1.3 Structure of the thesis

The thesis consists of six chapters, beginning with the introduction to the thesis. This chapter presents the background of the study, introduces the research objectives, and describes the structure of the thesis. After the introduction follows a literature review, a theoretical overview of the current research behind the thesis' subject and research question. In this chapter, the relevant literature is discussed in more detail. Organizational identity, organizational identity change from the perspective of mergers as well as the factors influencing organizational identity, both socio-ideological and technocratic, are being addressed and elaborated.

The third chapter moves on to describe the methodology regarding the case study conducted in the thesis. This chapter discusses the applied study methods and data collection and addresses the research validity and reliability. After the methodology, the fourth chapter presents the case study conducted in Metso Outotec, a large Finnish manufacturing company operating globally in the aggregates, mineral processing, and metal refinement industries. In this chapter, the case organization, research phases, and the findings of the case study are discussed in more detail. The intention of the chapter is to provide a comprehensive description of the case context and the case study itself so that conclusions from it can be drawn later in the subsequent chapters.

After the fourth chapter follows a discussion. This chapter seeks to provide further analysis of the case study presented in the previous chapter and to make linkages between the findings of the case and the literature discussed earlier in chapter two. The chapter aims at a comprehensive understanding of the phenomena observed in the case study and thus describes and reflects it upon in relation to the theoretical background. Finally, the thesis ends in conclusions where the objectives, main findings, and practical implications of the thesis are presented. In this chapter, also the limitations of the study as well as suggestions for future research are addressed. Following this final and concluding chapter, references as well as appendices are provided at the very end of the thesis.

2 LITERATURE REVIEW

2.1 Organizational identity

This section introduces the existing academic literature on organizational identity and defines the essential terms for the thesis. Organizational identity, construed external image, future desired image, as well as identity-image discrepancies are reflected on and discussed in detail to better understand organizational identity as a phenomenon within mergers.

2.1.1 Organizational identity as a concept

During the past few decades, organizational identity has become an increasingly important domain of research among academics (Corley et al., 2006; Gioia et al., 2000; Gioia et al., 2013; He & Brown, 2013). Organizational identity has been recognized as a key factor for example in understanding strategic change (Ravasi & Phillips, 2011), decision-making (Riantoputra, 2010), issue interpretation and response (Dutton & Dukerich, 1991; Gioia & Thomas, 1996), as well as organizations' search for legitimacy (Sillince & Brown, 2009). Furthermore, multiple scholars have suggested organizational identity as an important concept in understanding organizational phenomena and behavior in general (Albert et al., 2000; Gioia et al., 2000) and in linking different levels of organizational analysis and micro- and macro-level structures and processes (He & Brown, 2013).

When addressing organizational identity, scholars often refer to the seminal work of Albert & Whetten (1985) who define organizational identity as organizational members' collective and shared sense of who they are as an organization (e.g., Abrahamsson et al., 2011; Corley & Gioia, 2004; Empson, 2004; He & Brown, 2013). According to Albert & Whetten (1985), organizational identity is based on characteristics that organizational members collectively consider to be central, distinctive, and enduring about their organization. However, Albert & Whetten (1985) do not specify any criteria for these claims and thus leave the interpretation of them relatively open (He & Brown, 2013). Since Albert & Whetten (1985), organizational identity has been researched from multiple theoretical perspectives, but despite – and maybe because of – the wide body of research, the field has been suffering from insufficient cohesion and linkages between different approaches. This has led to the problematization of the concept of organizational identity (He & Brown, 2013) and it has even been stated that organizational identity is going through an 'identity crisis' (Whetten, 2006) as it is often overused or not specified in a sufficient manner (He & Brown, 2013).

Multiple attempts have been made to re-define organizational identity on a more detailed and concrete level (He & Brown, 2013), but even though there exists no single, officially accepted definition of organizational identity (Abrahamsson et al., 2011; Corley et al., 2006; Whetten, 2006), academics seem to agree that the essence of organizational identity consists of self-referential and self-definitional meanings (Albert & Whetten, 1985; Corley et al., 2006; Hatch & Schultz, 2002) and the attempts to answer the questions 'who are we' and 'who do we want to become' as an organization (Albert & Whetten, 1985; Corley & Gioia, 2004; He & Brown, 2013; Whetten & Mackey, 2002). Furthermore, academics seem to be congruent on the conclusion that organizational identity is an important factor in guiding organizational behavior in regard to the obligations and responsibilities of the organizational members, legitimate conduct and action in relation to external parties, and in informing organizational members' interpretations and behavior (Abrahamsson et al., 2011; Corley et al., 2006; Dutton & Dukerich, 1991).

As Albert & Whetten's (1985) reference to 'collective and shared sense' already implies, the social context and social structures are essential in understanding organizational identity. Nevertheless, academics have not come to an agreement on how the social aspect of organizational identity should be comprehended. Consequently, it has been conceptualized in the academic literature at least in two fundamentally different ways (Abrahamsson et al., 2011; Ravasi & Schultz, 2006; Ravasi & Rekom, 2003). The social actor perspective argues that organizational identity resides in institutional claims and thus reflects rather stable and coherent rules for organizational behavior (Whetten, 2006; Whetten & Mackey, 2002). This perspective emphasizes the role of the organizational leaders in providing organizational members with legitimate narratives for constructing a collective sense of self (Czarniawska, 1997; Ravasi & Schultz, 2006; Whetten & Mackey, 2002) and coherent guidelines for how they should behave and how other organizations should relate to them (Ravasi & Schultz, 2006; see also Albert & Whetten, 1985). Thus, the proponents of the social actor perspective tend to emphasize the role of sensegiving in the process of organizational identification (Ravasi & Schultz, 2006).

The social constructivist approach, on the other hand, considers organizational identity to reside in the collectively shared beliefs about the organization, which can be, and are, periodically revised among organizational members (Corley & Gioia, 2004; Dutton & Duckerisch, 1991; Fiol, 2002; Gioia, Schultz & Corley, 2000; Gioia & Thomas, 1996). According to this point of view, the emphasis is more on the collective and shared understanding among organizational members (Corley & Gioia, 2004; Fiol, 1991; Gioia et al., 2000; Ravasi & Schultz, 2006). Consequently, organizational identity as a concept is considered rather malleable and fluid than stiff – something that has a natural tendency to experience changes (Corley & Gioia, 2004; Gioia & Thomas, 1996). In line with this, the advocates of the social constructivist approach usually highlight the role of sensemaking in the formation of organizational identity (Ravasi & Schultz, 2006).

Despite the different emphases between social actor and social constructivist approaches, both perspectives can be considered important perceptual lenses for understanding organizational identity. Indeed, as Ravasi & Schultz (2006) suggest, instead of examining them as substitutive theories existing in isolation from one another, they should be viewed as two interrelated dimensions of organizational identity describing complementing identification processes. In other words, claims on organizational identity can exist while still allowing space for emerging understandings of the organization's self-defining aspects. This is especially important for a comprehensive understanding of the organizational identity change in a merger context, as the process involves both self-defining claims and narratives proposed by the organizational leaders (Czarniawska, 1997; Whetten, 2006; Whetten & Mackey, 2002) as well as changes emerging in the social interactions (Glynn, 2000) and collective organizational understandings of the organizational members (Corley & Gioia, 2004; Gioia et al., 2000). A summary of the key aspects and most significant differences between social actor and social constructionist perspectives are presented below in Tabel 1.

Table 1: Perspectives on organizational identity according to Ravasi & Schultz (2006)

Characteristic	**Social actor perspective**	**Social constructionist perspective**
Theoretical foundations	Institutional theory	Social constructivism
Definition of identity	Organizational identity resides in institutional claims, available to members, about central, enduring, and distinctive properties of their organization.	Organizational identity resides in collectively shared beliefs and understandings about central and relatively permanent features of an organization.
Emphasis on cognitive processes	Sensegiving: Identity claims are organizational self-definitions proposed by organizational leaders, providing members with a consistent and legitimate narrative to construct a collective sense of self.	Sensemaking: Shared understandings are the results of sensemaking processes carried out by members as they interrogate themselves on central and distinctive features of their organization.
Emphasis on endurance or on change	Identity claims are by their own nature enduring and resistant to change; labels tend to change rarely and never easily.	Shared understandings are periodically renegotiated among members.
Fundamental work	Czarniawska (1997) Whetten & Mackey (2002) Whetten (2003)	Corley & Gioia (2004) Dutton & Duckerisch (1991) Fiol (1991, 2002) Gioia & Thomas (1996) Gioia, Schultz, & Corley (2000)

2.1.2 Organizational image and image discrepancies

When trying to understand organizational identity, it is important to also consider the concept of organizational image. Like organizational identity, also organizational image has been debated on and conceptualized in different ways during the past few decades

(Abrahamsson et al., 2011; Hatch & Schultz, 1997; Gioia & Thomas, 1996; Gioia et al., 2000). For example, it has been associated with perceptions that are both internal and external to organizations as well as with assumptions that are both projected and perceived by the organization (Gioia et al., 2000). Understanding the concept of organizational image is important as it influences how organizational members comprehend and perceive themselves (Dutton et al., 1994; Gioia et al., 1996; Gioia et al., 2000). In other words, organizational image provides organizational members with a mirror-kind concept to reflect upon their self-definition (Hatch & Schultz, 1997) and functions as a destabilizing force requiring them to constantly reconsider and reconstruct their sense of self (Gioia et al., 2000).

Perhaps the most discussed forms of organizational image in relation to organizational identity are the construed external image and the desired future image. Construed external image refers to the beliefs about outsiders' perceptions of the organization held by the organizational members themselves (Corley & Gioia, 2004; Dutton & Dukerich, 1991; Dutton et al., 1994; Gioia et al., 2000). It is important to note that the conceptions that the organizational members have on the outsiders' perceptions of their organization are not necessarily those held by these outsiders – they simply reflect organizational members' assumptions of the outsiders' perceptions (Abrahamsson et al., 2011; Dutton et al., 1994). For example, organizational members can believe their organization is perceived more positively, or vice versa more negatively, than it actually is (Dutton et al., 1994). Desired future image, on the other hand, refers to the visionary perception of how the organizational members, and especially the management, would like the outsiders as well as the organizational members to view their organization in the future (Abrahamsson et al., 2011; Clark et al., 2010; Corley & Gioia, 2004; Gioia & Chittipeddi, 1991; Gioia & Thomas, 1996, Gioia et al., 2000). What is significant for the desired future image is the temporal aspect – the vision for organizational self-definition and state to be achieved as well as the reckoning desired from the significant outsiders (Gioia et al., 2000).

Organizational members typically seek to find an alignment between their organizational identity and the different forms of organizational image. In the case of construed external image, they aspire to attain a situation where they believe the significant outsiders perceive them in a similar manner that they themselves see their organization (Abrahamsson et al., 2011; Clark et al., 2010; Corley & Gioia, 2004, Gioia et al., 2000). Achieving this alignment is seen to strengthen organizational identity and identification (Abrahamsson et al., 2011; Foreman & Whetten, 2002; Gioia et al., 2000), especially if the construed external image contains positive and socially valued attributes (Dutton et al., 1994). Differences in these perceptions, on the other hand, usually evoke sensemaking processes about how to react to and solve the experienced disparity (Abrahamsson et al., 2011; Corley & Gioia, 2004; Dutton & Dukerich, 1991; Dutton et al., 1994; Gioia et al., 2000). Therefore, organizational identity can experience changes when organizational members try to cope with the understanding of how outsiders view them compared to how they perceive themselves (Clark et al., 2010; Corley & Gioia, 2004). The mismatch between organizational identity and construed external image is referred to as a construed external image discrepancy (Abrahamsson et al., 2011; Corley & Gioia, 2004).

Organizational members can experience a mismatch also regarding how they believe they are currently viewed and the way they would want to be viewed in the future (Abrahamsson et al., 2011). This inner conflict between the construed external image and the desired future image is referred to as a temporal image discrepancy and, similarly to the construed external image discrepancy, can generate sensemaking processes that ultimately lead to the alteration of the organizational identity (Abrahamsson et al., 2011; Gioia & Thomas, 1996) and to the subsequent alignment between the organizational identity and the construed external image (Gioia & Thomas, 1996). It is to be noted that the desired future image can also be consciously used as an influential method for changing organizational identity as the formulation of a compelling desired future image motivates organizational members to alter their self-perceptions (Abrahamsson et al., 2011; Clark et al., 2010; Corley & Gioia, 2004; Gioia & Thomas, 1996; Gioia et al., 2000). Also, if the desired future image is officially and publicly declared and signals the outsiders that the organization is changing, it can directly influence the construed external image as well as outsiders' actual impressions of the organization, and thus reduce the discrepancy between the perceptions of the organizational members and the significant others (Gioia et al., 2000).

Different forms of organizational image constitute significant perceptual lenses that influence how organizational members comprehend themselves, interpret issues and events, react to them, and respond to the potential need for re-evaluating their sense of self (Abrahamsson et al., 2011; Gioia et al., 2000). The interplay between organizational identity and image produces a reciprocal process of projection and modification that fosters organizational adjustment and sensemaking and aligns the organization's self-definition with its environment (Gioia et al., 2000). For example, in a merger context, identity-image discrepancies can trigger identity ambiguity and thus function as drivers behind the organizational identity change process (see Corley & Gioia, 2004). The role of the identity-image discrepancies in the process of organizational identity change will be discussed in more detail below in subsection 2.2.1. A summary of the different forms of the organizational image as well as the discrepancies related to them is presented in Table 2 below.

Table 2: Organizational images and image discrepancies in organizational identity literature

Concept	**Definition**	**Relevant work**
Construed external image	Organizational members' beliefs about outsiders' perceptions on their organization	Abrahamsson et al. (2011) Corley & Gioia (2004) Dutton & Dukerich (1991) Dutton et al. (1994) Gioia et al. (2000)
Construed external image discrepancy	The mismatch between how organizational members define themselves and how they believe the outsiders perceive them	Abrahamsson et al. (2011) Corley & Gioia (2004) Dutton & Dukerich (1991) Dutton et al. (1994) Gioia et al. (2000)
Desired future image	The visionary perception of how the organizational members would like the outsiders as well as the organizational members to view their organization in the future	Abrahamsson et al. (2011) Clark et al. (2010) Corley & Gioia (2004) Gioia & Thomas (1996) Gioia et al. (2000)

Concept	Definition	Relevant work
Temporal image discrepancy	The mismatch regarding how organizational members believe they are currently viewed by the outsiders and the way they would want to be viewed in the future	Abrahamsson et al. (2011) Clark et al. (2010) Corley & Gioia (2004) Gioia & Thomas (1996) Gioia et al. (2000)

2.2 Organizational identity in mergers

After discussing organizational identity as a concept, the thesis moves on to examine organizational identity change in a merger context. Organizational identity change, different challenges related to mergers as well as the implications of the sense of continuity, sense of fairness, and leaders' example are explained and discussed.

2.2.1 The process of organizational identity change

Organizational identity change can occur either through a change in the labels used to describe the organization or through a change in the underlying meanings attached to these labels (Corley & Gioia, 2004; Gioia et al., 2000; Gioia et al., 2013). Identity labels communicated with language convey the symbolic expression of how organizational members answer the question 'who are we as an organization' (Corley & Gioia, 2004; Fiol, 2002; Gioia et al., 2000; Gioia et al., 2013) and can be expressed for example in words such as 'innovative', 'customer-oriented', or 'sustainable' (Corley & Gioia, 2004). The aspect of meanings, in its turn, refers to the shared meanings and understandings underlying these symbolic labels (Corley & Gioia, 2004; Fiol, 2002; Gioia et al., 2000; Gioia et al., 2013) and answers the question of 'what it actually means to be this kind of an organization' (Corley & Gioia, 2004). In other words, what does it mean to be for example 'innovative' or 'sustainable'? Therefore, in addition to reinventing themselves completely through new identity labels, organizations can experience identity change also through stretching their old identity labels to cover new meanings (Corley & Gioia, 2004; Fiol, 2002; Gioia et al., 2000; Gioia et al., 2013).

Usually, when organizations undergo an identity change, either in labels or meanings, it is a relatively lengthy process unfolding incrementally over many years (Albert & Whetten, 1985). However, some identity changes, such as within mergers, can occur rapidly and in a discontinuous manner, shaking the current organizational rationales and realities (Corley & Gioia, 2004). These changes can stir up strong emotions and produce feelings of loss and uncertainty (Corley & Gioia, 2004; Mirvis & Marks, 2003; Van Dick et al., 2006) that are not limited only to the moment of the change but can carry on long after the actual change has already taken place. Therefore, it is typical that the strain on both the organizational members as well as the organization itself becomes heightened in mergers, and that the identity change process might consequently require more conscious effort than in a situation in which the changes occur naturally over time (see e.g., Corley & Gioia, 2004).

