MAKING SENSE OF MANAGEMENT CONTROL IN A MERGER

A CASE STUDY ON THE USE OF AN EMPLOYEE SATISFACTION TOOL IN POST-MERGER INTEGRATION

JOANNA SANDBERG

GABRIELLA THULIN

Master Thesis

Stockholm School of Economics

2020

Making sense of management control in a merger

Abstract:

This thesis examines organisational members' sensemaking of a management control system (MCS) aimed at facilitating employee alignment in post-merger integration (PMI) and how this affects the role of the MCS. By drawing upon sensemaking theory and insights from a single case study of an ongoing merger, we show how incongruent frames on the expected use of a MCS can lead to counterproductive consequences in PMI. More specifically, we argue that divergent interpretations of an employee satisfaction tool caused management to use it in a different manner than what the employees expected. This increased rather than mitigated the risk of employee dissatisfaction prevailing in the merger. While previous management accounting literature has focused on how MCS can provide a common language to support PMI, our findings suggest that frame incongruence can hinder the MCS from fulfilling this role. Furthermore, we provide insights on factors influencing sensemaking of a MCS in PMI. In this case, the frames were influenced by characteristics of the pre-merger cultures and emotions evoked by post-merger changes. Lastly, we contribute to literature on non-traditional results controls by showing how control systems focused on employee satisfaction can be subject to divergent sensemaking, which risks leading to unintended effects of such controls.

Keywords:

Management control systems, post-merger integration, sensemaking, employee satisfaction

Authors:

Joanna Sandberg (23669)
Gabriella Thulin (23706)

Tutor:

Marek Reuter, Assistant Professor, Department of Accounting

Master Thesis
Master Program in Accounting, Valuation & Financial Management
Stockholm School of Economics

Acknowledgements

We would like to express our gratitude towards the interviewees for their willingness to participate in this study. A special thanks to the CEO of the case company for his support in organising the data collection, as well as for his genuine interest in the study.

Moreover, we would like to give our warmest thanks to our tutor Marek Reuter, Assistant Professor at the Department of Accounting at the Stockholm School of Economics, for his enthusiasm and valuable advice throughout the research process. An extra thanks to Lukas Goretzki, Associate Professor at the Department of Accounting at the Stockholm School of Economics, for his support and insights. We are also thankful to Kalle Kraus, Professor and Head of the Department of Accounting at the Stockholm School of Economics, for initiating the contact with the case company.

Lastly, we would like to thank our friends and families for their support during our last semester of studies at the Stockholm School of Economics.

Stockholm, May 2020

Joanna Sandberg Gabriella Thulin

Table of contents

1. Introduction

> It is very important to be able to measure the atmosphere in the organisation. In a factory, the quality of the machines would be measured, but in this case it is the people who create the product. We want to keep track of how the employees feel and what they think about the changes in the merger. – CEO, NewCo

The quote from the CEO of the case company in this study illustrates the relevance of understanding the employee perspective in post-merger integration (PMI). Today, organisations are increasingly dependent on mergers and acquisitions (M&A) to enter new markets, achieve economies of scale and obtain innovative technologies (Graebner et al., 2017). It is well known that employee alignment in PMI is crucial for M&A success and failure in managing this can lead to employee resistance and drop-offs (e.g. Birkinshaw et al., 2000; Buono et al., 1985). As management control systems (MCS) are practices aimed at supporting the attainment of organisational goals (e.g. Chenhall, 2003; Simons, 1995), it is of interest to study the use of MCS in PMI. Research on management accounting in PMI goes back to Jones (1985a,b) who highlighted undesirable effects of inappropriate use of MCS in PMI. A few scholars have also studied the effects of imposing the acquiring firm's MCS on the target firm (Nilsson, 2002; Roberts, 1990; Yazdifar et al., 2008).