When studying these kinds of rapid organizational changes, Corley & Gioia (2004) found that organizational members typically move from the pre-change identity to the post-change identity through a process consisting of three main stages: triggers of identity ambiguity, identity change context, and leaders' response to the sensegiving imperative. The significance of their findings resides in the notion that the identity change process is not necessarily straightforward nor predefined but instead can consist of phases that include both ambiguity and confusion as well as conscious and even rigorous actions to reach clarity in terms of the organizational identity (see also Clark et al., 2010; Gioia et al., 2013). It is to be noted that the organizational identity change framework by Corley & Gioia (2004) was originally developed in a spin-off context. Nevertheless, as it describes the process of organizational identity change on a broader level, it can be applied to examine organizational identity change also within other contexts of organizational change, such as mergers (Corley & Gioia, 2004). The identity change framework by Corley & Gioia (2004) is presented below in Figure 1.

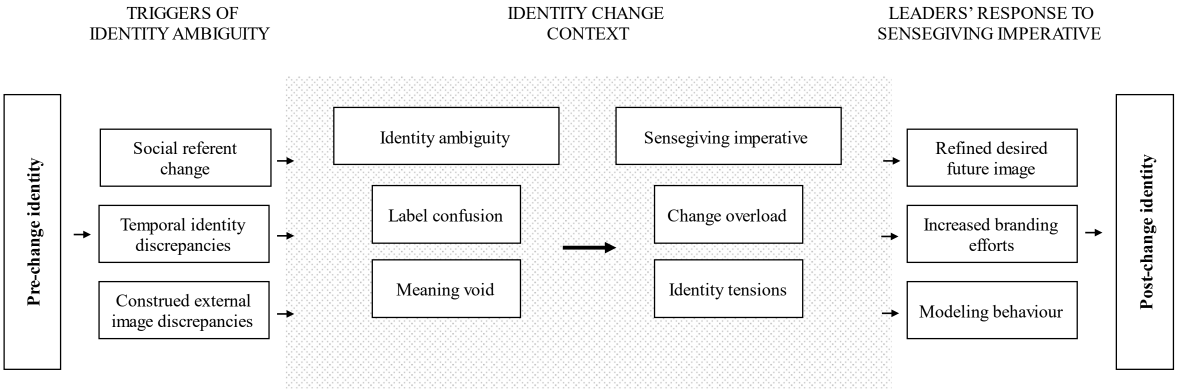

Figure 1: Organizational identity change process according to Corley & Gioia (2004)

According to Corley & Gioia (2004), there are three different factors that can lead to identity ambiguity when organizations are going through major organizational changes. The first factor considers changes in organization's social referents. Social referents are those companies that organizational members use as a comparison to help them define who they are as an organization (Corley & Gioia, 2004; Gioia et al., 2013). Organizational members can, for example, refer to their social referents with statements such as 'we are like them', 'we are not like them', 'we are better than them in this', or 'we are left behind them in this'. Thus, it does not matter whether the comparison has a positive or a negative tone – what is important is that it produces clarity for the organizational members both on the organizational identity as well as the construed external image (Corley & Gioia, 2004). As it is typical for organizational members to derive meaning from their self-definitional attributes from these kinds of comparisons (Abrahamsson et al., 2011; Gioia et al., 2013; McLaren & Appleyard, 2021), changes in the social referents can produce a lot of unclarity and confusion (Corley & Gioia, 2004).

Another factor behind identity ambiguity is the emergence of temporal identity discrepancies (Corley & Gioia, 2004). Temporal identity discrepancy can occur when organizational members recognize a mismatch between their organization's current identity and its desired future identity (Corley & Gioia, 2004; Gioia et al., 2013). As a concept, the desired future identity is very close to the concept of desired future image but has more emphasis on the visions of the organizational members than on the perceptions of the outsiders. If the current identity has major inconsistencies with the expectations set for it, organizational members can begin questioning whether the organization can live up to the expectations and achieve its visions (Corley & Gioia, 2004). Furthermore, the meanings underlying the claims and understandings of the desired future identity can be too vague or lacking concreteness to the extent that the identity ambiguity is triggered simply because of the obscurity related to the direction where the organization is headed (Corley & Gioia, 2004). The third factor that can trigger identity ambiguity among organizational members is the emergence of the construed external image discrepancy (Corley & Gioia, 2004). If organizational members' sense of self differs drastically from the outsiders' perceptions, they can begin doubting whether the current assumptions of their organizational identity are correct (Corley & Gioia, 2004; Gioia et al., 2013).

The identity change context, then, involves the actual identity ambiguity as well as the sensegiving imperative (Corley & Gioia, 2004). In the context of organizational change, both individual and collective assumptions associated with the unknowns are only partly predictable, increasing the ambiguity related to the change. In line with this, identity ambiguity can be defined as the existence of multiple possible interpretations about the core features that should define the organization and its members (Corley & Gioia, 2004). According to Corley & Gioia (2004), identity ambiguity can appear in the form of label confusion or meaning void. Label confusion describes a state where there is no or very limited consistency in the use of the labels that are used to describe organizational identity and its core attributes. For example, the aspects that managers highlight as self-definitional, or otherwise prioritizable within the organization, might vary between different statements (Corley & Gioia, 2004). Meaning void, on the other hand, refers to a situation in which there is no clear resolution on what the labels used to describe the organization mean (Corley & Gioia, 2004). For example, the same label can be understood in multiple different ways, varying between the interpreters and different situations. The vaguer the statements regarding the labels are, the easier it is for the organizational members to get confused and the harder it is for them to see the significance of the identity labels.

When identity ambiguity is high, organizational leaders typically adopt a so-called sensegiving imperative (Corley & Gioia, 2004; Gioia & Chittipeddi, 1991). Sensegiving imperative can be defined as the recognition that definitive action needs to be made in respect of the content of the organizational identity. In other words, it drives the leaders to promote collective sensegiving about the changing organizational identity (Clark et al., 2010; Corley & Gioia, 2004; Gioia et al., 2013). According to Corley & Gioia (2004), sensegiving imperative can become illustrated either through an increasing change overload or the emergence of identity tensions. Major organizational changes often include both planned and unexpected changes throughout the organization. After a while, this can become a significant burden on the organizational members who do not know what work tasks or aspects of the change they should be prioritizing and focusing on. This can also lead to decreased motivation among the organizational members or difficulties in finding meaning in what the organization is trying to accomplish. When the ambiguity heightens, subtle tensions can begin to emerge as different views on who the company is becoming begin to compete for the predominance among the organizational members (Corley & Gioia, 2004). Mergers are especially vulnerable to these effects as the organizational members will still most likely strongly identify with their pre-merger organizations during the merger process (Giessner et al., 2012).

According to Corley & Gioia (2004), the sensegiving imperative is followed by leaders' response to it. Leaders typically begin taking actions in aspiration to solve the identity ambiguity and to resolve the change overload and identity tensions. Corley & Gioia (2004) find three means through which leaders can provide clarity and direction for the organizational members and the whole organization: refining desired future image, increasing branding efforts, and modeling desired behaviors. Refining desired future image considers clarifying the desired future image in such a way that the statements and labels related to the organizational identity become clear and univocal for all the organizational members (Corley & Gioia, 2004). In conscious change efforts, organizations typically form a visionary future image to guide the change imperative and the revision of the organizational identity (Gioia et al., 2000). The desired future image compromises and challenges both the current as well as the past perceptions of the organizational self-definition and calls for alterations in the prevalent organizational identity (Gioia et al., 2000). Branding efforts, on the other hand, refer to the conscious attempts to actively manage outsiders' impressions of the organization (Corley & Gioia, 2004). Finally, modeling behaviors signifies how the leaders can influence organizational members' perceptions by functioning as examples themselves (Corley & Gioia, 2004). The leaders can aspire to promote the desired organizational self-definition by representing it through their own behavior and conduct.

2.2.2 Challenges in organizational identity change

What makes mergers interesting in terms of organizational identity change is that there are always multiple organizational identities involved in the change process (Giessner et al., 2012). Those organizational identities that the merging organizations had before the merger are referred to as pre-merger identities. Similarly, the organizational identity that is formed for the new organization through the merger process is commonly known as post-merger identity. Considering the strong emotional effects that mergers often create in organizational members (Corley & Gioia, 2004; Mirvis & Marks, 2003; Van Dick et al., 2006), it is perhaps not surprising that the identity change process from pre-merger identities to post-merger identity is not easy nor straightforward.

Indeed, mergers usually increase organizational members' awareness of the identities of their pre-merger organizations, creating a situation that fosters 'us-versus-them' thinking and dynamics (Giessner et al., 2012; Gleibs et al., 2010). In this kind of situation, organizational members can be seen as still divided into the pre-merger organizations even though the two now form one, new, and complete entirety. In other words, employees will still strongly identify with their pre-merger organizations and regard the other organization as a potential 'enemy' (Giessner et al., 2012). It is natural for people to identify stronger with small groups than large ones as it is easier to maintain a sense of uniqueness in a smaller social category (Giessner et al., 2012). This further complicates the post-merger identification process as the post-merger organization is, by definition, larger than the pre-merger organizations. From the perspective of the organizational members, this means that the post-merger organization is less attractive as a target of identification to begin with

(Giessner et al., 2012). Nevertheless, the biggest issues in organizational identity change arise more from the change in the identity content than from the change in the organization's size (Giessner et al., 2012; Ullrich & Van Dick, 2007).

Moreover, mergers typically also spark so-called status evaluations among the organizational members (Giessner et al., 2012). This means that the organizational members tend to compare their own pre-merger organization to the other respective pre-merger organization and from that draw conclusions on their social status within the post-merger organization. Most often this leads to a situation in which one of the pre-merger organizations is considered a high-status organization and the other as a low-status organization. This further heightens the polarization among the employees as they do not perceive themselves to be equal within their new organization. Consequently, the members of the low-status organization tend to feel threatened and might seek ways to enhance their perceived status while the members of the high-status organization often endeavor to maintain their high-status within the organization (Giessner et al., 2012). This comparison often occurs even if the merging partners are seemingly considered to be somewhat equal in terms of the status as truly equal mergers are exceptionally rare (Giessner et al., 2006; Giessner et al., 2012). The status relationship is influenced by multiple different factors ranging from size to reputation to power relationships during the merger (Giessner et al., 2012). What is more, it can even change during the integration phases (Giessner et al., 2012).

Typically, the high-status organization tends to dominate the merger process as well as the process of organizational identity change (Giessner et al., 2006; Giessner et al, 2012; Van Knippenberg et al., 2002). Consequently, the pre- and the post-merger identities are more likely to be closely aligned for the members of the dominant in contrast to the dominated organization (Giessner et al., 2006; Van Knippenberg et al., 2002). What is more, there are several case studies that show how dominant organizations often seek to assert their dominance in the merger and to establish their organizational identity within the new organization (Giessner et al., 2006; Van Knippenberg et al., 2002). This can prove problematic as even though this aids the members of the dominant organization in the process of organizational identity change, it simultaneously complicates or even hinders that among the members of the dominated organization (Giessner et al., 2006; Van Knippenberg et al., 2002). Indeed, ensuring that both merging partners will be presented in the formation of the new organizational identity can prove to be a more fruitful approach, leading to a successful process of organizational identity change among all organizational members (Giessner et al., 2006; Van Knippenberg et al., 2002).

All the above-mentioned issues emerging between the merging partners naturally hinder the process of organizational identity change and may lead to conflict, competition, or even discrimination among the organizational members (Giessner et al., 2012; Gleibs et al., 2010). Without a successful organizational identity change process, also the cooperation among the employees is endangered as they will not have many incentives to work together with the colleagues from the opposite pre-merger organization (Giessner et al., 2012). In addition to avoiding the negative aspects related to an unsuccessful organizational identity change, adopting the post-merger identity has some desirable organizational outcomes per se. It is well established in the existing academic literature that a successful process of organizational identity change leads to positive organizational phenomena such as increased job satisfaction, organizational citizenship behavior, better team performance, reduced resignation intentions, as well as higher levels of motivation and emotional well-being (Giessner et al., 2011, Giessner et al., 2012; Van Dick et al., 2006).

2.2.3 Continuity, fairness, and the role of leadership

As mentioned in the introduction, a major part of the negative emotions that organizational change evokes in the organizational members concerns uncertainty over whether the organizational members are doing the same job (Margolis, & Hansen, 2002; Ullrich et al., 2005) and whether they are essentially continuing to work for the same organization (Giessner et al., 2012; Van Knippenberg et al., 2002) after the merger as they were before. In the academic literature, this need for organizational continuity is referred to as a sense of continuity and is considered an essential part of successful organizational identity change (Giessner et al, 2012; Rousseau; 1998; Ullrich et al., 2005). The more organizational members experience continuity from their pre-merger organization to their post-merger organization, the more they tend to identify with their post-merger organization (Giessner et al., 2012; Van Knippenberg et al., 2002). In other words, if they can still consider the merged organization as their own, they are able to assume the new organizational identity more easily (Giessner et al., 2012).

Sense of continuity is, to some extent, linked to the perceived organizational status discussed in the previous subsection. Typically, organizational members of the high-status organization are more likely to experience a stronger sense of continuity over the organizational change than organizational members of the low-status organization (Giessner et al., 2006; Giessner et al, 2012, Ulrich et al., 2005; Van Knippenberg et al., 2002). This is because high-status organizations typically dominate the merger process and thus also the content of the post-merger identity (Giessner et al., 2006; Giessner et al., 2012; Ulrich et al., 2005; Van Knippenberg et al, 2002). What is more, high- and low-status organizations tend to prefer different ways of merging (Giessner et al., 2006; Giessner et al., 2012). Organizational members of the high-status organization often favor assimilation as the merging form, meaning that the high-status organization would dominate the post-merger identity and only allow certain features of the low-status organization's pre-merger identity to be incorporated into it. In contrast, organizational members of the low-status organization would like to see equal representation of both merging partners in the post-merger identity and thus prefer an integration-equality pattern or a transformation pattern as the merging form (Giessner et al., 2006; Giessner et al., 2012). What follows from this imbalance in the perceived sense of continuity and the preferred merging patterns between the merging organizations is that members of the low-status organization are usually more prone to experience discontinuity in the process of organizational identity change than members of the high-status organization (Giessner et al., 2006; Ulrich et al., 2005; Van Knippenberg et al., 2002).

When considering the sense of continuity on a more detailed level, there are two different forms of continuity that can influence the process of organizational identity change (Giessner et al., 2012; Ullrich et al., 2005). The first form of continuity covers the transition from the past to the present, that is from the pre-merger organization to the post-merger organization and is referred to as observable continuity (Giessner et al., 2012; Ullrich et al., 2005). The second form of continuity, on the other hand, addresses the clarity and controllability of the path from the present to the future and is referred to as projected continuity (Giessner et al., 2012; Ullrich et al., 2005). For the sense of projected continuity to be strong, organizational members need to clearly see where the new organization is going and what that will mean for them. This is also a form of continuity that is not dependable on the organizational status within the merger and can thus be established equally for both merging organizations (Giessner et al., 2012). Indeed, it has been studied that especially those organizational members that experience low observable continuity can show increase in their post-merger identification if their perceived continuity enhances (Giessner et al., 2012). Projected continuity can best be provided through clearly formulating and communicating a desired future image and the steps that the organization needs to take to reach it (Ulrich et al., 2005). It is to be noted that even though a desired future image per se can motivate organizational members during the organizational identity change process (Abrahamsson et al., 2011; Clark et al., 2010; Corley & Gioia, 2004; Gioia & Thomas, 1996; Gioia et al., 2000), for the projected continuity to arise the process from the present to the future needs to be clear and comprehensible (Ulrich et al., 2005).

Another factor influencing post-merger identity is the perceived organizational fairness (Giessner et al., 2012). It is considered to have a significant impact on organizational members' adjustment during the merger (Citera & Stuhlmacher, 2001) and it has even been found that it's importance for post-merger identification increases over the course of the merger process (Gleibs et al., 2010). The academic literature divides perceptions of organizational fairness into two categories. On one hand, there are the beliefs about the resource and outcome distribution, and, on the other hand, there are the perceptions of the procedure and rule implementation and overall employee treatment. The former aspect of perceived organizational fairness is referred to as distributive justice and the latter as procedural justice (Giessner et al., 2012). In merger context, these aspects of fairness are evaluated both during the merger process as well as later within the post-merger organization (Giessner at al., 2012). Especially perceived justice seems to be an important antecedent of successful, or vice versa unsuccessful, post-merger identification as it provides information about the quality of the relationship between the organizational members and the authorities within the organization (Tyler & Blader, 2003). If organizational members consider procedural justice to be high, they are more likely to experience sensations such as pride and respect (Giessner et al., 2012) which, in turn, influences the process of organizational identity change positively (Giessner et al., 2012; Lipponen et al., 2004).