However, the role of MCS in PMI still remains relatively unexplored. While previous researchers have focused on the integration of existing MCS, little is known about how a MCS with the aim of facilitating the integration can be used. Granlund (2003) addresses this question, at least implicitly, by discussing the effects of not having a common MCS. He proposes that a common MCS can facilitate PMI by providing a 'common language' through which new norms and values can be communicated: *"If there had been a common co-ordinated accounting system producing reliable and combinable accounts [...] it could have been possible to avoid some friction in the cultural and operational integration"* (Granlund, 2003, p. 235). Despite it being an insightful proposition, it remains a speculative one and not an empirically backed finding. In parallel, Moilanen (2016) points out that MCS in PMI are subject to sensemaking. 'Sensemaking' is the cognitive process through which individuals work to understand unexpected events, situations or issues (Maitlis & Christianson, 2014; Weick, 1995). By exploring how individuals from an acquiring and an acquired firm made sense of post-merger changes of a MCS, Moilanen (2016) finds that softer issues such as emotions affect how these changes are interpreted. It becomes clear that organisational members can make sense of MCS in PMI in different ways. Nevertheless, little is known about the process in which such sensemaking unfolds.

While management accounting literature has devoted limited attention to this process, sensemaking literature shows that divergent interpretations of an organisational tool risks leading to negative and even contrary effects on the intended outcome (e.g. Azad & Faraj, 2008; Orlikowski & Gash, 1994). This sheds further light on the need to study the effects of organisational members' respective sensemaking of MCS in PMI. Moreover, as employee alignment is crucial for M&A success and accounting research proposes that this can be achieved with the use of employee measures (Gates & Langevin, 2010; Widener, 2004), it is of particular interest to study the role of a MCS focused on employee alignment in PMI. We define employee alignment in PMI as the generation of satisfaction among employees from both sides of the merger (see Birkinshaw et al., 2000; Buono et al., 1985). Altogether, this study aims to investigate organisational members' interpretations and use of a MCS measuring employee satisfaction and how this affects PMI. The research question of this study is thus as follows: *How do organisational members make sense of a management control system aimed at facilitating employee alignment in post-merger integration and how does this affect the role of the system?*

To answer the research question, we adapt the theoretical lens of sensemaking (e.g. Weick, 1995) and the concept of technological frames of reference (TFR) developed by Orlikowski and Gash (1994). We use TFR to understand how organisational members make sense of a digital employee satisfaction tool. Furthermore, we analyse how the level of congruence between their interpretive frames affect the intended outcome of the tool. The framework was chosen as it is known that organisational groups can interpret a common MCS in PMI differently (Moilanen, 2016).

The case of this study provides an opportunity to study the role of a MCS with the specific aim of facilitating the integration process. The research took place during an ongoing merger of two equally sized Swedish companies. In the PMI process, a digital employee satisfaction tool was implemented to facilitate employee alignment during the integration. The case company uses other control systems in the merger, but this study will solely focus on the measurement of employee satisfaction. The research method is a qualitative, single case study, as this is a suitable approach to provide the depth and detailed data needed in order to answer the 'how' posed in the research question (Dyer et al., 1991).

This study contributes to management accounting literature in three ways. Firstly, it investigates the role of MCS in PMI, focusing on a MCS that was implemented with the purpose of facilitating the integration. Despite Granlund's (2003) proposition, existing research has not yet explored if a MCS can facilitate the integration by providing a 'common language'. This study will contribute by problematising how sensemaking of a MCS can impact its intended outcome in PMI. Secondly, since emotions can impact how MCS are interpreted in PMI (Moilanen, 2016), it becomes interesting to further explore how sensemaking is influenced by employees' perspectives in the merger. This study extends the findings of Moilanen (2016) by exploring how underlying factors such as pre-merger culture impact the interpretations of MCS in a PMI setting. Lastly, this study aims to make a third contribution to accounting literature by studying the role of 'non-traditional results controls' in achieving employee alignment. Non-traditional results controls are non-financial, operational measures (Ittner & Larcker, 1995), such as employee satisfaction metrics (Widener, 2004). While previous research contends these controls to be positively related with employee alignment (Widener, 2004; Gates & Langevin, 2010), this study provides insights to the complexities related to achieving the intended outcomes of such controls. More specifically, we question if employee measures enhance employee alignment *per se*, or if these measures can be subject to incongruent sensemaking that risks leading to unintended consequences.