It is to be noted that leaders can play a significant role in fostering the sense of continuity, perceptions of fairness, and thus the process of post-merger identification (Giessner et al., 2011, Giessner et al., 2012; Ulrich et al., 2005). As Van Knippenberg, Van Knippenberg, & Bobbio (2008) state, leaders should not only be the agents of change but also the agents of continuity. According to Giessner et al. (2012), there are two characteristics that have a significant impact on how well leaders can promote change. The concept of group prototypicality implies how well leaders embody the attributes of the organizational identity of the organizational members they aspire to influence (Giessner et al., 2011; Giessner et al., 2012; Ulrich et al., 2005) while the concept of leader group-orientedness describes the extent to which organizational members consider them to be committed to their best interests (Giessner et al., 2011; Giessner et al., 2012).

It has been acknowledged that group prototypical leaders are positioned especially well to promote post-merger identification as they tend to be trusted more (Ullrich et al., 2009) and create a stronger sense of continuity for their organizational members (Giessner et al., 2011). Nevertheless, it has also been found that when leaders are lacking group prototypicality, they can compensate for this by ensuring that their leader-group orientedness is well established (Giessner et al., 2011). In other words, by investing in the fair treatment of the organizational members, leaders can enhance their post-merger identification (Giessner et al., 2011). For example, leaders can make sure that they provide enough support for the organizational members during the merger process, create enough career opportunities, and reflect a positive attitude toward all organizational members (Giessner et al., 2011). This notion is valuable especially in the sense that leaders can also impact the members of the opposing merging organization, increasing the sense of unity and integration within the newly formed organization.

2.3 Managing organizational identity

In the third section of the literature review, the thesis discusses organizational identity from the perspective of organizational control. Both socio-ideological as well as technocratic forms of control are addressed to better understand how organizational identity change may be managed within mergers.

2.3.1 Socio-ideological control

Socio-ideological control refers to organizations' control systems that are used to influence organizational members' beliefs, meaning, norms, and interpretations within the organizational context (Alvesson & Kärreman, 2004; Carlsson-Wall et al., 2019; Kärreman & Alvesson, 2004). In other words, socio-ideological control targets organizational members' social relations, emotions, ideology, and identity (Kärreman & Alvesson, 2004). Leaders often seek to generate a certain kind of organizational experience for their employees (Alvesson & Kärreman, 2004; Alvesson & Willmott, 2002; Carlsson-Wall et al., 2019; Smircich & Morgan, 1982), make them adopt the values and ideals that they themselves hold (Carlsson-Wall et al., 2019), and create a sense of purpose to increase their attachment to the organization (Kraus et al., 2017). Ultimately, the aim of socio-ideological control is to influence the behavior of organizational members indirectly through the belief systems so that their actions become aligned with the organizational aspirations (Alvesson & Kärreman, 2004; Carlsson-Wall et al., 2019; Kärreman & Alvesson, 2004).

Consequently, organizational identity is typically associated with socio-ideological control. As stated in the introduction, it is commonly understood that organizational identity is construed in relation to organizational discourse (Alvesson & Willmott, 2002; Sveningsson & Alvesson, 2003; Vaivio et al., 2021; Watson, 2008) and other socio-ideological forms of organizational control such as value, mission, and vision statements (Bedford & Malmi, 2015; Merchant & Van der Stede, 2017), symbols and traditions (Ravasi & Schultz, 2006), employee socialization (Alvesson & Willmott, 2002; Bedford & Malmi, 2015), and leaders' example (Ullrich et al., 2005). These are all argued to invite organizational members into active identity work (see e.g., Alvesson & Willmott, 2002) that, when successful, ultimately results in the incorporation of the organizational identity into the self-definitions of the organizational members. In other words, the organizational members start to identify with and depict and define themselves in relation to their organization. A typical sign of this is to refer to one's organization with the pronoun 'we' instead of 'it' or 'they' (Alvesson & Willmott, 2002).

The general view is that since organizational identity is socially produced, it can be intentionally influenced and managed (Pratt & Foreman, 2000). Therefore, organizational leaders can have a significant impact on organizational identity (Alvesson & Willmott, 2002; Ravasi & Phillips, 2011; Scott & Lane, 2000) and the alignment between organizational identity, construed external image, and the desired future image (Hatch & Schultz, 1997; Ravasi & Phillips, 2011). This notion proves especially significant for a merger context as the process of organizational identity change typically requires more conscious effort and management in mergers than in natural, over time occurring organizational identity change processes (see e.g., Corley & Gioia, 2004). Alvesson & Willmott (2002) refer to the continuous and systematic processes of induction, training, and corporate education that repeatedly invite the organizational members to the identity work and communicate the description and experience of what it signifies to belong to the organization. As identity work occurs relatively unselfconsciously, it can prove a powerful means to exercise organizational control (Alvesson & Willmott, 2002).

When discussing socio-ideological control and organizational identity, the construct of organizational culture often comes up. As a concept, organizational culture is relatively close to the concept of organizational identity and has been defined in multiple ways during the past few decades (Ravasi & Schultz, 2006). Perhaps one of the most common ways to conceptualize organizational culture is to refer to its materialization through organizational artefacts such as name, products, buildings, as well as logos, and organizational rituals and histories (Hatch & Schultz, 1997). While organizational identity is considered relational and requiring conscious self-reflection, organizational culture is assumed to be more tacit and autonomous (Hatch & Schultz, 2000; Ravasi & Schultz, 2006). Organizational culture assists in organizational identification by providing cues that help organizational members to make sense of the essence of their organization (Ravasi & Schultz, 2006). In other words, it provides the symbolic context within which organizational members can interpret their self-definition (Hatch & Schultz, 1997). This said, a reciprocal relationship between organizational identity and organizational culture can be recognized (Hatch & Schultz, 2000; Ravasi & Schultz, 2006) – organizational identity reflects the cultural understandings of the organization and through a reflective process incorporates itself in the organizational culture (Hatch & Schultz, 2000). Thus, when the organizational culture changes as a consequence of a merger, it has implications also on the organizational identity and vice versa.

2.3.2 Technocratic control

If socio-ideological forms of control aim at influencing organizational members' behavior indirectly through belief and values systems, technocratic forms of control target it directly with formal policies and measurable outputs (Alvesson & Kärreman, 2004; Carlsson-Wall et al., 2019; Kärreman & Alvesson, 2004). Common examples of technocratic control include different key performance indicators, such as profit, cash flow, and various non-financial metrics, control practices, such as budgeting and incentive plans, integrated ERP systems, and multi-dimensional control tools, such as Balanced Scorecard (Carlsson-Wall et al., 2019; see also Dossi & Patelli, 2008; Kaplan, 1984; Otley, 1999). In addition, technocratic control can be carried out through different business and operative policies that aim at setting boundaries and guidelines on organizationally appropriate action (Alvesson & Kärreman, 2004; Carlsson-Wall et al., 2019).

Traditionally, conceptualizations of technocratic control have tended to focus on behavior-related features in a relatively impersonal manner, disregarding meaning, ideology, or other self-referential qualities (Carlsson-Wall et al., 2019; see also Alvesson & Willmott, 2002). Nevertheless, as presented in the introduction, it has recently been argued that technocratic forms of control have significant implications also on these organizational aspects, and that technocratic control can be used to contribute to socio-ideological control for example in managing and facilitating organizational identity and organizational identity change

(Abrahamsson et al., 2011; Alvesson & Kärreman, 2004; McLaren & Appleyard, 2021). Indeed, it has been suggested that accounting measures and organizational identity are intertwined in a reciprocal relationship and should thus be examined together for a comprehensive understanding of organizations (Abrahamsson et. al., 2011). This notion is supported by the observation that when organizations undergo an identity change, the process is often accommodated by a respective change in the accounting measures and vice versa (Seal, 2001). For a merger context, this implies a significant source of managerial influence on the organizational identity – was it consciously recognized or unrecognized.

When considering the relationship between accounting measures and organizational identity more carefully, their close interplay does not perhaps come as a surprise. After all, accounting measures are often constructed in relation to organizations' vision and strategy and are a valuable source of information on organizational performance. As such, they keep reminding the organizational members of the discursive aspirations related to the organization's self-conceptualization (Vaivio et al., 2021). Similarly, they convert the discursive elements into something concrete and more easily understandable, offering the organizational members with clarity in terms of the organizational reality and ambitions (Vaivio et al., 2021). This aspect becomes especially important in mergers. As mergers tend to alter the current organizational rationales and realities, sometimes even drastically (Corley & Gioia, 2004), accounting measures can prove powerful in highlighting the direction where the company seeks to move toward and in guiding the actions of the organizational members so that they are aligned with the desired path (Abrahamsson et al., 2011; Vaivio et al., 2021). Furthermore, it is through the language of accounting per se that the organizational members can begin constructing multiple possible futures in the first place, and from which they can then choose the paths they want to commit to (Abrahamsson et al., 2011; Boedker & Chua, 2013).

Consequently, accounting measures intrinsically set boundaries and guide organizationally appropriate action (Abrahamsson et al., 2011). According to Abrahamsson et al. (2011), this can often occur through an unquestioned process in which the accounting measures function as a significant organizational imperative. What is important to note is that this way accounting measures contribute also to the formation of the organizational reality (Abrahamsson et al., 2011; Kärreman & Alvesson, 2004; Seal, 2001). Indeed, accounting measures have so-called autopoietic tendencies, meaning that they have embedded in them self-producing and self-feeding attributes (Seal, 2001). On a more concrete level this means that accounting measures have the capacity to mold and align organizational members' consciousness and consequently behavior in certain ways (Abrahamsson et al., 2011; Hines, 1988; Kärreman & Alvesson, 2004). By influencing the overall organizational perceptions and understandings, they also influence those attributes that organizational members perceive, or want others to perceive, as central and distinguishing aspects of their organization (Abrahamsson et al., 2011). Thus, both in regular as well as merger contexts, the applied accounting measures can have significant and partly subconscious effects on the ways the organizational members think and understand themselves and their organization.

Nevertheless, Abrahamsson et al. (2011) also argue that accounting measures may similarly provide identity inconsistent-evident, for example in situations where the information produced by them contradicts the organizational members' comprehension of themselves as an organization. As Abrahamsson et al. (2011) found, this can invite organizational members to question and re-evaluate their sense of self and consequently spark comprehensive processes of organizational identity change. Thus, accounting measures can be used to not only legitimize but also delegitimize organizations' self-perceptions. This is distinctly true in so-called utilitarian types of organizations (Gioia & Thomas, 1996) where legitimate organizational behavior is ultimately dependent on the financial consequences that it produces (Abrahamsson et al., 2011). As organizations and their performance are typically thoroughly examined and evaluated in mergers, there is a heightened possibility for identity inconsistent evidence to occur. Furthermore, the re-evaluated organizational identity can even be the reason for the merger – an attempt to take the organization closer to the desired future identity and image.

The process of legitimizing or delegitimizing organizations' self-perceptions, then, is highly dependent on the information that the accounting measures produce. As stated, organizational members can reflect upon it and use it to reaffirm or alternatively re-evaluate their self-perception (Abrahamsson et al., 2011; Vaivio et al., 2021). Especially benchmarking, made possible by the comparability and transparency produced by accounting measures (Vaivio et al., 2021), can be considered an important means to reveal information on organizational attributes as an organization's position vis-à-vis other organizations influences how organizational members and important outsiders define and perceive the organization (Abrahamsson et al., 2011; McLaren & Appleyard, 2021). Through transparency and comparability, accounting measures tend to bring the self under inspection in such a way that it can be contrasted and evaluated against certain reference points (Vaivio et al., 2021) – were they high-performing others or aspects of the desired future self.

2.4 Theoretical summary

The above literature review has discussed the concept of organizational identity, different forms of organizational image, the process of organizational identity change, and the challenges related to it in a merger context. It has also described how socio-ideological and technocratic control may be used to manage organizational identity and what aspects of them typically become heightened in mergers. This section provides a theoretical summary of the reviewed literature and highlights its most important notions for the case study.

First, even though there exists no officially accepted definition of it (e.g., Abrahamsson et al., 2011), organizational identity is typically defined as the organization's members' collective and shared sense of who they are as an organization (e.g., Abrahamsson et al., 2011). Furthermore, as suggested by Ravasi & Schultz (2006), it resides both in the institutional claims within organizations (e.g., Whetten, 2006) as well as in the collectively shared beliefs and understandings among the organizational members (e.g., Corley & Gioia, 2004). Organizational identity has also been found to be intrinsically linked to the concepts of construed external image and desired future image as they aid organizational members in reflecting upon their self-definition (Hatch & Schultz, 1997) and require them to constantly reconsider and reconstruct their sense of self (Gioia et al., 2000).

Second, mergers typically imply rapid organizational changes that tend to evoke feelings of loss and uncertainty (Corley & Gioia, 2004), and trigger social phenomena, such as us-versus-them thinking, status evaluation, and dominating behavior (e.g., Giessner et al., 2012). Thus, the process of organizational identity change typically requires more conscious effort in mergers. According to Corley & Gioia (2004), the process of organizational identity change consists of three stages: triggers of identity ambiguity, identity change context, and leaders' response to the sensegiving imperative. They also identified social referent change, temporal identity discrepancies, and construed external image discrepancies as the main triggers of the identity ambiguity and refined desired future image, increased branding efforts, and modeling behavior as the main means to answer the sensegiving imperative. Throughout this process, a sense of continuity, perceived organizational fairness, and leaders' example can have a significant impact on the successfulness of the process of organizational identity change (e.g., Giessner et al., 2012).

Third, accounting measures have symbolic and meaning-related implications within organizations through which they contribute to legitimizing and delegitimizing organizational identity (e.g., Abrahamsson et al., 2011). As Vaivio et al. (2021) found, accounting measures produce persistence, clarity, direction, transparency, and comparability that support organizational members in the identity change process. By reminding the organizational members of the discursive aspirations related to the organization's self-conceptualization, converting the discursive elements into something concrete and more easily understandable, highlighting the direction where the company seeks to move toward, and assessing organization's position vis-à-vis social referents, significant outsiders' perceptions, and the desired future image, accounting measures influence how organizational members define and perceive themselves (see e.g., Vaivio et al., 2021; Abrahamsson et al., 2011; McLaren & Appleyard, 2021). Furthermore, it is through the language of accounting per se that the organizational members can begin constructing multiple possible futures and from which they can then choose the paths they want to commit to (Abrahamsson et al., 2011; Boedker & Chua, 2013).

3 METHODOLOGY

3.1 Study method and data collection

As implied in the introduction, the thesis discusses organizational identity change in a large Finnish manufacturing company, Metso Outotec. The study is conducted with a qualitative case study method (Ahrens & Dent, 1998; Parker, 2014; Scapens, 1990; Vaivio, 2008) to capture the essence of the post-merger identity and the process of organizational identity change that took place in the case company. The qualitative case study method is chosen mainly for two reasons. First, as the concept of identity is a theoretically grounded conceptualization and includes features such as subjectivity and abstractness (Vaivio et al., 2021), it is rather difficult to capture with quantitative methods (Sveningsson & Alvesson, 2003). Second, qualitative case studies can provide valuable insights to expand understanding of phenomena related to accounting practices, especially when they concern emergent topics or are associated with high levels of complexity (Henttu-Aho & Järvinen, 2013; Parker, 2014; Scapens, 1990).

Typically, case studies can be categorized either as normative or as positive depending on the theoretical purposes they serve (Scapens, 1990). Normative studies seek to prescribe 'what ought to happen' while positive research focuses more on describing and explaining the phenomena it examines (Scapens, 1990). As the aim of the thesis is to observe and depict the interplay between accounting measures and organizational identity change, the study can be seen as belonging to the positive stream of research. Furthermore, as the study seeks to dive into a relatively unexplored phenomenon with a limited theoretical starting point (Vaivio, 2008), it can be considered an exploratory case study (Scapens, 1990) aiming at theory discovery rather than theory refinement or theory refutation (Keating, 1995). The study incorporates existing literature on the linkage between technocratic and socio-ideological control, but as the field of research is still emerging, academics have yet to explore the linkage in a merger context. Therefore, the thesis has no particular theory to lean on (Vaivio, 2008) but can instead be seen as a preliminary study, producing an illustrative narrative for future research and inquiry (Scapens, 1990; Vaivio, 2008).

To explore the organizational identity change in the case company, ten semi-structured interviews (Ahrens & Dent, 1998; Vaivio, 2008) were conducted as the main data collection method. Semi-structured interviews are appropriate when the object is to guide the conversations to correct paths while still allowing for open questions and emerging topics and insights (Ahrens & Dent, 1998; Vaivio, 2008). It is to be noted that due to the theoretical and abstract nature of the concept of identity, it cannot be measured directly but instead needs to be approached in an indirect manner (Vaivio et al., 2021). Therefore, to ensure that the interviewees did not get confused, the use of the word pair 'organizational identity' was avoided in the conversations. Instead, the interviewees were asked to generally discuss the organization and the organizational change that took place, describe the implications of the changes as well as their experiences related to them. Moreover, the interviewees were not informed of the research questions beforehand but were provided with a one-page info letter attached to the interview invitation that contained some guidelines for the interview and information on the research and its topic in general. As the researcher and all the interviewees are native Finnish speakers, the interviews were conducted and transcribed in Finnish. This allowed for a more detailed and effortless conversation during the interviews and made it possible to dive more deeply into the topic. The transcriptions and the citations were subsequently translated into English to be applied in the thesis.

The interviews were conducted in May 2022 and, even though the implications of Covid-19 were not at their most severe during the field phase of the research, the interviews were held using the Microsoft Teams software. During the Covid-19, many of the organizational members had used to working remotely from home and therefore were not available at the office that frequently. This had both advantages and disadvantages for the study. On one hand, using the software allowed for the interviews to be recorded and transcribed automatically and for the researcher to focus on the interviews without having to worry about taking notes. Similarly, it allowed for the researcher to take temporal distance to the empirical data and return to it afterward with the same level of detail as during the actual interviews. On the other hand, communicating through a technical device limited the researcher's ability to follow the interviewees' physical patterns and demeanor during the interviews, especially as some of the interviewees did not have camera on during the interview. Also, the knowledge of being recorded might have impacted some of the interviewees' answers, especially regarding more sensitive issues. To minimize this risk, among others, the thesis will address research validity and reliability in the next subsection. Furthermore, triangulation (Vaivio, 2008) was applied in the study by collecting documents and secondary data from the interviewees and from unrestricted publications online.

As for the interviewees, they were suggested by two Metso Outotec informants and had all worked closely with the merger. Interviewing managers with detailed knowledge on the integration allowed for a better understanding of the merger process and the intended as well as realized implications of the integration practices. Nevertheless, it is to be noted that there exists a potential bias for the merger among the interviewees as the interviewees participated intensely on the execution of the integration and the creation of the new organization. This can be considered one of the study's limitations and will be discussed in more detail in the last chapter of the thesis. Furthermore, due to the multidimensional nature of the study's topic, the aim was to include interviewees from as many organizational functions as possible. Thus, the interviewees include managers form Finance, Human resources, Communication, Business development, Distribution, Process development, Integrated solutions, and different market areas. This allowed for a more comprehensive understanding of the researched phenomenon as different perspectives and organizational aspects became included in the research scope. Similarly, the interviewees include members from both legacy companies. Hearing from former Metso as well as former Outotec members was considered essential so that the perspective of neither organization would dominate the study and thus threaten the reliability of the thesis. The list of the interviews can be found in the appendices at the end of the thesis.

3.2 Validity and reliability of the study

For the sake of transparency and applicability of the thesis, research validity and reliability need to be properly addressed (McKinnon, 1988). The extent to which the study succeeds to meet these prerequisites directly influences the overall trustworthiness of the thesis and therefore the generalizability of its findings (Scapens, 1990; Vaivio, 2008). By securing research validity and reliability, it is possible for future research to lean on the conducted thesis and its implications and to apply and test its suggestions for further theory development.

Research validity implies how well the study reflects the phenomenon it has tried to capture (McKinnon, 1988; Scapens, 1990). In other words, it indicates the extent to which the study represents the objective reality that is being examined (Scapens, 1990). Specific attention needs to be paid to the research design and conduction as failure in either of these might lead to a situation where the study, unintentionally, focuses on phenomena that are not in the intended research scope (McKinnon, 1988). The aim is to capture only the intended phenomenon but to do that as comprehensively as possible. In academic literature, a typical way to ensure research validity is to integrate and combine multiple data sources to facilitate triangulation and verification of the research findings (Scapens, 1990; Vaivio & Sirén, 2010). Research reliability, on the other hand, indicates whether the findings of the study can be considered reliable (McKinnon, 1988). It is highly dependent on the conditions under which the research data is gathered and can easily be impaired by coincidental factors and circumstances related to the data collection phase (McKinnon, 1998). For example, different kinds of biases can be considered examples of these kinds of arbitrary factors that should be avoided, or at least mitigated as extensively as possible (McKinnon, 1998; Scapens, 1990; Vaivio, 2008).

Although there exist no official standards for evaluating the validity and reliability of qualitative management accounting research, many studies refer to McKinnon (1998) when assessing possible issues related to research conduct. According to McKinnon (1998), the threats to research validity and reliability can be divided into four main categories. The first category, observer-caused effects, refers to the implications of the researcher's presence in the research setting and addresses how this can impede the natural behavior of the interviewees (McKinnon, 1998). For example, the interviewees can become careful about their answers and express their opinions differently if they do not feel completely secure in the research setting or believe that the interviewer is working for the management and acting as a corporate 'spy' (McKinnon, 1998; Scapens, 1990). Consequently, the researcher should seek to create a secure feeling for the interviewees, for example by communicating the objective stance of the researcher, being approachable and interactive, and conducting the interviews anonymously. In line with this, the interviewees were provided with a one-page info letter before the interviews to make them more comfortable and familiar both with the study's topic as well as with the researcher. The interviewees were also informed that the interviews were conducted anonymously and that the recordings of the interviews would not be seen by anybody except for the interviewer. Furthermore, a relaxed and genuine atmosphere was fostered during the interviews to further reduce the observer-caused effects.

The second category, observer bias, in its turn, implies how the researcher's selective perception and interpretation of the empirical evidence influence the study's conclusions (McKinnon, 1998). For example, the observer bias can become heightened if the researcher is too attached to the preliminary assumptions of the study's results and falls into the so-called 'it fits, it fits' thinking, seeking factors from the empirical data to reaffirm his or her hypothesis (Vaivio, 2008). All case studies include observer bias to some extent, but to mitigate it as extensively as possible, the researcher should always be aware of its existence and objectively assess his or her deduction. Also, working in teams instead of alone can prove an efficient way to reduce biased interpretations (Scapens, 1990). In this study, observer bias was sought to be reduced by aiming at a comprehensive understanding of the case organization and the merger process it went through (see Scapens, 1990). Similarly, the existing research on the study's topic was internalized before drafting questions and going to the field (see Vaivio, 2008). During the collection of empirical evidence, triangulation was facilitated by combining semi-structured interviews with other available data concerning the merger and the merging partners (see e.g., McKinnon, 1998; Vaivio, 2008). For example, documents and secondary data were collected from the interviewees and from unrestricted publications online to support the information gathered from the interviews. It needs to be noted, though, that the researcher was a Metso Outotec employee during the study and therefore had already preliminary knowledge and perceptions of the case company. This naturally increases the risk of the observer bias as there exists a heightened possibility of the so-called ‘native problem’ (Vaivio, 2008). Thus, specific attention was paid to the observer bias throughout the research.

The third category, data access limitations, then, refers to the limitations that the research has in regard to the data collection (McKinnon, 1998). For example, limited time spent on the field, restriction of mobility, and limited access to information can influence study’s results. Thus, ensuring enough time on the field as well as investing in triangulation can help in reducing the risks related to this threat (McKinnon, 1998; Vaivio, 2008). Some internal material related to the study might not be available due to information security issues, but as much public and unrestricted material as possible should be applied to support the study and its findings. In this study, the field research time was relatively short, lasting only three weeks in May 2022. Nevertheless, and even though negatively influencing the observer bias, the researcher’s personal relationship with the case organization might have had a positive effect on the data access limitations. Indeed, the researcher had followed the internal communication within the company for a little over a year and had also an easy access to previous communication material within the organization. Also, being ‘one of us’ might have influenced the possibility of getting that many adequate interviewees from the case organization. Indeed, everyone who received an interview invitation agreed to participate in the study and was very open to share his or her experiences and perceptions.

Finally, the fourth category, complexities and limitations of the human mind, refers to the human factors that can lead to issues in research validity and reliability (McKinnon, 1998). For example, the interviewees might seek to present themselves in a flattering light and thus adjust their descriptions of certain events or phenomena. Furthermore, the facts about the researched phenomena can become distorted also inadvertently as it is part of the human nature to forget things, pay varying amounts of attention to different things at different times, and have varying sets of biases (McKinnon, 1998). Consequently, the researcher should seek to interview different voices from the case organization (Ahrens & Dent, 1998) and to create opportunities for the interviewees to both know and say what they mean (McKinnon, 1998). In this study, selecting managers from multiple different organizational functions and from both legacy companies allowed for collecting comprehensive evidence from the same source (see Scapens, 1990) and ensured that the perspective of neither legacy organization did not dominate the study. Furthermore, the interview questions were not provided beforehand to make sure that the reactions and answers of the interviewees were as genuine and truthful as possible. Also, asking probing questions allowed for the interviewees to consider their answers from multiple angles and to clarify what they wanted to communicate to the researcher (see Vaivio, 2008). It is to be noted, though, that all the interviewees represent Metso Outotec's management and were involved with the merger and the integration of the merging organizations. Therefore, it must be acknowledged that they might perceive the merger and the integration phase differently from those organizational members who did not participate in the planning and execution of the integration practices or who work at lower hierarchy levels within the organization. This can also be seen as one of the study's limitations and will be discussed in the conclusions in more detail.

4 CASE STUDY

4.1 Introduction to the case company

The first section of the case study introduces the case company, Metso Outotec. Background information on the case company's operations and strategy are addressed to better understand the context of the case company as well as the attributes central to its self-definition and organizational identity.

4.1.1 Metso Outotec and its operative context

As stated earlier, the case company is Metso Outotec, a Finnish, OMX Helsinki -listed company established in July 2020 as a result of the merger of two Finnish manufacturing companies, Metso Minerals and Outotec. The company operates in the aggregates, minerals processing, and metal refinement industries and focuses on providing its customers with technology and services for products' full lifecycle management. The customers vary from small local operators to multinational mining companies and include both dealers as well as direct customers. In 2021, Metso Outotec's revenue was 4 236 million euros with 60% generated by the minerals processing, 28% by the aggregates, and 12% by the metal refinement businesses (Metso Outotec, 2022). Although the industries Metso Outotec operates in are heavily cyclical, the cycles are stabilized by a wide range of services that the company offers. The company has operations globally in over 50 countries and employs over 15 600 people from over 90 different nationalities (Metso Outotec, 2022). Most of the revenue comes from Europe (28%), but almost as much comes from Asia Pacific (21%) and North and Central America (20%) regions (Metso Outotec, 2022). South America, Africa, Russia and CIS countries, Middle East and India, and China produce less revenue but are still important market areas.

What comes to organizational structure, Metso Outotec functions as a matrix organization with business areas running in vertical and group and business functions in horizontal axes. The business areas are responsible for their own orders and sales, financial performance, capital expenditures, and projects that support Metso Outotec's strategy. Altogether, the business is divided into five different areas: aggregates, minerals, metals, services, and consumables (Metso Outotec, 2022). The aggregates business consists of crushers, screens, feeders, portable and fixed crushing and screening facilities, and tracked equipment. The minerals business, on the other hand, includes crushers, screens and feeders, mills, vortex cleaners, flotation solutions, pyro processing, material handling equipment, and sludge pumps. Metso Outotec also has comprehensive solutions for optimized processes, including intelligent automation and control systems and solutions for tailings dewatering, treatment, and reprocessing. The metal business, then, provides a comprehensive range of solutions for ore, processing of concentrates and raw materials into pure metal, expertise in the production of sulfuric acid, and efficient and sustainable solutions for industrial and process water treatment. Finally, the spare parts and consumables services represent the aftermarkets. The business area presidents belong to the executive team and report to the company's CEO.

> *"The operating model itself is a so-called lean group, that is, the functions and support functions of the head office are somewhat minor but still sufficient and at the required level. As such, this is how we have tried to encourage this kind of end-to-end operating model, which means that every business is responsible for their own results and have their own target setting."* (Vice President 1)

The group functions, then, include CFO office, human resources, as well as legal and compliance and, similarly to the business areas, report directly to the CEO (Metso Outotec, 2022). Finance, business development, marketing and communications, IT and digital development as well as IT services operate under the CFO's office (Metso Outotec, 2022). In addition to the group functions, there are also various business area specific functions that support businesses in their operations. These vary between the business areas and include for example distributor management, R&D and product engineering as well as global logistics and operations (Metso Outotec, 2022). What comes to the market areas presented above, they are responsible for customer relationships as well as the sales and services within their region. They also serve to ensure that the cooperation between the global and the local organizations is efficient and smooth and in line with the defined roles and administration.

4.1.2 Metso Outotec and its strategic core

When considering Metso Outotec's strategy, it is built around a so-called Tier One[1] vision. In practice, this signifies that Metso Outotec aims at becoming one of the Tier One companies within its industry. The vision was launched already in the planning phase of the integration and quickly became the core of the new company. As described in the literature review, organizations typically form a visionary future image for themselves as part of the conscious change efforts to guide the revision of the organizational identity (see Corley & Gioia, 2004; Gioia et al., 2000) as the formulation of a compelling desired future image may motivate organizational members to alter their self-perceptions (e.g., Abrahamsson et al., 2011; Corley & Gioia, 2004; Gioia & Thomas, 1996) Indeed, each of the interviewees referred to this vision when describing the essence of Metso Outotec and what it meant to belong to it. The Tier One priorities are constantly discussed throughout the organization and guide the everyday actions of the organizational members. It was also noted that basically nothing 'new' was invented when creating the vision, but that the core themes were simply brought to the center of attention and raised to the next level. Launching the vision and clearly defining the direction for the new company was a strategic decision but also signified a new, sharpened way of thinking and doing for its members.

> *"Everyone here in Metso Outotec is now investing in and talking about the Tier One priorities. --. I don't recall that in either of the legacy companies these kind of core themes would have been discussed this much."* (Senior Vice President 2)

> *"Nothing particularly new was invented or highlighted here, but it was crucial that the targets were raised to the next level. For example, the relative profitability is significantly better than what the legacy companies had been able to deliver individually. So, the level of requirements has become higher."* (Vice President 1)

When creating the Tier One vision, benchmarking (see Abrahamsson et al., 2011; McLaren & Appleyard, 2021; Vaivio & al., 2021) was used to determine the central aspects of the vision as well as the targets related to them. Especially companies named Epiroc, Sandvik, Atlas Copco, Weir, and FLSmidth were considered high performers within the industries Metso and Outotec operated in. Neither of the legacy companies had been able to perform as well as they did and the desire to belong to their company, so to speak, was evident when the planning of the merger started. As many of the interviewees concluded, having a reference point was important in order to determine the direction for the new organization and to decide what to focus on.

> *"We want to be a Tier One operator in our industries, and if we now name a few competitors with whom we want to reach the same level, there are for example Epiroc and Sandvik from Sweden. From year to year they have been able to produce good and improving profitability and growth."* (Vice President 1)

> *"Certain benchmark companies for us include Weir, FLSmidth, Epiroc, Sandvik, and Atlas Copco. --. They operate in the same industries as we do and can perform really well – and so we thought, why cannot we do that too? --. You have to always have a comparison point."* (President 1)

What comes to the Tier One vision itself, it consists of four different aspects: financial performance, customer's success, corporate responsibility, and the culture of elicitation. As formulated by the leadership, these can be considered organizational identity claims providing organizational members with a legitimate narrative to construct a collective sense of self (see Whetten, 2006; Whetten & Mackey, 2002). These aspects are depicted distinctly also in the official values of Metso Outotec: 'we aim high – in everything', 'we focus on the customer', 'we get things done – together', and 'openly and honestly'. Despite the fact that all of the aspects are considered important for the Tier One vision, some of them seem to have a slightly bigger emphasis in Metso Outotec's strategy. Similarly, the interviewees

[1]Tier rating consists of three levels and is based on companies' capacities and significance within their industry. Tier One companies are the biggest, wealthiest, and the most technically capable. Tier Two companies are not as developed compared to the Tier One companies but are still considered key players within their industry. Tier Three companies, on the other hand, are the most modest companies and usually take on smaller projects. Companies can move from one level to another by enhancing their businesses and meeting the specific criteria for each level. Currently, Metso Outotec ranks as a Tier Two company.

considered them to vary in terms of the degree of realization in Metso Outotec's practices. The financial aspect seems to have the highest priority while the customer aspect tends sometimes to be compromised. Thus, these core aspects can be seen to be also influenced by the collectively shared beliefs among the organizational members (see e.g., Corley & Gioia, 2004; Dutton & Duckerisch, 1991). Nevertheless, it is clear that none of the aspects is considered redundant and that the aim is to increase performance in all of the areas.