The remainder of this study is structured as follows: chapter 2 gives an overview of the theoretical development, including a review of previous literature, a description of sensemaking and TFR, as well as a guide to the theoretical framework of this study. The research design and methodology are described in chapter 3, followed by a presentation of the empirical analysis in chapter 4. In chapter 5, the empirical findings are discussed in relation to previous research. The last chapter presents conclusions, limitations and suggestions for further research.

2. Theoretical development

In this chapter, we present the theoretical development. Section 2.1 presents a review of previous literature on managerial challenges and the role of MCS in PMI, followed by an overview of identified theoretical gaps. The theoretical lens of sensemaking and TFR is explained in section 2.2 and the theoretical framework is presented in section 2.3.

2.1. Management control in post-merger integration

2.1.1. Managerial integration challenges

Decades of research indicates that post-merger and post-acquisition integration (PMI) [1] is fundamental for successful M&A, yet a complex process to manage (Graebner et al., 2017). This points to the need to develop a deeper understanding of PMI and how managers can use MCS to facilitate this process. Before reviewing accounting literature on the role of MCS in PMI, we turn to broader PMI research with the aim of developing an enhanced understanding of key managerial challenges in PMI.

PMI concerns not only structural interventions such as integrating production processes, but also 'softer' issues related to culture and employee alignment. A growing body of research indicates that these aspects are particularly important (e.g. Graebner, 2004; Larsson & Finkelstein, 1999), as failure in managing this can lead to resistance and employee turnover (e.g. Buono & Bowditch, 1989; Buono et al., 1985). Employee alignment, defined as the generation of satisfaction among employees from both sides of the merger (e.g. Birkinshaw et al., 2000; Graebner et al., 2017), is thus critical for successful PMI. One of the key challenges with employee alignment in PMI relates to the fact that a merger implies that pre-existing cultures of different groups are brought together in a new organisation. Managing this tension is critical, as cultural differences could constitute barriers for the integration of the new group (e.g. Buono & Bowditch, 1989; Buono et al., 1985; Vaara, 2003). Organisational identity is another important consideration in PMI (e.g. Van Knippenberg & Van Leeuwen, 2001). While organisational *culture* refers to a set of basic underlying assumptions and values (Schein, 1997), organisational *identity* refers to the common understanding by organisational members of who they are as a group (Whetten, 2006). If the post-merger organisation does not resemble the pre-merger organisation, employees may encounter difficulties in the identification process in PMI (Graebner et al., 2017). Thirdly, studies show that perceptions of injustice in the form of inferior status, loss of autonomy and lack of appreciation can lead to increased employee turnover, cultural clashes and declining performance (Hambrick & Cannella, 1993; Monin et al., 2013; Very et al., 1997).

[1] PMI and 'post-merger' will hereafter be used as a notion for post-merger and post-acquisition references.

The challenges outlined above demonstrate the importance of understanding and aligning employees' perceptions and emotions in the merger process. Not managing these aspects appropriately can lead to negative emotions and even resistance among the employees, which in turn is a significant barrier for realising the merger's full potential (Buono & Bowditch, 1989; Larsson & Finkelstein, 1999). A few management studies have tried to answer how these issues can be managed through means of communication and sensegiving (e.g. Monin et al., 2013; Vaara, 2003), but the role of MCS in managing employee alignment PMI remains relatively unexplored. Given that MCS are vehicles for organisations to achieve their objectives (e.g. Simons, 1995) and could be useful means for employee alignment (Widener, 2004), it becomes relevant to review existing literature addressing the role of MCS in PMI.

2.1.2. The role of management control systems in post-merger integration

A range of accounting studies have focused on the implementation of a new or changed MCS in PMI settings (Granlund, 2003; Jones, 1985a, 1985b; Moilanen, 2016; Nilsson, 2002; Tsamenyi et al., 2006; Roberts, 1990; Yazdifar et al., 2008). Jones (1985a) finds that inappropriate design and use of MCS can lead to 'undesirable' effects in PMI. In addition to this, he concludes that the willingness to accept changes in the MCS is dependent on structural and environmental differences between the acquirer and target (Jones, 1985b). Roberts (1990) adds that imposing a new MCS on the subsidiary can lead to employee resistance and conflicts. Nilsson (2002) finds that the different strategies of the acquirer and the target have implications on the alignment of the MCS in the integration. While these articles have established a common ground that MCS are important in PMI, they focus more on the integration of existing MCS than the use of MCS as a way to *manage* the integration. Although Jones (1985a,b), Roberts (1990) and Nilsson (2002) highlight the importance of considering accounting issues in PMI, none of these authors explore the role of a common MCS with the purpose of facilitating the integration.