> *"Tier One has four cornerstones. Financial performance, in other words being able to take the financial performance to the next level. Then, from the customer perspective, Tier One performance means that Metso Outotec comes to customers' mind as a potential problem solver. And the society at large perspective. That is, we are a significant societal actor and can produce good for the larger community around us and do our part in enhancing sustainability. And then, culture of elicitation, meaning that we constantly seek to improve our ways of working."* (Vice President 1)

As stated, financial performance is perhaps the most salient out of the four aspects related to the Tier One vision. It is also something that Metso Outotec is specifically ambitious about. The profit responsibility is clearly defined in the organization and the operating model has been designed to best serve the company in its objectives to increase its profits. The interviewees also highlighted how the emphasis on the financial performance has influenced the organizational culture and the ways the organizational members think. Everyone is focused on making decisions that will have a positive impact on the company's profitability and the aspect of the 'business case' is always included in the discussions about both the strategic as well as the operative efforts.

> *"We have made promises to our investors related to our profitability targets and those have influenced very strongly our organizational culture and how we perceive things. They are present in every organizational level and it is very clear that profitability is one of the most imperative metrics we have and toward which we are working constantly."* (Senior Vice President 3)

About the customer perspective, the interviewees had somewhat differing opinions. It seems clear that Metso Outotec seeks to focus on the customer experience and on creating increased value for them but at the same time is probably not quite there yet. The value creation is incorporated more in the decision-making processes and its importance is emphasized in being able to compete in the markets. Nevertheless, the company is still very young and naturally the merger and the company's inner matters have needed a lot of attention – the outbreak of Covid-19 has also introduced a variety of issues that have required special attention inside the company. Furthermore, the operating structure seems to be more appropriate for reaching the financial targets than the targets related to customer relations. Still, the interviewees considered the direction with the customer aspect to be appropriate.

> *"Customer satisfaction was considered in both of the legacy companies, but not on the same level as now. In the past, it was more of a separate thing and, in my opinion, the direction is now more toward including customer satisfaction in the decision making. It is not just a 'nice to know' factor."* (Director 2)

> *"I would like to say that Metso Outotec is customer-oriented but perhaps instead I have to say that it is relatively inwards-oriented, unfortunately. But I see that as a temporary thing and partly as a result of the merger. After all, it happened quite recently and then we had the Covid-19 going on at the same time."* (Senior Vice President 3)

What comes to corporate responsibility, especially environmental sustainability was emphasized in the interviews. It is clearly at the center of Metso Outotec's strategy and something the organizational members are proud of. Indeed, Metso Outotec's official vision is to be the number one choice among its customers in the sustainable use of the natural resources and has formulated its brand promise accordingly: 'Partner for a positive change'. It emphasizes sustainability in its product development and in addition to incorporating sustainability aspects into its technologies, it has also invested in creating a separate, so-called Planet Positive product selection that currently includes about 100 items. Furthermore, when examining the official communication of Metso Outotec, it is clearly detectible that the company seeks to stand out from its competitors with this aspect of the Tier One vision.

The words ‘sustainability’ and ‘sustainable’ can be found throughout the website and both internal and external communication.

> *“We are partner for positive change – that is our slogan. And we want to definitely brand ourselves as a forerunner in these [sustainability] matters in the industry segments where we are present. --. We are in an industry that contributes strongly to sustainable development. The reputation of mining industry is not very sustainable, and it is not seen as an environmental act per se. But it is a necessity, and we can do it in a sustainable way. --. For example, I told my wife that in my work I can do so much more for reducing carbon emissions, for instance, that I could ever do own my own as an individual.”* (President 1)

The culture of elicitation was also something that the interviewees confirmed as an important aspect of Metso Outotec’s strategy. They were also confident that this was something that actually showed in the organizational practices as well as in the organizational members’ approaches to everyday work. Words such as dynamic, ambitious, and systematic were used to describe the company and its standard ways of operating. Consequently, it seems that in Metso Outotec, target setting and follow-up coupled with the courage of taking necessary actions has been taken to another level compared to the legacy companies. In general, the atmosphere is very forward-looking and the aim to enhance the operations strong.

> *“I think systematic approach and clear target setting and follow-up on a fast cycle and then making changes if needed [describes Metso Outotec]. --. I think this is new for both of the legacy companies.”* (Vice President 2)

> *“I believe the courage to do also tough decisions and act faster is a lot better at the moment in this new company.”* (Vice President 3)

> *“It has been said many times that the strength of this organization is that we really deliver results. --. I believe that we are more dynamic nowadays. --. And it is noticeable that our customers are doing well and that we have opportunities to grow. I think it definitely creates a certain can do -attitude and of course raises ambition.”* (Director 1)

The efforts in creating a Tier One company have started to show and many of the interviewees suggested that Metso Outotec's public image is now better than what it was for Metso or Outotec. Indeed, in 2022 brand survey, Metso Outotec ranked as one of the 10 most valuable brands in Finland with a 26% increase in its brand value since 2021 (Brand Finance, 2022). In addition to Metso Outotec, well-known Finnish brands such as Neste, Kone, and UPM were included in the list. Considering that Metso Outotec was established only two years ago, the accomplishment is quite remarkable. Indeed, because of the revised desired future image and the increased branding efforts (Corley & Gioia, 2004), the public image of the company is much clearer and more coherent than what it was especially for Metso. When creating Metso Outotec, a decision was made to divest Metso's paper and process businesses so that the new company would be focusing only on the mining, metals, and aggregates industries. Consequently, the new company is now seen specifically as a mining company. This is a positive development, as achieving an alignment between the organizational identity and the construed external image is seen to strengthen organizational identity and identification (Abrahamsson et al., 2011; Foreman & Whetten, 2002; Gioia et al., 2000).

> *"In the most recent survey, we had risen to Finland's top 10 most valuable brands. --. Neither of the legacy companies was on this list on their own. So, I think it depicts quite well that we have done something right with our brand value."* (President 1)

> *"Metso Outotec is nicely displayed on official ratings by different forums. For example, sustainability ratings, how investors perceive us, or then, from the human resources perspective, how easy or difficult it is for us to find new organizational members. So, I think our brand is now much better known to people."* (Vice President 2)

> *"Metso Outotec is now seen specifically as a mining company, offering solutions for customers in the mining industries. So, our company image has definitely gotten clearer. And it was definitely one of the reasons for the merger that we wanted to focus on the mining and aggregates business and not be a sort of conglomerate that for example Metso used to be."* (Senior Manager 1)

4.2 The merger of Metso and Outotec

After discussing the operative and strategic context of the case company, the case study moves on to the merger context and addresses both the reasons behind the merger as well as the policies related to the creation of the new company. Organizational members' reactions and experiences related to the merger are also contemplated at the end of the section.

4.2.1 Background of the merger

The merger of Metso Minerals and Outotec was announced on the fourth of July 2019 and was something that had been speculated in the markets already quite some time before its actualization. One of the main reasons for this was that the companies were seen to form an exceptionally good 'fit' with their businesses located successively in the value chain. Metso was focused more on aggregates business while Outotec operated more in the minerals and metal refinement. As there were very few overlaps between the businesses, there were also a lot of potential for growth, innovation, and increased value creation. In other words, the business logic behind the merger was very clear and justifiable.

> *"The combination of Metso and Outotec is a unique opportunity to deliver significant value for our shareholders with a broad presence across minerals, metals, and aggregates value chains and an even stronger platform for growth and innovation."* (Metso Chairman Mikael Lilius, Equipment Journal, 2019)

> *"We talk about fit – meaning that if we look at the value chain where we operate, from stone crushing and grinding all the way to metal refinement, Metso was present where Outotec wasn't and vice versa. But when you put the businesses one after another in the value chain, they support each other excellently."* (Vice President 1)

Another reason for the merger was that the strengths of the companies were seen to support each other exceptionally well too. Metso and Outotec differed quite a lot in their emphasis in what came to doing business and combining these strengths was seen as an opportunity to serve the customers better and in a more holistic manner. Metso functioned more as a product organization with a high level of standardization in its products as well as emphasis on the aftermarkets and services business. Outotec, on the other hand, was considered more as a project organization and focused a lot on new technologies as well as research and development.

> *"This is an industry-shaping combination that joins two uniquely complementary companies. It builds on Outotec's leading technology competencies and Metso's excellent service capabilities."* (Outotec Chairman Matti Alahuhta, Equipment Journal, 2019)

> *"Outotec emphasized more product development and innovation and had bigger projects while Metso had a more standardized product portfolio with emphasis on the aftermarkets. --. And as such they support each other in a good way so that we get the 'best of both worlds'."* (Vice President 1)

In addition to the complementarities between the companies' businesses and strengths, also the similarities between their cultural background and values were seen to support the merger. Both of the legacy companies were global, stock-listed organizations, operated within the same basic industries, and had customers in similar market areas. Furthermore, they both had roots in the Finnish management style and, in general, had values very similar to each other. These were not necessarily considered reasons behind the merger, but more as factors increasing the probability for the merger to succeed. Indeed, these similarities provided the organizational members with a certain sense of observable continuity in the merger and ensured that there was something familiar to lean onto during the integration (see e.g., Giessner et al., 2012; Ullrich et al., 2005). Especially the similar value base was considered important, as it serves as a key element in organizational identity and identification (see e.g., Bedford & Malmi, 2015; Merchant & Van der Stede, 2017).

> *"Both companies were global organizations, operating in the same industries. And even though most of the customers were in mining countries, you could still see the Finnish background in the management style. --. So, we spoke the same language pretty well. And*

> *I do not mean only the Finnish language but also the thoughts about the business. --. The values of the companies were also very close to each other. There were, perhaps, different word choices, but the meanings behind the words were very similar."* (Senior Vice President 1)

4.2.2 Creation of Metso Outotec

As part of the pre-merger activities, the companies conducted an organizational culture survey to examine the potential similarities and differences the legacy companies might have. The survey consisted of seven different aspects: individualistic/collective, diplomatic/direct, planning/doing, cautious/risk-permitting, controlling/delegating, structured/flexible, and internal/external. Overall, also the results of the survey indicated that the companies were culturally very similar. Minor differences were detected only in two of the seven aspects. Outotec was considered to be slightly more direct and structured while Metso appeared to be more flexible, diplomatic, and doing. Similar to organizational values, also organizational culture plays a central role in the organizational identification as it provides cues that help organizational members to make sense of the essence of their organization (Ravasi & Schultz, 2006). Thus, the merger of Metso and Outotec was initially expected to be relatively easy and smooth, and the extent of the differences started to reveal only as the merger process went on and the work in the new organization began.

> *"An organizational culture survey had been conducted before the merger in which we could all assess what we thought about our organization and also about the other organization. And I remember when the results were published and how they showed how similar we were. And then when the time of the merger came, we realized that we were not as similar after all as what we had though."* (Senior Manager 1)

> *"At the beginning, we lived in this kind of illusion that it is easy for us to merge – that there are no big cultural differences between us. And on a certain level that was true. – But then when you look at the practices and for example the ways in which we were used*

> *to making decisions and taking things forward, the differences started to show."* (Vice President 2)

As the second quote above describes, the practices and processes related to decision-making were in most conflict. In Metso, the decision-making revolved more around the service business, financial figures, and profitability – it was very clear which financial targets everyone was responsible for, and individuals could make decisions and adjustments related to the business when needed. The knowledge and knowhow was culminated in people, and to solve a certain problem, one needed to know the right person to do that. Indeed, many of the interviewees described Metso's decision-making procedures with a term 'cow-boy mentality', emphasizing the power and authority individual performers had in the company. In Outotec, on the other hand, the decision-making and knowledge was strictly tied to processes. This was, at least partly, related to Outotec's business consisting of large projects and the consequent need for proper risk management. Nevertheless, some of the interviewees considered it was taken a little too far and resulting in too much bureaucracy and expenses.

> *"Metso had a more profit-oriented culture and had higher standards and expectations for making profit. Outotec was more process-oriented, sticking and relying on processes. --. And I think it has to do also with the different product portfolios they had. When you have bigger and more complex projects you have to have the processes in place so that the project management and completion can be done. While in Metso, aggravatingly speaking, everyone had been allowed to do what they saw best. And as long as the outcomes were good, this was encouraged."* (Vice President 1)

> *"Outotec had this kind of documentation and process management culture that was of course very heavy – it required lots of money to maintain it. And it was maybe not the most responsive [way of working]. And then Metso had this sort of culture that you needed to know who you needed to know – everything kind of revolved around people. There were maybe somewhat insufficient policies and processes and you needed to know who got them to work. But, thus there was this built-in flexibility."* (Senior Vice President 3)

What came to creating the new company then, the management agreed from the beginning that neither of the companies would dominate the merger or what was to become Metso Outotec. Instead, the idea was to create a completely new company, with the respect for and appreciation of the strengths of both of the companies. Both companies were aware that they had also weaknesses, and it was understood that these could potentially be addresses with the strengths of the other organization. As presented earlier, the complementarity of the companies' businesses and strengths were seen as the main business logic behind the merger, and, consequently, the ambition levels for the new organization were set high. The aim was to get 'best of both worlds' and to create a company that was better than the two legacy companies alone. As discussed in the literature review, the high-status organization typically tends to dominate the merger process and the process of organizational identity change (e.g., Giessner et al., 2006; Giessner et al, 2012) and thus complicate or even hinder the identification process among the members of the dominated organization (Giessner et al., 2006; Van Knippenberg et al., 2002). Some of the interviewees noted that as Metso was bigger than Outotec, it had also a slightly bigger impact on the new organization, especially on a structural level. Nevertheless, none of them used a word 'dominate' and highlighted how the integration was even surprisingly equal, considering the relatively large size difference between Metso and Outotec.

> *"So basically, the target was to get 'best of both worlds', meaning that we take what is good about each organization and put them together and create a new company that is even better."* (Senior Vice President 1)

> *"It was clear that we take neither Metso's nor Outotec's organizational culture but sort of consider what is good about each of the companies and from there begin to create the picture for the new company."* (Senior Vice President 3)

4.2.3 Organizational members' perceptions

The positive attitude toward the merger was also present among the organizational members. Many of the interviewees referred to the great 'fit' between the companies and agreed the merger and its business logic ‘to make sense’. There were a certain forward-looking atmosphere and the organizational members could see a lot of opportunities ahead. Furthermore, many of the interviewees expressed a sense of satisfaction – that is, finally this is happening. Even though excitement and enthusiasm prevailed the response to the merger, many of the interviewees also noted that worries over one’s own position in the new company as well as whether the new company would feel unfamiliar were evident. These are very typical feelings in mergers and in organizational change in general, (e.g., Corley & Gioia, 2004; Mirvis & Marks, 2003) and tend to affect the merger process negatively (Giessner et al., 2011). The interviewees highlighted that individual reactions to the merger typically vary a lot and one cannot really speak for others on a personal level. Indeed, they could share their own experiences but only reflect upon the impression that they had on the reactions of others within the company.

> *“There was this strong belief that this a good alliance, so to speak, so the business logic of the merger was easy to sell. And of course, in a way, we were making Finnish industrial history and it was a unique opportunity in that sense. So, the motivation was really good.”* (Senior Vice President 1)

> *"I remember when the merger was announced. --. And the first thought I had was that, well, finally! Because this merger had come up in the market discussions every few years.* (Vice President 3)

> *"I remember my own feelings, that I thought, oh okay, how does this influence me. --. And then again, I think that there were a lot these thoughts that ‘finally!’--. And in my opinion, that enthusiasm has remained and the attitude toward the new organization is essentially very positive, forward-looking, and people are seeing opportunities ahead."* (Senior Manager 1)

What comes to the uncertainty and worry evoked by the merger, communication was considered one of the key aspects in their mitigation. Many of the interviewees expressed their appreciation over the efficient and open communication that was facilitated during the integration phase. A lot of info sessions were held to keep everyone on track with the integration practices and its progression – everyone was allowed to take part in the discussions and even tough questions about the merger and its implications were welcomed. Indeed, the aim was to keep the uncertainty related to the merger and the integration phase at the minimum and to keep that vague period as short as possible.

> *”Internal communication was invested in a lot and a lot of different info sessions were arranged very quickly after the merger. --. And those were very popular actually. We were able to follow the number of the participants and indeed a lot of people attended them.”* (Senior Manager 1)

> *“In my opinion, the management has been very open about the matters related to the integration and one has been allowed to ask also challenging questions.”* (Director 1)

The interviewees also highlighted the importance of clearly communicating the direction where the new company was headed. The Tier One vision, discussed in the previous section, was actively communicated and emphasized both internally and externally. This produced a strong sense of projected continuity (Giessner et al., 2012; Ullrich et al., 2005) for the organizational members, allowing them to better adjust to the changes and to refine their collective sense of self. Even though some of the interviewees thought that the Tier One vision was relatively theoretical at first, they also argued that having the vision in place from the very beginning was still important. Furthermore, they agreed that the consistency and clarity of the vision, throughout both time and discussions as well as also behavior and the example set by the management (e.g., Giessner et al., 2012; Ulrich et al., 2005), contributed significantly to the vision’s implementation. That is, in the end, they thought that what used to be theoretical had indeed become also practical in the new organization.