By studying the development of a new MCS in a merger, Granlund (2003) implicitly addresses the role of a common MCS in PMI. Granlund (2003) studied a merger of two equally sized companies through the lens of institutional theory, culture, power, legitimacy, and goal ambiguity. In his study, Granlund (2003) finds that the lack of a common MCS hinders shared learning. He proposes that a shared MCS can provide a common interpretative scheme through which new values and norms can be produced and reproduced. In addition, he suggests that cultural conflicts between the two firms in the study could have been avoided, or at least mitigated, if the two parties would have agreed earlier on a common MCS.

Moilanen (2016) studied how 'softer' issues such as emotions affect the alignment of a MCS in a PMI setting. The study researched different groups' sensemaking of MCS changes in the case of an international acquisition. The findings show that people in the acquiring and acquired firm had different interpretive frames. This indicates that the structural *positions* held by individuals create perspectives that evoke different emotions and hence affect sensemaking of the changes in the MCS. The people in the acquiring firm had rational frames for sensemaking and highlighted technical issues related to accounting content, while people in the acquired firm had more emotional frames and explained the changes in terms of their personal experiences. Hence, it is argued that softer aspects such as employees' emotions affect how MCS changes are interpreted. Moilanen (2016) thereby argues that a common structure of management accounting may not function as a common medium of sensemaking suggested by previous research (cf. Granlund, 2003; Kraus & Strömsten, 2012). While Granlund (2003) highlights the role of a MCS to be a way of providing a 'common language', facilitating shared learning and mitigating cultural conflicts in PMI, Moilanen (2016) problematises this approach. According to the latter, it is not enough to only introduce a common MCS. Managing PMI with the use of a MCS also entails considering how separate actors make sense of accounting systems differently.

As highlighted in section 2.1.1, the human side of the integration is crucial for M&A success (Birkinshaw et al., 2000; Buono & Bowditch, 1989). Despite this, MCS research on PMI has provided limited insights on the role of MCS in managing the softer aspects of PMI. If the goal is to achieve employee alignment, then this is also what the relevant MCS should focus on (e.g. Simons, 1995). Outside of the PMI setting, management accounting literature suggests that employee alignment can be targeted with 'non-traditional results controls' (Balkcom et al., 1997; Ittner & Larcker, 1995; Widener, 2004). Non-traditional results controls refer to non-financial, operational metrics (Ittner & Larcker, 1995) such as measures on employee satisfaction (Widener, 2004). Widener (2004) argues that firms relying on strategic human capital may complement the use of traditional controls with 'non-traditional' controls: *"For example, by collecting data on employee satisfaction, firms may better communicate their objectives and create alignment within the firm focused on organizational goals and objectives"* (Widener, 2004, p. 385). Moreover, Gates and Langevin (2010) show that a higher adoption of human capital measures is linked to superior company performance: *"The development of HCM [human capital measurement] systems enable an organization to measure and, hopefully, to manage better its performance"* (Gates & Langevin, 2010, p. 123).

By acknowledging that non-traditional results controls may support employee alignment, it is of interest to study how the use of these forms of controls influence PMI outcome. When studying employee measures, it is also important to acknowledge the fact that management accounting is increasingly moving into the digital world (Bhimani & Bromwich, 2009). Quattrone (2016) points out that digitalisation of accounting can lead to difficulties in assigning meaning and interpreting the data, which adds another intriguing aspect when exploring the impact of digital employee measures in PMI.