> *“The Tier One vision was what Pekka Vauramo [CEO] started his narrative on what this new company was to become. And it was communicated a lot during the integration phase and is still something that is strongly present in both our internal as well as external communication.”* (Vice President 1)

> *"The Tier One themes were clearly visible already in the early stages of the integration phase, but I think they were just verbiage back then. During the integration we then started to define how they guide our actions and work and what do they really mean."* (Senior Vice President 2)

> *"The direction has been very clear all along, but it takes time for people to understand and internalize it. --. But one thing that has maybe helped us here is that the message has not changed. The same strategy has been kept from the beginning and then it has just been clarified what it means for us in practice."* (Vice President 2)

Indeed, many of the interviewees expressed that they were actually really proud of the new company and happy to be its members. They also considered the new company generally better than the legacy companies and were happy with the direction it is moving toward. For example, the themes related to the Tier One company were regarded as important and it was appreciated that they are now emphasized in the company's strategy and everyday operations. Furthermore, many of the interviewees regarded it as an important factor that the company had been able to reach its integration targets and thus fulfill its promises to the markets and other stakeholders. This was considered especially important as it is not always obvious that mergers are completed successfully and that the objectives set for them are reached. As discussed in the literature review, organizational members typically aspire to reach an alignment between their organizational identity and their construed external image (e.g., Abrahamsson et al., 2011; Corley & Gioia, 2004) as well as between their construed external image and their desired future image (e.g., Abrahamsson et al., 2011). Achieving these alignments strengthens the organizational identity and identification enhancing the organizational identity change process among the organizational members (e.g., Abrahamsson et al., 2011; Gioa & Thomas, 1996).

> *"I could say that my relationship with the organization has even strengthened, that the merger has brought more of that feeling that as an employee, I am really, really happy and proud that I get to work here."* (Director 1)

"I am of the opinion that this company is better than, for example, Metso was on its own. There has been a huge development in the culture to a more positive direction and a lot of different things are emphasized now." (Senior Manager 1)

"We have already proven to the markets and also through our own numbers – which is actually not even that common or something that happens automatically – that we have reached the integration targets we promised. So, I have a certain sense of pride that this merger has been accomplished and achieved." (Vice President 3)

Despite of the general content with the new company, many of the interviewees also argued that there is still work to be done in terms of the integration. Issues were reported for example in the ways organizational members from the legacy companies tend to approach the work – something that was also the most distinct difference between the legacy companies' cultures (see Hatch & Schultz, 2000; Ravasi & Schultz, 2006). Furthermore, it was noted that combining processes and measures in the management style has been somewhat challenging and that it has required a lot of work to understand how the processes can be measured on a sufficient level. In addition, it was also argued that although the integration has progressed nicely in the business areas, most of the market areas seem to lag behind in the process. Indeed, the process of organizational identity change rarely is a straightforward and linear process (see e.g., Corley & Gioia, 2004; Gioia et al., 2013). Nevertheless, the interviewees seemed to agree that these challenges were being addressed and that the direction with them was correct.

"It still comes up in conversations sometime that which legacy company one comes from. Because it somewhat frames how one thinks and talks about things. Some people want to proceed faster and some want to confirm if we have permission for this and if we can do this and if this is okay?" (Director 2)

"We have broken the financial management style that came from Metso – that you know exactly where your numbers come from and can manage through them – by bringing in

> *this other element, processes. But we haven't really known how to measure the processes sufficiently so that we would understand what performs well and what not. So, I think we are still on our way in that."* (Senior Vice President 3)

> *"I believe that we moved forward with the common culture faster in the business areas, but that there is still some way to go in certain market areas. --. It's probably just the fact that the customer interface still sees certain business areas as products, so to speak."* (Senior Vice President 2)

4.3 Accounting measures in Metso Outotec and its merger

In the third section of the case study, the thesis discusses accounting measures related to the case company's strategy and merger. The implications of the Tier One vision, synergy targets, and visibility to numbers are addressed to form an understanding of accounting measures' influence on the case company's organizational identity change process.

4.3.1 Tier One vision

As explained earlier, the Tier One vision is at the core of Metso Outotec's strategy and who the company wants to be and become. Naturally, there are multiple accounting measures in place that are directly related to the four aspects included in it. The interviewees agreed that the linkage between them is strong and that the targets and key performance indicators depict the company's values and what the company considers important. It was also maintained that the targets and metrics introduce the vision concreteness and make it more comprehensible and easier to understand. For example, one of the interviewees noted that without the concreteness of the targets and metrics the vision is nothing but a 'buzzword', something that sounds pretty but has no connection to the everyday business and work of the organizational members. Indeed, as Vaivio et al. (2021) note, accounting measures can function as powerful translators turning discursive elements into concrete and 'hard' reference points for identity formulation and revision.

> *"The targets and metrics we follow are directly linked to our values and the Tier One vision. They are genuinely important as they concretize all the work that is being done. The vision is something that is talked about constantly and tried to make more understandable. Otherwise, it is going to be just a buzzword."* (Senior Manager 1)

By introducing the vision with concreteness, the targets and metrics provided it also with clarity (see Vaivio et al., 2021). Indeed, the interviewees agreed that the accounting measures related to the vision significantly clarified what the company is and is not and indicated where to focus on one's work. Especially during the uncertain period at the beginning of the integration, when there was still some ambiguity on the roles and responsibilities, the targets and metrics helped in guiding the organizational members and anchoring them onto specific areas of business. As such, the accounting measures contributed to mitigating the uncertainty and vagueness revolving around the new company and marked the direction where it was headed. When the vision was explained through explicit, numeric targets, it became easier for the organizational members to understand what to work for. In addition, the constantly present and measured metrics kept both reminding the organizational members of the vision as well as provided them with evidence of incremental advancement in terms of the desired future image and identity (see Vaivio et al., 2021). This identity consistent evidence, or at times also identity inconsistent if the improvement in the metrics was not what was expected, effectively legitimized and delegitimized the organizational behavior and action and guided it toward the desired direction (see e.g., Abrahamsson et al., 2011).

> *"I believe that the fact that there has been ambiguity in our roles and responsibilities has caused a lot of uncertainty and questions and confusion and slowness in the organization. --. But I also believe that those Tier One targets have brought clarity to what we are and what we are not."* (Senior Vice President 2)

> *"In my opinion, the metrics are actually very important and it is indeed a saying that 'you get what you measure'. --. In other words, they help us understand where we need to focus now and where we need to increase our performance."* (Senior Manager 1)

Financial targets and measures

One of the most important targets related to the Tier One vision is to reach an adjusted EBITDA of over 15% over the cycle. The target is very clear and was mentioned by almost all of the interviewees as the first target when referring to the Tier One vision. Reaching the profitability target was also considered essential for being able to both categorize as well as identify as a Tier One company. Indeed, the companies Metso Outotec is benchmarked against are able to produce profitability this high, and even more. Thus, to belong to their company ultimately signifies increased capacity for profit-making. This is a relatively strong statement and, as such, the profitability target can be considered one of the most defining aspects of the direction where the company is heading. That said, and as discussed already earlier, benchmarking, made possible by the comparability and transparency produced by accounting measures (see Vaivio et al., 2021), proved to be an important means to reveal information on the desired organizational attributes (see Abrahamsson et al., 2011; McLaren & Appleyard, 2021) and the base on which the vision of the company's new identity was built on (see Abrahamsson et al., 2011; Boedker & Chua, 2013).

> *"I would say that profitability is perhaps the most central metric for us, and I think that everyone understands that, in the very end, being Tier One company means that we produce Tier One profitability."* (Senior Vice President 3)

> *"We are now on the Tier Two level, where the EBITDA is between 10% and 15%. The best companies in our industry are on the Tier One level and have EBITDA over 15%. And we want to get there with them, and I think that message is very clear for us as a company, as Metso Outotec."* (Director 2)

It was also clear that neither of the legacy companies had reached this profitability level on their own. Metso was perhaps a little closer to it than Outotec, but they were both still under the 15% line. Although the target was considered relatively high and the current state of the world challenging, the interviewees still appeared very positive that reaching the target is possible for the new company. Many of the interviewees highlighted how clear the 15%

profitability target is for every organizational member and how strongly it impacts the work mentality and culture in the company. It was also noted that not only the target itself but also the way it is measured influences the way of work. For example, it strongly guides the way power is distributed in the organizational and dictates who has the authority to make the decisions.

> *"The profitability target has a huge impact on our organizational culture and the decisions we make. --. And then how we measure profitability also strongly influences the way we work. We have organized ourselves into business lines and calculate profitability for those. And I believe it influences greatly the organizational culture and defines who has the power in our organization and makes the decisions."* (Senior Vice President 3)

Customer targets and measures

What comes to the customer aspect of the Tier One vision, one of the most significant metrics in use is the global customer satisfaction metric Net Promoter Score (NPS). In that, Metso Outotec has a target of +50[2]. In addition to following the general customer satisfaction, there is intention to also track the success of individual customer encounters. This introduces another level to the customer satisfaction analysis and allows for a more detailed information on how satisfied the customers are throughout the company's businesses. For example, the satisfaction can be measured on the level of different products and even specific deliveries. All in all, the interviewees seemed to agree that measuring the customer satisfaction has become truly important for the company and the information produced by it is used to enhance the company's business and operations.

> *"We measure our customer satisfaction with the Net Promoter Score and there we have a tough target to reach +50. And of course, it guides our operations."* (Senior Vice President 2)

> *“We also seek to introduce more transaction-based satisfaction surveys so that we can get more targeted feedback on how for example certain product categories behave and what is the customer satisfaction for certain products and their deliveries.”* (President 1)

> *"Customer satisfaction has been taken as a clear measure. It has been a pleasure to notice that the customer satisfaction survey at Metso Outotec has increased in value."* (Director 2)

In addition to the Net Promoter Score, also Dealer Response Time, On-time Delivery, and Digital Account Planning are measured. Dealer Response Time and On-time Delivery are lagging indicators and measure how well the company can serve its customers, keep its promises to them, and react to their varying questions and needs. The Digital Account Planning, on the other hand, is a leading indicator and measures the cooperation between the company and its customers. Its main objective is to better understand the needs of the customers now but also in the future and thus to benefit both them and Metso Outotec. Similarly to the more transaction-based customer satisfaction surveys, also the Digital Account Planning takes the customer analysis in the company to the next level.

> *“We also measure our Dealer Response Time and On-time Delivery, meaning the capabilities of our customer service and how we can keep our promises and react to the questions the customers may ask. --. And then we have started to measure our Digital Account Planning, meaning how much we have been able to implement account planning for our most important customers.”* (Senior Vice President 2)

Sustainability targets and measures

One of the most important sustainability targets for Metso Outotec is to become carbon neutral by the year 2030. Most of the company’s carbon emissions are produced in the Consumables business where many of the products are manufactured by the company itself.

[2]The Net Promoter Score scale ranges from -100 to +100.

Indeed, the business area produces as much as 90% of the company's total carbon emissions. Therefore, the highest ambition as well as targets concerning carbon emissions reductions are located there. The efforts done by so far to reach the target include for example switching to green energy, finding out different recycling methods, and seeking to find more ways to reuse materials from the used consumables. The actions have been effective and Metso Outotec has been able to reduce its carbon emissions by 57% since 2019 – the comparison point for the target.

> *"Metso Outotec has a target of becoming carbon neutral by 2030, which means that now we have investment portfolios and all built so that our own manufacturing footprint could reach that target."* (President 1)

> *"We have now reduced our emissions a little over 50%. We have switched completely to green electricity in all of our factories, we have introduced different recycling methods, we have thought about how we can reuse materials, and we have started to develop these circular economy concepts."* (Senior Vice President 2)

Another way to measure Metso Outotec's effort toward a more sustainable business is to look at how much of the company's sales consist of the most sustainable products the company offers: the Planet Positive products. These are products that indirectly increase Metso Outotec's sustainability effect by increasing that of the customers. Indeed, this handprint effect is considered to be even more significant for the company than its actual footprint. The mining business is inherently not the most sustainable business and therefore everything that can make it even a slightly more sustainable has actually a relatively substantial impact. Therefore, in addition to seeking to increase the sales of the Planet Positive products, the company is also including the sustainability aspect in its research and development. Indeed, all new products and solutions need to include a positive sustainability effect.

> *"We have launched these Planet Positive products, auditioned them, and can now follow their sales and proportional share from our revenue. None of this existed before."* (President 1)

> *Even though our footprint effect is crucial, what is even more crucial, is our handprint effect. So, we have thought about which of our products produce sustainability benefits to our customers and based on this we have defined these Planet Positive products."* (Senior Vice President 2)

Performance culture targets and measures

The performance culture, then, is followed up with Our Voice Survey and the Employee Net Promoter Score (ENPS) that is calculated from the survey's results. The survey consists of multiple parts and includes questions that target organizational members' attitudes and feelings related to the desired ambitious levels and efficient ways of working. Also other topics than the performance culture are assessed in the survey. For example, employee well-being can be followed up with it. Surveys on employee satisfaction were conducted also in the legacy companies, but not as often as in the new company. In Metso Outotec, the aim is to have it more as a regular practice rather than just a necessity executed once a year so that possible challenges can be addresses as quickly as possible.

> *"We use Our Voice survey and ENPS that measures employee satisfaction. --. There are questions categorized for example based on our values such as high ambition, cooperation, efficiency, and so on."* (Senior Vice President 2)

> *We have an employee satisfaction survey that we conduct every quarter. These kinds of surveys were also in place in the legacy companies, but they were not conducted as often. We want this to be more of a pulse rather than a big thing that is done just once a year."* (Vice President 2)

Another factor that is measured is the number of different trainings and certifications that the organizational members conduct. Especially in the field service, it is important to maintain a high level of knowledge and expertise as the products as well as their assembly and maintenance are bound by advanced engineering. Nevertheless, expertise and skills are considered important throughout the company and seen to support the performance culture. For example, the impact of effective training of the services personnel on the profitability is something that is measured on a regular basis. Both the ENPS as well as the number and financial impact of the trainings were considered to highlight that the company was moving toward the culture of elicitation (see Vaivio et al., 2021).

> *"We measure for example how much we have conducted different trainings and how many certified people we have – in field maintenance there is this certification program that is quite important. And then we measure how much we have been able to enhance our profitability in our services by educating and training our service personnel and thus increasing their competence."* (Senior Vice President 2)

The performance culture is significantly impacted also by the financial targets, especially profitability. The ambitious targets as well as the pressure to reach them have raised the level of performance throughout the company and influenced the organizational culture as well as organizational members' mindsets (see e.g., Abrahamsson et al., 2011; McLaren & Appleyard, 2021; Vaivio et al., 2021). The interviewees seemed to agree that because of the tough targets, everyone needs to do their very best and constantly seek for opportunities to enhance the business. In other words, the 'business case' is taken very seriously and wasting time or resources is not an option.

> *"I think that the financial metrics and targets as well as the pressure to reach those targets have been adopted well in the company. That is, no 'hobby business' is allowed. Everyone is under pressure to improve his/hers work. And that is something that has influenced and still influences the organizational culture and the way we work."* (Vice President 1)

4.3.2 Synergies

The management had established both cost as well as revenue synergy targets for the merger. These were defined relatively precisely already in the planning phase of the merger. Cost synergies were estimated to be 120 million euros and the sales synergies 150 million euros. As there were overlapping organizations in the new company, employee reductions needed to be made. In general, there were also a lot of room for more efficient and organized operations. Multiple specific synergy projects were established in different parts of the company and the organizational members were assigned with various targets related to them. These were also rigorously followed. Similarly, all sales synergies were registered and entered into the synergy follow-up system to keep on track on the integration process. Proceeding this way during the integration guided the behavior and focus of the organizational members rather strictly (see e.g., Abrahamsson et al., 2011). Similar to the targets and metrics related to the Tier One vision, also the synergy targets and their measurement clarified the organizational members what was expected from them and what organization- and business-related attributes were considered significant for the new company (see Vaivio et al., 2021).

> *"In H2 2020 and year 2021 almost everyone in the organization had targets related to the integration. We had targets related to the cost and sales synergies as well as for specific synergy projects. For example, for Services business, one important project was the Warehouse Footprint. --. At the beginning of the merger we had 53 distribution centers, and now at the end of the project, there are 18 of them.* (Senior Vice President 1)

As discussed in the literature review, being able to clearly see where the company is headed increases the organizational members' sense of projected continuity during the organizational change (Giessner et al., 2012; Ullrich et al., 2005). Indeed, the interviewees considered it important that everyone was aware of the integration's progression. Some of them highlighted for example how tracking the cross sales and communicating the synergies was something that made the integration more concrete and tangible (see Vaivio et al., 2021) while others emphasized them in the formation of the common culture (see e.g., Abrahamsson et al., 2011). Seeing everyone working for the same goal and also seeing one's own contribution to the whole was something that was considered highly important.