2.1.3. Theoretical gaps

Research shows that managing PMI is a complex task. Yet, there is a lack of understanding on how managerial tools can be used to facilitate the integration process (e.g. Graebner et al., 2017). As employee alignment is a fundamental component of PMI that has gained limited attention by management accounting research, the use of employee measures to facilitate PMI deserves particular focus. Acknowledging that the role of MCS in PMI is subject to sensemaking, it becomes relevant to address the previously stated research question: *How do organisational members make sense of a management control system aimed at facilitating employee alignment in post-merger integration and how does this affect the role of the system?* More specifically, this study will explore the identified gaps related to the role of MCS in PMI in the following ways:

Firstly, while a number of authors have studied the integration of MCS in PMI settings (e.g. Jones, 1985a, 1985b; Nilsson, 2002; Roberts, 1990), limited attention has been devoted to study the role of MCS in facilitating the integration. As it is proposed that a common MCS can facilitate PMI by providing a 'common language' (Granlund, 2003), it is of interest to see if this also holds empirically. Other studies have problematised this argument (Moilanen, 2016), thus this study aims to unveil whether or not a new, shared MCS may provide a common language in the integration process.

Secondly, it is known that MCS in PMI are subject to organisational members' interpretations. However, a deeper understanding of the *process* in which individuals make sense of MCS in PMI is missing. As Moilanen's (2016) study took place several years after the PMI events, her study could only address the individual interpretations as a 'product' of sensemaking instead of the process *per se*: *"The data of the present study does not allow exploration of how people made sense of the events at the time of those events. Therefore, this study cannot take a processual view of sensemaking"* (Moilanen, 2016, p. 27). Studying this process in the light of ongoing events could therefore reveal more factors influencing how organisational members interpret MCS in PMI than what has previously been found. In addition, little is known about the actual effects of different interpretations of a MCS in PMI. By exploring how a MCS focused on employee alignment is made sense of, this study aims to see whether organisational members' sensemaking could impact the intended outcome of facilitating PMI.

Finally, existing accounting research has indicated that the use of non-traditional results controls may support employee alignment (Widener, 2004). As employee alignment is a crucial component for M&A success (e.g. Birkinshaw et al., 2000), there is an interest in exploring the use of such controls in PMI. Moreover, it is known that MCS are subject to sensemaking, indicating that this also is the case when exploring the use of non-traditional results controls. Thus, this study will address the process in which employee measures are made sense of in PMI.

2.2. Sensemaking perspective

2.2.1. The process of sensemaking

From a sociocognitive perspective it is generally accepted that people act on the basis of their own interpretation of the world and have a need to organise their experiences into stories (Weick, 1979a; Weick, 1995). Sensemaking refers to the process through which individuals work to understand unexpected events, situations or issues (Weick, 1995). From an accounting perspective, sensemaking theory has been applied to study how organisational members and external actors make sense of accounting (e.g. Kraus & Strömsten, 2012; Moilanen, 2016; Tillmann & Goddard; 2008). While one stream of sensemaking research addresses the sensemaking process as a social and conversational discourse (e.g. Gephart, 1993; Maitlis, 2005), this study focuses on how individuals draw on 'interpretative schemes' or 'frames' to make sense of situations (e.g. Kaplan, 2008; Orlikowski & Gash, 1994).

The sensemaking process goes through three phases; noticing cues, creating interpretations and taking action on the interpretations (Maitlis & Christianson, 2014). When individuals encounter ambiguity or uncertainty, they try to clarify what is going on by extracting and interpreting cues from their environment. In order for sensemaking to be triggered, there needs to be a violation of expectations and that the event or issue evokes a sense of significance: *"sensemaking begins when people experience a violation of their expectations, or when they encounter an ambiguous event or issue that is of some significance to them"* (Maitlis & Christianson, 2014, p. 77). Following the triggering of sensemaking, cues are organised and translated into interpretations that serve as basis for future behaviour (Weick et al., 2005).