> *"After the merger, specifically this cross opportunity was a very high priority in certain business areas. And it was followed and also communicated well that hey, now we've received good first sales, for example. So, the understanding was built through this kind of concreteness."* (Senior Manager 1)

> *"The realization of the synergy targets was monitored very closely and it was communicated regularly. And I claim that it was very important that it was visible and we were shown that we were all really working for the targets. And also, to see one's own contribution as well – how has it influenced the whole. It is quite a big part of the formation of the common culture."* (Vice President 2)

By the end of 2021, Metso Outotec had reached and even surpassed its targets for the cost synergies. Also, the revenue synergies were achieved almost a year ahead of the original plan. Thus, the company declared its official integration phase completed and stated the focus to be on growth from that on. Reaching the synergy targets was considered a sign of a successful integration and as something that significantly influenced the general atmosphere in the new company. As such, it functioned as a proof of progress toward the desired future image and identity (see Vaivio et al., 2021). Furthermore, it was noted that credibility of the new company essentially depended on reaching the synergy targets promised to the markets. In other words, achieving the targets was seen as crucial for the company's public image. Consequently, the synergy targets were considered very directive during the integration phase and seen to influence the business decisions and work a lot. This way, the synergy targets and the work revolving around them served as branding efforts (see Corley & Gioia, 2004), signaling the significant others of the capabilities of the new organization and affecting their perceptions of it (see e.g., Abrahamsson et al., 2011; Corley & Gioia, 2004; Dutton & Duckerich, 1991).

> *"Our targets definitely influence the mood of doing things. And then again maybe at the same time, we have felt that those have been realistic. And then I think that the fact the integration went so well and according to the plans and we even surpassed the synergy targets. And people were rewarded for the good performance. So, the achievement then also increases the hunger for 'what is next'."* (Director 1)

> *"In this kind of bigger integration where big synergies are promised to the investors and where the stock market also reacts quite strongly to certain promises, in practice, the credibility of the entire new company is very dependent on how the declared synergy targets are reached. --. And this has forced us to drive certain cost and revenue synergies during when the integration was conducted. So, I would say that reaching the synergy targets has been extremely directive."* (Senior Vice President 3)

4.3.3 Visibility to numbers

What turned out to cause some issues during the integration, though, was combining the information of the legacy companies. Even though their financial systems as well as the enterprise control systems were of the same software, they were still built in completely different ways and based on different versions. It took some time before the systems were synchronized in a way that they could 'discuss with each other', as one of the interviewees put it. This additional work then of course slowed down the actual everyday work of the people working with the systems and figures in them and took the focus away from analyzing the numbers to struggling to report everything on time.

> *"I guess the biggest challenges in taking over my own position and the business were related to different systems and the struggles in combining information. --. It takes time getting the systems to 'discuss' with each other."* (Senior Vice President 1)

> *"Those first months were difficult when the figures had to be combined and the financial systems and enterprise control systems were built in a completely different way and based on different versions, despite of being of the same brand."* (Senior Vice President 1)

Another challenge was caused by the metrics interpretation. Even though both of the companies were stock-listed and thus under the IFRS reporting legislation, they used the terminology in a slightly differing way. Thus, the actual content and meaning behind a certain metric could, in many cases, be different for each of the companies. A lot of time was spent on figuring out a common dictionary for the companies to ensure that they were really talking about the same thing when referring to a certain metric. This, similarly to the challenge with different systems, made it more difficult to find the common language, so to speak, in terms of the numbers. When the numbers cannot be fully trusted, all the beneficial qualities they produce (see e.g., Vaivio et al., 2021) are diminished in value and tend to increase the sense of uncertainty among the organizational members.

> *"The same terms had very different meanings in the companies. For example, it could be that we talked about something for half an hour and then realized that we were actually talking about completely different things, even though we were talking about the same metrics."* (Senior Vice President 1)

> *"One interesting challenge that we had was finding a common terminology or dictionary. Even though both companies followed the IFRS legislation for listed companies, they used the terminology differently."* (President 1)

The third challenge, in its turn, was partially a result from the first two challenges. At the beginning of the integration, when the systems and metrics still differed between the legacy companies to some extent, it was difficult to measure both parts of the new company in a univocal and unambiguous way. As the comparability of the metrics was temporarily reduced, it increased the uncertainty over the company's performance for a short time period. Especially those parts of the new organization that were created from scratch as a consequence of the merger, the uncertainty over the metrics was heightened. That is, without proper historical data, it was very difficult, if not impossible, to assess whether the numbers for different operational metrics were good or bad.

> *" It produced some kind of pain for a long time when it was not possible for us to measure both parts of the organization unambiguously and with the same metrics. --. Sometimes it is said that information increases pain, but in this case, it could be said that also the lack of information increased the pain. --. That is, the uncertainty over what do these numbers we have here mean?"* (Senior Vice President 1)

> *"It is interesting what happens when you then suddenly lose visibility to numbers on an operational level. --. Then you are in situation where you look at the monthly subscriptions and wonder if the situation with them is good or bad, and if they all belong to you or if some of them actually belong to someone else."* (Senior Vice President 3)

5 DISCUSSION

5.1 Accounting measures and organizational identity change in a merger context

As stated earlier, the purpose of the thesis is to expand the existing theoretical and empirical knowledge on the process of organizational identity change by examining how accounting measures influence the process of organizational identity change in a merger context. Simultaneously, the thesis contributes to the relatively limited amount of existing research on the relationship between technocratic and socio-ideological control in organizations (see e.g., Abrahamsson et al., 2011; Carlsson-Wall et al., 2019; Gerdin, 2020; Vaivio et al., 2021; Van Der Kolk et al., 2020). Considering the high rate of unsuccessful mergers and the significant issues in merging people, understanding how accounting measures can be facilitated to support the formation of a common organizational identity for a post-merger organization becomes crucial. Consequently, the findings of the thesis can aid organizations in their growth aspirations in the increasingly more global and competitive business environment.

As the recent accounting literature suggests, accounting measures are closely intertwined with the process of organizational identity change (Abrahamsson et al., 2011; McLaren & Appleyard, 2021) and identity change in general (Vaivio et al., 2021). The thesis' case study supports this view and argues that accounting measures can significantly enhance the process of organizational identity change within a merger and thus increase the potential for a merger to succeed. Nevertheless, the findings of the thesis' case study suggest that accounting practices can also complicate the process of organizational identity change by creating ambiguity around the meanings attached to the desired future image of the newly formed organization and by increasing the experienced change overload of the employees (see Corley & Gioia, 2004). Therefore, the effects of accounting measures on the process of organizational identity change should be contemplated carefully – the implications are not unequivocal but can have varying effects depending on the context and the use of the accounting measures. What is more, accounting measures were found to influence the process of organizational identity change throughout the entire change process described by Corley & Gioia (2004), as depicted in Figure 2 below.

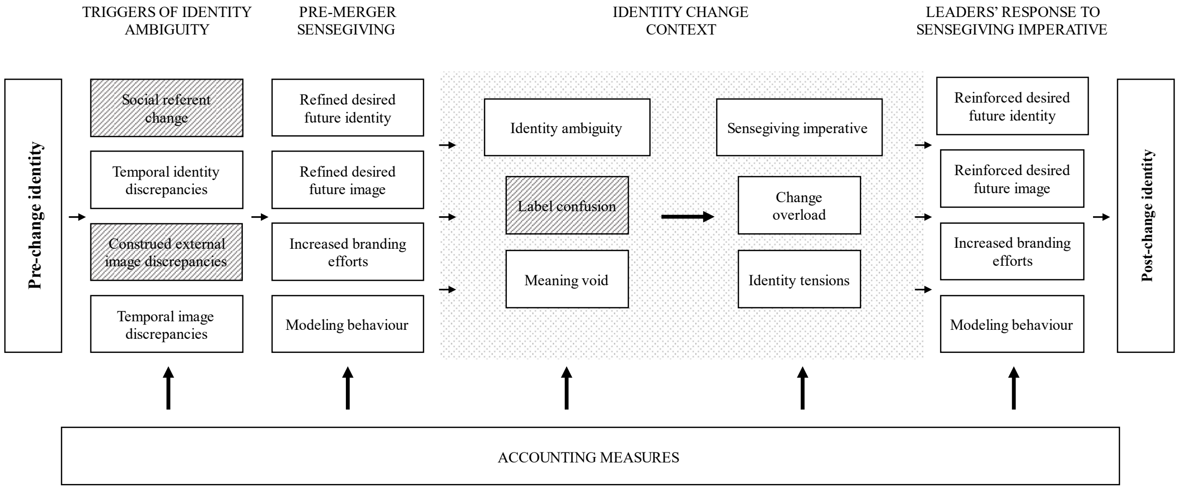

Figure 2: Accounting measures and organizational identity change in the case company

In the case company, the social referents seemed to have stayed the same for both legacy companies after the merger and no difference between the organizational members' self-perception and the perceptions of the significant outsiders of the organization were detected. Nevertheless, what appeared to be experienced especially strongly within the case company was the temporal identity discrepancy (see Corley & Gioia, 2004; Gioia et al., 2013). Additionally, a heightened sense of temporal image discrepancy (see Abrahamsson et al., 2011; Gioia & Thomas, 1996) was also noticed in the case study. These were revealed by different accounting measures, especially the financial metric of EBITDA, when the company compared itself with its high-performing social referents Epiroc, Sandvik, Atlas Copco, Weir, and FLSmidth (see Abrahamsson et al., 2011 McLaren & Appleyard, 2021). The transparency and comparability produced by the accounting measures (Vaivio et al., 2021) produced information on how the company positioned in the competitive field (Abrahamsson et al., 2011; McLaren & Appleyard, 2021). As the new company desired to perform as well as its competitors and be considered one of the Tier One companies by the significant outsiders, the accounting measures functioned as a perceptual lens in evaluating the company's self-perception and its desired future identity and image (see Abrahamsson et al., 2011; McLaren & Appleyard, 2021).

Therefore, the temporal identity and image discrepancies became the main drivers behind the leaders' sensegiving imperative (see Corley & Gioia, 2004). Interestingly, this sensegiving began already before the actual integration of the merging partners. This differs from the framework by Corley & Gioia (2004) who detected the sensegiving to be a consequence of the heightened identity ambiguity in the identity change context. One of the most significant ways of sensegiving among the management was the creation of the Tier One vision for the new company. As with revealing the temporal identity and image discrepancies, the knowledge produced by the accounting measures had a significant impact on the formation of the Tier One vision. The vision was formulated around and guided by different financial and non-financial targets – a quantitative language that helped the organization to envision and revise its desired sense of self (see Boedker & Chua, 2013). It is to be noted that the vision could partly be seen also as an increased branding effort as the company wanted to position itself within its industries in a certain light (see Corley & Gioia, 2004). Furthermore, also the synergy targets were closely related to the significant outsiders' perceptions as reaching them was considered a sign of a successful merger and a factor legitimizing the new company in their eyes (see Abrahamsson et al., 2011). In this sense, the concepts of organizational identity and image can indeed be considered to exist in a close relationship (see Abrahamsson et al., 2011).

In general, the targets and metrics linked to the vision as well as the synergy targets related to the integration phase of the merger provided the organizational members with clarity, direction, and persistence (see Vaivio et al., 2021) in relation to the company's desired future identity and image. The leaders made sure that the vision and the targets and metrics related to it were constantly discussed and thus promoted the new desired future identity and image also through their own behavior (see Giessner et al., 2011, Giessner et al., 2012; Ulrich et al., 2005; Van Knippenberg et al., 2008). Referring to and applying different targets and measures related to both the Tier One vision as well as the synergies systematically reminded the organizational members of the overall objective of the integration and the desired future identity and image of the new company (see Vaivio et al., 2021). Similarly, they demystified the vision and introduced it with concreteness which made it easier for the organizational members to internalize what being an employee in Metso Outotec meant. Thus, the accounting measures also created a heightened sense of direction – a clearly defined orientation of the organizational sense of self (see Boedker & Chua, 2013; Vaivio et al., 2021). Furthermore, the progress indicated by the accounting measures legitimated the self-actualization of the organizational self and thus furthered the organizational identity change process (see Abrahamsson et al., 2011; Vaivio et al., 2021). In the light of the results of the thesis' case study, it would appear that accounting measures are indeed a very effective technology in identity regulation (see Vaivio et al., 2021).

Consequently, no label confusion (see Corley & Gioia, 2004) was detected in the case company. Meaning void (see Corley & Gioia), 2004) was present at the beginning of the integration but diminished as the leaders continued to reinforce the desired future image. In this sense, the accounting measures could be seen as a significant source of the sense of projected continuity for the organizational members (Giessner et al., 2012; Ullrich et al., 2005). The observable continuity was also detected in the case company to some extent as the elements of the Tier One vision were partly incorporated from the legacy companies (see Giessner et al., 2012; Ullrich et al., 2005). Nevertheless, its significance appeared to be less extensive as that of the projected continuity. Similarly, no major implications of status evaluations (see Giessner et al., 2012) or dominating behavior (see Giessner et al., 2006; Giessner et al, 2012; Van Knippenberg et al., 2002) were detected in the case company. Some of it existed, but the thesis' conclusion is that the strong sense of continuity in the form of the collective vision encouraged the organizational members to perceive themselves a one company instead of two.

The findings of the study indicate also some other positive effects that were not detected in the previous studies on the relationship between accounting measures and organizational identity and identity in general. In addition to influencing the interpretations and actions of the organizational members (Abrahamsson et al., 2011; Hines, 1988; Kärreman & Alvesson, 2004) and providing them with persistence, clarity, transparency, comparability, and direction (Vaivio et al., 2021), accounting measures can also produce importance and enthusiasm. The targets and measures signal what is considered valuable and essential in the company – that is, what is considered to be at the core of the company's self-conceptualization. The sense of importance differs from the sense of clarity or direction in the way that it intrinsically encompasses an emotional dimension. When something is considered important, it immediately becomes personal and creates a certain sense of emotional attachment to it. Similarly, reaching the targets and seeing progress in the measures evokes positive sensations about the organization and the organizational action and thus encourages the organizational members to continue their efforts toward the desired direction.

Nevertheless, as noted above, accounting measures also produced some negative implications on the process of organizational identity change. Difficulty in combining the information produced by the accounting measures within the legacy companies as well as finding a common dictionary for measures created a certain sense of uncertainty and frustration among the organizational members. Especially in situations where there existed no historical data, understanding whether a certain number should be viewed as good or bad proved to be extremely challenging. Also, when there was no clear way to measure a certain operation, understanding the reality behind the metric became more difficult. These challenges with the measurements and number interpretation were most evident at the very beginning of the integration phase and diminished as the process went on and the accounting practices and systems of the legacy companies began to 'speak with each other'. Still, these implications are concerning as they contributed to creating a certain meaning void related to the organizational self-perception in the case company and added to the experienced change overload among the employees, thus increasing the ambiguity in the organizational identity change context (see Corley & Gioia, 2004). The findings of the case study are summarized in Table 3 below.

Table 3: Accounting measures' effects on organizational identity change in the case company

Accounting Measure Categories	Description of Accounting Measure Categories	Phase of Identity Change Process Affected	Identified Effects
Tier One targets and measures	Financial Customer Sustainability Performance culture	Triggers of identity ambiguity Pre-merger sensegiving Identity change context Leaders' response to senegiving imperative	Persistence Clarity Transparency Comparability Direction Importance Enthusiasm
Synergy targets and measures	Cost synergies Revenue synergies Specific synergy projects	Pre-merger sensegiving Identity change context	Persistence Clarity Transparency Direction Importance Enthusiasm
Visibility to numbers	Different systems Content of measures Measuring	Identity change context	Uncertainty Frustration

5.2 Technocratic control as a source of socio-ideological control

As stated earlier, organizational identity is typically associated with socio-ideological control. The general understanding is that organizational identity is construed in relation to factors such as organizational discourse (Alvesson & Willmott, 2002; Sveningsson &

Alvesson, 2003; Vaivio et al., 2021), value, mission, and vision statements (Bedford & Malmi, 2015; Merchant & Van der Stede, 2017), symbols and traditions (Ravasi & Schultz, 2006), employee socialization (Alvesson & Willmott, 2002; Bedford & Malmi, 2015), and leaders' example (Ullrich et al., 2005). Similarly, notions of technocratic control have tended to focus on behavior-related features in a rather impersonal manner, neglecting meaning, ideology, or other self-referential qualities (Carlsson-Wall et al., 2019; see also Alvesson & Willmott, 2002). Recent studies, though, have showed that technocratic and socio-ideological forms of control cannot be separated that distinctively from one another but should rather be considered feeding upon and informing one another (Alvesson & Kärreman, 2004; Vaivio et al., 2021).

The findings of the case study support this view and emphasize the significance of accounting measures in the process of organizational identity change. As described above in the previous subsection, accounting measures were intensely involved in the organizational identity change process in the case company. As being connected to the company's vision and the integration synergies, the targets and metrics guided organizational members' focus and actions within the new company (see Abrahamsson et al., 2011; Hines, 1988; Kärreman & Alvesson, 2004; Vaivio et al., 2021). By setting boundaries and guiding organizationally appropriate action, they legitimized the organizational self-perception suggested by the Tier One vision (see Abrahamsson et al., 2011). It was also evident that the accounting measures influenced not only the behavior of the organizational members but also their interpretations, understanding, and consciousness (see Abrahamsson et al., 2011; Hines, 1988; Kärreman & Alvesson, 2004). On a more concrete level, they influenced those attributes that the organizational members perceived, and wanted others to perceive, as central and distinguishing aspects of their organization (see Abrahamsson et al., 2011). Therefore, in line with the existing academic literature, the thesis argues that accounting measures can function as an important perceptual lens in evaluating organizations' self-perception and desired future identity and image (see Abrahamsson et al., 2011; McLaren & Appleyard, 2021).

Furthermore, in the case company, the vision for the desired future identity and image was formulated by the information produced by accounting measures (see Abrahamsson et al., 2011; Boedker & Chua, 2013). Benchmarking was used to reveal information on how the company compared to its competitors and how important outsiders perceived it (see Abrahamsson et al., 2011; McLaren & Appleyard, 2021; Vaivio et al., 2021). The vision then, was constructed in relation to this information and defined in terms of targets in the four categories included in it (see Boedker & Chua, 2013). As stated, they introduced clarity and persistence to the vision (see Vaivio et al., 2021) and defined the direction for the new company (see Vaivio et al., 2021. Knowing what was important made it easier for the organizational members to prioritize their work and to follow their progress toward the desired self. Taking all the above into consideration, the findings of the thesis' case study suggest that the language of accounting indeed functions as a powerful apparatus influencing organizational identity and the process of organizational identity change (Abrahamsson et al., 2011; McLaren & Appleyard, 2021; Boedker & Chua, 2013), helping organizations in answering the questions 'who are we' and 'who do we want to become' as an organization.

6 CONCLUSIONS

6.1 Research summary

The process of organizational identity change within mergers often requires conscious and even rigorous sensegiving efforts by the organizational leaders (Corley & Gioia, 2004). Mergers tend to evoke feelings of loss and uncertainty (e.g., Corley & Gioia, 2004; Van Dick et al., 2006) and trigger social phenomena, such as us-versus-them thinking, status evaluation, and dominating behavior (e.g., Giessner et al, 2012) that complicate the integration process of the organizational members. The issues in merging people have been researched extensively from the perspective of socio-ideological control, but the implications of technocratic forms of control have been yet to explore. As the recent academic literature suggests, technocratic forms of control, such as different accounting measures, can have a significant impact on the way organizational members conceptualize and define themselves and how these conceptualizations change (see e.g., Abrahamsson et al., 2011; McLaren & Appleyard, 2021).

To answer the research gap, the thesis' exploratory case study in a Finnish manufacturing company, Metso Outotec, illustrates how accounting measures both enhance and complicate the organizational identity change process within a merger. The notions of Vaivio et al. (2021) were clearly detected in the case study, corroborating the suggestions that accounting measures produce persistence, clarity, transparency, comparability, and direction that support organizational members in the identity change process. These factors were found throughout the different phases of the organizational identity change process described by Corley & Gioia (2004) – something that indicates the magnitude of the accounting measures' implications. That is, accounting measures are not only intertwined with the identity change context but can also influence the triggers of identity ambiguity as well as support organizational leaders in their sensegiving efforts. What is more, the findings of the case study suggest that these accounting measures related sensegiving efforts can even antecede the merger and thus begin already before the actual identity change process begins.

Indeed, in the case company, temporal identity and image discrepancies (see e.g., Abrahamsson et al., 2011; Corley & Gioia, 2004), revealed by accounting measures when the company compared itself with its high-performing social referents (see Abrahamsson et al., 2011; McLaren & Appleyard, 2021; Vaivio et al., 2021), set out conscious sensegiving processes among the organizational leaders (see Corley et al., 2004) that ultimately lead to the formulation of the Tier One vision for the new organization. In a merger context, this implies that accounting measures can function as highly efficient tools in evaluating organizational self-perceptions and in crafting a new, desired sense of self for the post-merger organization. Thus, the findings of the case study provide supporting evidence for the views that accounting measures produce quantitative knowledge through which organizations can access information on their self-defining attributes and organizational identity-image discrepancies (see Abrahamsson et al., 2011; McLaren & Appleyard, 2021; Vaivio et al., 2021) as well as begin to envision and revise their sense of self (see Boedker & Chua, 2013; Vaivio et al., 2021).

What comes to the identity change context per se, the targets and metrics indicated the organizational members the direction where the company was moving toward and kept persistently reminding them on it by being constantly present in their daily work (see Vaivio et al., 2021). Similarly, they introduced the direction, and especially the Tier One vision, more clarity (see Vaivio et al., 2021), thus mitigating the uncertainty and ambiguity revolving around the merger and the organizational identity (see Corley & Gioia, 2004). Thus, the findings of the study suggest that accounting measures can serve as a significant source of projected continuity for the organizational members (see e.g., Giessner et al., 2012; Ullrich et al., 2005), potentially reducing major status evaluations and dominating behavior (see e.g., Giessner et al., 2012). Furthermore, the progress depicted by the accounting measures can legitimate the behavior and self-conceptualization of the organizational members (see Abrahamsson et al., 2011; Vaivio et al., 2021) as well as positively influence the perceptions of the significant outsiders if the publicly declared synergy targets are met or even exceeded (see Abrahamsson et al., 2011).

In relation to the above, the findings of the case study suggest that accounting measures indicate also what is considered important in the organization and contribute to creating a certain sense of enthusiasm when the targets are met or progress in the metrics can be detected. These factors introduce an emotional level to the accounting measures, further enhancing the organizational identity change process and the post-merger identification among the organizational members. Nevertheless, it was also found in the case study that issues in number interpretation, measurement, and combining information from different sources can cause frustration and uncertainty among the organizational members. This naturally reduces the positive effect of the targets and measures as the quantitative information becomes distorted, incomplete, or even inaccessible. Furthermore, this can create a certain sense of meaning void and change overload (see Corley & Gioia, 2004) among the organizational members and thus lead to increased ambiguity in the organizational identity.

The abovementioned negative effects of the accounting measures, though, seem to be present only at the very beginning of the integration phase and the identity change context (see Corley & Gioia, 2004) and to gradually disappear as the merger process proceeds and the accounting systems begin to 'discuss with each other'. Despite of this, figuring out a way to enhance the credibility of the accounting measures seems to be crucial as the longer the period of the ambiguity in the process of organizational identity change, the more risks it poses on the success of the merger (Corley & Gioia, 2004; Giessner et al., 2012; Ullrich et al., 2005). Thus, the findings of the thesis conclude that organizational leaders should consciously consider the implications of the accounting measures on the process of organizational identity change and to increase their efforts in utilizing them in managing the integration process within mergers. As depicted in the thesis' case company, different targets and measures proved to be highly influential throughout the entire merger process. Socio-ideological and technocratic forms of control should indeed be considered mutually sustaining forms of organizational control in managing organizational identity (see e.g., Abrahamsson et al., 2011; Gerdin, 2020; Vaivio et al., 2021).

6.2 Practical implications

The thesis offers several practical implications for merging organizations going through a process of organizational identity change. First, determining and communicating a common direction for the company is crucial in terms of the projected continuity and has a significant impact on the experience of the organizational members (Giessner et al., 2012; Ullrich et al., 2005). Thus, a conscious effort should be carried out to create a common vision for the new company (Corley & Gioia, 2004). Nevertheless, a common vision as such is not enough, but needs to be linked with accounting measures, such as different financial and non-financial targets and metrics, that clarify the vision and the direction where the company is heading, keep reminding the organizational members of it, and make it possible to track the progress (see Vaivio et al., 2021). As the thesis' case study suggests, accounting measures can then greatly enhance the organizational identity change process by, for example, guiding the organizational members' understandings and behavior as well as signaling what is considered important for the organization (see Abrahamsson et al., 2011; Vaivio et al., 2021).

Attention should also be paid to the negative effects of the accounting measures. If the visibility to numbers is endangered, as it was in the case company, the potential for frustration and uncertainty among the organizational members increases. As a consequence, the ambiguity related to the organizational identity is likely to increase, resulting in a lengthier and a more difficult organizational identity process (Corley & Gioia, 2004). Therefore, it is advisable that the merging organizations use time and effort to understand each other's accounting systems, interpret the content and meaning of their measures, and figure out what is measurable and how. This ensures that the uncertain period typical for the identity change process is as short as possible and that the positive effects of the accounting measures can be realized. Furthermore, this evaluation should be conducted as extensively as possible already in the planning phase of the integration. Nevertheless, it is to be noted that in the planning phase the restrictions on sharing information are often relatively tight and a comprehensive analysis between the merging companies is rarely an option.

Furthermore, the thesis' conclusions support the recent suggestions that organizations should begin to comprehend socio-ideological and technocratic control mutually sustaining forms of organizational control (see e.g., Abrahamsson et al., 2011; Gerdin, 2020; Vaivio et al., 2021). Instead of viewing them as separate systems, they should be understood as intertwined, participating in a continuous dialogue with each other. This should be remembered also during a merger process as accounting measures' influence on the organizational identity change process occurs regardless of whether it is consciously managed or not. Therefore, it is better to be aware of the implications accounting measures can have on this process and aspire to harness those for the integration purposes. Considering the high rates of unsuccessful mergers, it would be wise for organizations to approach organizational identity change comprehensively also from the perspective of technocratic control.

6.3 Limitations of the study

There are several possible limitations that should be considered when interpreting the results of the thesis' case study. First, as implied in the methodology, only people who took part in the planning and execution of the merger and the subsequent integration phase were interviewed. Thus, the interviewees differed quite a lot from the other organizational members in terms of their knowledge and personal attachment to the merger. In this sense, the interviewees represent a relatively unrequited collection of voices within the case company (see Ahrens & Dent, 1998; Vaivio, 2008). It is also possible, if not likely, that their close work on the merger has influenced the way they relate to it, the new organization, and the success of the integration. Furthermore, many of the interviewees took on a new role when the new company was created. Also this could have influenced the interviewees' attitudes toward the organization as people tend to react positively when they feel they are appreciated.

Additionally, and as stated already in the introduction, the study was conducted two years after the actual merger took place. Therefore, all the information gathered about the merger and the integration phase is based on the memories of the interviewees as well as documents dating back to the merger period. Even though the temporal distance from the merger allows for a more comprehensive analysis of the successfulness of the integration and the organizational identity change, it would have been beneficial to examine these processes in action. This would have allowed for a detailed examination of each of the phases in Corley & Gioia's (2004) framework of organizational identity change. Furthermore, many of those who perceived the merger and its future direction mainly negatively, had most likely left the company by the time of the study's conduction. Still, it is to be noted that this group of people must have most likely represented only a relatively small fraction of all the organizational members involved in the merger. It was also stated by one of the interviewees that since the integration, the attrition rates within the company have been comparably low.

Finally, as many of the organizational members had used to working remotely from home during the Covid-19 pandemic, they were not available at the office that frequently. Thus, the interviews were held virtually using the Microsoft Teams software. Despite having some benefits, communicating through a technical device naturally limited the researcher's ability to follow the interviewees' physical patterns and gestures during the interviews (see e.g., Scapens, 1990; McKinnon, 1998). This limitation was heightened especially in those interviewees where the interviewees did not have their camera on. Luckily, the number of these interviews was limited to two. In this sense, physical interviews could have worked better, allowing the interviewee to better detect the non-verbal communication and demeanor of the interviewees (see Scapens, 1990).

6.4 Suggestions for further research

As stated in the introduction, academics have already identified the need to better understand the interplay between technocratic and socio-ideological control (see e.g., Abrahamsson et al., 2011; Gerdin, 2020; Vaivio et al., 2021; Van Der Kolk et al., 2020). To the researcher's knowledge, the thesis' case study represents the first attempt to examine the implications of accounting measures on the process of organizational identity change in a merger. Thus, building on an exploratory case study, the thesis provides multiple potential avenues for future research (see e.g., Keating, 1995; Scapens, 1990). Furthermore, as restricted to the resources typically available for a thesis, there remains a lot of room for more comprehensive studies on the thesis' subject.

First, longitudinal studies should be conducted to follow the complete process of the organizational identity change (see Corley & Gioia, 2004). This would allow for a more detailed examination of both the actual process as well as the outcomes of it. Thus, a more comprehensive understanding of the phenomenon would be possible and the results of the study would not be influenced that much by the complexities and limitations of the mind, such as forgetting or 'memories go sweeter with time' tendency by the interviewees (see McKinnon, 1998). Furthermore, the effect of accounting measures on the process of organizational identity change should be examined also on other organizational levels, including interviewees from all hierarchy levels (Ahrens & Dent, 1998; Vaivio, 2008). As some of the interviewees suggested, the organizational identity change in the case company might have been experienced slightly differently depending on the different organizational levels and parts of the organization. What is more, future studies should focus also on the experiences of those organizational members who are not participating in planning or implementing the merger to avoid the effects of imbalanced knowledge of and the personal attachment to the merger.

It is also to be noted, that further studies are needed to examine the organizational identity change also cross-culturally and cross-industrially. The same cultural and industrial background was considered a significant advantage for the case company's merger and something that impacted the process of organizational identity change positively. Could the common numeric language potentially mitigate the negative effects of cultural and industrial differences or the lack of observable continuity (see e.g., Giessner et al., 2012; Ullrich et al., 2005)? Finally, the thesis' case study involves only the application of targets and metrics during the merger and the process of organizational identity change. That is, many other forms of technocratic control (see e.g., Carlsson-Wall et al., 2019) were left out of the study's scope. Therefore, it remains for future research to examine how for example different forms of compensation or organizational planning systems influence the process of the organizational identity change in a merger.

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APPENDICES

Appendix 1: List of interviews

Table 4: List of interviews

Number	Interviewee	Functional Area	Date	Duration
1	Senior Vice President 1	Finance	18th May, 2022	66 Min
2	Vice President 1	Business Development	19th May, 2022	44 Min
3	Vice President 2	Human Resources	19th May, 2022	39 Min
4	Director 1	Finance	19th May, 2022	52 Min
5	Vice President 3	Process and Data Management	20th May, 2022	59 Min
6	Senior Vice President 2	Integrated Solutions	20th May, 2022	56 Min
7	Director 2	Commercial Support	24th May, 2022	63 Min
8	Senior Manager 1	Communications	27th May, 2022	57 Min
9	Senior Vice President 3	Distribution	31st May, 2022	46 Min
10	President 1	Business Area	31st May, 2022	56 Min

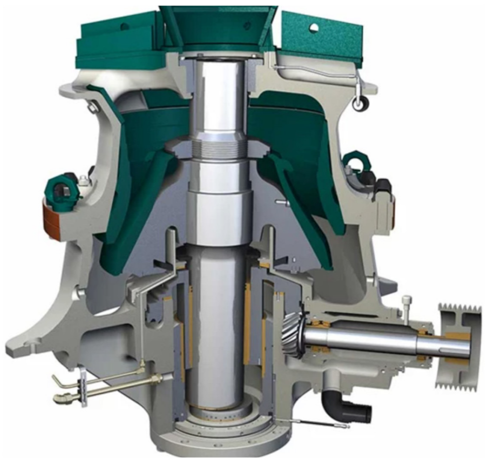
Appendix 2: Interview questions

Table 5: Interview questions

1. How long have you worked in the company and how would you describe your job description? What about your role during the merger?
2. How would you describe Metso, Outotec and Metso Outotec as organizations?
3. How would you describe the merger process of Metso Outotec? Were there any challenges? Was there anything particularly successful?
4. What feelings and thoughts did the merger evoke in the organizational members?
5. How did the management further the merger and creating the new, unified organization? Was there a certain vision for the new organization?
6. What management accounting systems were in place during the merger process? For example, financial and non-financial targets and metrics or incentive systems?
7. What kind of planning and budgeting practices were in place during the merger? How were resources allocated?
8. Was benchmarking carried out in connection to the merger?
9. How did the above-mentioned management accounting practices influence the merger and organizational members' attitudes toward the new organization?
10. Would you like to add something we have not yet discussed about?

Appendix 3: Example of Metso Outotec's products

Table 6: Nordberg® GP Cone Crusher

	The product has a simple but strong two-point supported shaft design that offers mechanical reliability and is equipped with automation system that continuously monitors crusher load and operating parameters to ensure optimal operating condition and maximized availability.