Whether an event triggers sensemaking or not will be dependent on the individual's underlying perspective, related to for example identity, culture and emotions*: "often this involves a threat to taken-for granted roles and routines, causing those in organizations to question fundamental assumptions about how they should act"* (Maitlis & Christianson, 2014, p. 77). As Weick (1995, p. 23) put it: *"sensemaking is triggered by a failure to confirm one's self"*. Studies on organisational identity (Dutton & Dukerich, 1991; Tripsas, 2009) and organisational culture (Ravasi & Schultz, 2006) show that pre-existing identities and culture have an impact on the sensemaking process. Another dimension that impacts sensemaking is emotions (Cornelissen et al., 2014; Maitlis et al., 2013; Walsh & Bartunek, 2011). Maitlis et al. (2013) show that not only do emotions 'provide fuel' to sensemaking (i.e. triggers sensemaking), different types of emotions will also impact the sensemaking process in different ways: *"We argue that emotion signals the need for and provides the energy that fuels sensemaking, and that different kinds of emotions are more and less likely to play these roles"* (Maitlis et al., 2013, p. 222).

When sensemaking is triggered, cues are extracted, interpreted and organised into mental accounts (Maitlis & Christianson, 2014), also referred to as 'frames' (Weick, 1979b). Gioia (1986, p. 50) defines frames as *"definitions of organizational reality that serve as vehicles for understanding and action"*. They include assumptions, knowledge and experiences that may be expressed symbolically through language, metaphors or stories (Gioia, 1986). A variety of terms, such as 'interpretive frames' (Bartunek & Moch, 1987), 'interpretive schemes' (Giddens, 1984) and 'scripts' (Gioia, 1986) have also been applied in sensemaking research. Such terms will hereafter be referred to as 'frames'. As frames guide sensemaking in situations characterised by ambiguity, uncertainty, complexity and change (e.g. Maitlis & Christianson, 2014; Weick, 1995), it is a helpful concept to understand how people assign meaning to M&A events.

The notion of individual frames can also be extended to group and organisational level. The sociocognitive research suggests that while interpretations may be individual, organisational members may also share a set of core beliefs (Porac et al., 1989). The concept of 'shared frames' thus relates to shared assumptions, knowledge and expectations within different groups of an organisation (Orlikowski & Gash, 1994).

2.2.2. Technological frames of reference

To achieve the intended outcomes of organisational change projects, Davidson (2006) argues that it is critical to understand how organisational members make sense of technological tools aimed at supporting the change. Orlikowski and Gash (1994) developed the conceptual framework of 'technological frames', or *technological frames of reference* (TFR) to identify the core set of assumptions, expectations and knowledge that organisational members or groups enact to make sense of technology. By taking a sociocognitive approach to technology, their study stresses that TFR has an impact on members' actions towards technology and that it is crucial to focus on interpretations of technology to understand members' interaction with it.

The TFR framework has formed a basis for a research stream addressing the interpretive aspect of technology and its impact on organisational change (Davidson, 2006). The lens of TFR has been applied in a variety of settings with the aim of enhancing the understanding of the interplay between frames and technology-driven organisational projects (e.g. Azad & Faraj, 2008; Barrett, 1999; Davidson, 2006). Barrett (1999) argues that incongruences in the cultural assumptions among stakeholders may cause low adoption of technology. Thus, scholars such as Davidson (2006) call for future studies that expand the TFR context to focus on cultural assumptions among organisational members. As a post-merger setting involves several groups of people with different pre-merger identities, cultures and experiences, it becomes interesting to study differences in TFR between groups in such a setting.

Orlikowski and Gash (1994, p. 178) initially defined TFR as *"that subset of members' organisational frames that concern the assumptions, expectations, and knowledge they use to understand technology in organisations. This includes not only the nature and role of the technology itself, but the specific conditions, applications, and consequences of that technology in particular contexts"*. The authors proposed three frame domains that provide a theoretical lens for exploring how and why groups of organisational members act in a particular way around technology. The first domain, 'nature of technology', refers to *"people's images of the technology and their understanding of its capabilities and functionality"*. Secondly, 'technology strategy', refers to *"people's view of why their organisation acquired and implemented the technology"*, including the motivation behind the implementation and its potential value to the organisation. The third domain, 'use of technology', refers to *"people's understanding of how the technology will be used on a day-to-day basis and the likely or actual conditions and consequences associated with such use"* (Orlikowski & Gash, 1994, p. 183).

The TFR framework is illustrated in Figure 1. Firstly, it investigates organisational members' TFR. This is done by analysing differences in how they view the nature, strategy and use of the technology (i.e. the frame domains). Secondly, if differences between organisational members' TFR are identified, there exists 'frame incongruence' (Orlikowski & Gash, 1994). A higher disparity between the frames translates to a higher level of frame incongruence. Lastly, previous research shows that frame incongruence can lead to consequences for the implementation and use of the technology (Azad & Faraj, 2008; Orlikowski & Gash, 1994).

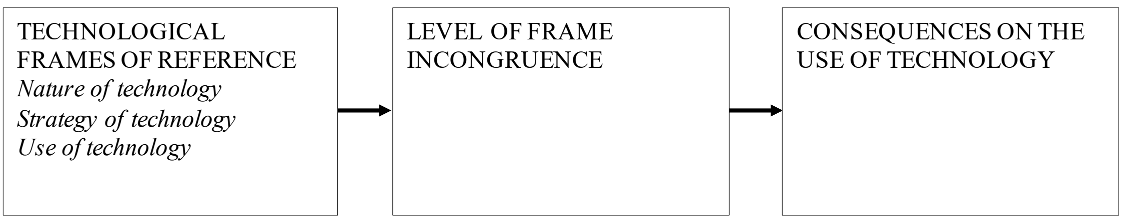

Figure 1. The conceptual framework for technological frames of reference developed by Orlikowski and Gash (1994)

One of the key arguments made by Orlikowski and Gash (1994) is that frame incongruence could lead to misaligned expectations, contradictory actions and unanticipated organisational consequences. It is thereby argued that if interpretations of a particular technology differ between different groups and are not openly discussed, the outcome of the technology may deviate from the intended. Other TFR studies indicate similar results. Azad and Faraj (2008) argue that incongruent frames in some cases might result in resistance and in other instances even impede entire change projects. The overall effect of frame incongruence in technology implementation is generally found to be of negative character and increasing the risk of failure in achieving the intended outcomes.

This strengthens the argument that it is important to consider sensemaking and TFR upon implementation of a digital MCS in PMI.

Finally, Orlikowski and Gash (1994) point out that the frame domains are both time and context-specific, meaning that they may vary in different settings. Other TFR studies have adopted a variation of the frame domains to analyse organisational members' TFR. In the study of Olesen (2014), 'nature of technology' was removed as it was argued that the two other frames are used to define the first frame. Thus, the nature of technology frame was not needed in the analysis as a separate domain.

2.3. Theoretical framework

To answer the research question, we propose a theoretical framework that combines the previous literature on management control in PMI with the sensemaking perspective (e.g. Weick, 1995) and the conceptual framework of TFR (Orlikowski & Gash, 1994). The theoretical framework is motivated by three main reasons. Firstly, it is known that the role of MCS in PMI will not be independent of the users' frames of the system (Moilanen, 2016). Secondly, as management accounting is increasingly intertwined with technology (e.g. Bhimani & Bromwich, 2009), the TFR framework is identified as a suitable framework for exploring the interpretation of a digital MCS. Lastly, as PMI is a situation that evokes feelings of ambiguity and even identity threats (e.g. Buono & Bowditch, 1989; Van Knippenberg & Van Leeuwen, 2001), employees will likely be triggered to engage in sensemaking of a MCS implemented in this setting (Maitlis et al., 2013; Maitlis & Christianson, 2014; Weick, 1995).

To answer how organisational members make sense of a MCS aimed at facilitating PMI and how this affects the role of the system, we adapt the concepts of TFR, frame incongruence and consequences on the use of the technology (Orlikowski & Gash, 1994) to study the use of MCS. More specifically, we investigate how these concepts influence the use of a MCS in a post-merger setting and how this process influences the intended outcome of the MCS. We therefore make two modifications to the original framework of TFR. Firstly, we do not only incorporate the practical consequences for the use of a technology, but also how it consequently affects PMI. As MCS are vehicles to achieve organisational goals (e.g. Simons, 1995), it is likely that consequences on the use of the MCS will have an impact on its intended organisational outcome. Secondly, in order to explore sensemaking as a process, we further acknowledge that individuals' sensemaking is influenced by their underlying perspectives (e.g. Maitlis & Christianson, 2014; Weick, 1995). We incorporate that sensemaking can be influenced by organisational identity (Dutton & Dukerich, 1991; Tripsas, 2009), organisational culture (Ravasi & Schultz, 2006) and emotions (e.g. Cornelissen et al., 2014; Maitlis et al., 2013). If these dimensions influence the sensemaking process, they will subsequently impact the TFR (e.g. Barrett, 1999). In a merger, differences among the dimensions mentioned above are expected to become particularly evident (e.g. Buono & Bowditch, 1989; Larsson & Finkelstein, 1999).

The expected relationship between the concepts is outlined in Figure 2. *Factors influencing sensemaking* refer to the dimensions that could impact different groups' sensemaking processes. The dimensions included in this framework are the result of an abductive research process and are therefore not a holistic set of variables that may explain sensemaking (see section 3.3). *Technological frames of reference* (TFR) describe how different groups of employees view the MCS. The MCS in focus of this study is an employee satisfaction tool. While a MCS can include a complete set of control practices (e.g. Simons, 1995), it can also be a specific practice or tool in the organisation (e.g. Busco et al., 2008; Kaplan & Norton, 1992). This study adapts the latter approach. In line with Olesen's (2014) reasoning, our analysis is based on two frame domains: *motive of management control system* and *use of management control system*. We define *motive of management control system* as the interpretation of the underlying purpose and value of the tool for the organisation and *use of management control system* as the actual and expected use of the tool. Comparing different members' view on the MCS translates into a *level of frame incongruence*. We then investigate if frame incongruence can lead to *consequences on the use of management control system*, such as misaligned expectations, contradictory actions and unanticipated organisational consequences (Orlikowski & Gash, 1994). Lastly, we examine if and how the consequences on the use of MCS will lead to *consequences on post-merger integration*. As the MCS in this study is an employee satisfaction tool targeting employee alignment, its intended outcome is to facilitate PMI. However, as problematised by existing literature, the role of a MCS is impacted by how it is made sense of. It is thus reasonable to address the possibility that divergent sensemaking could lead to an organisational outcome different than the intended.

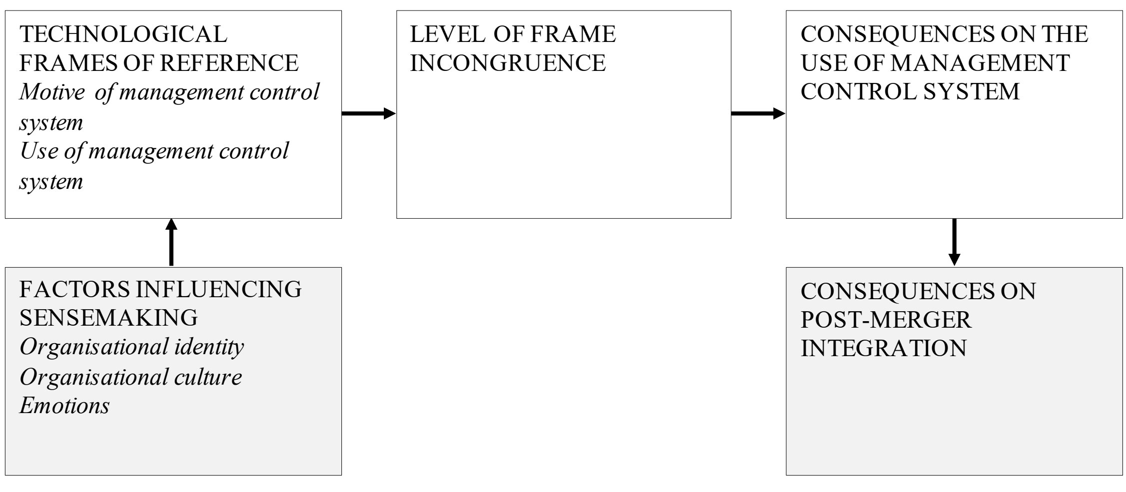

Figure 2. Theoretical framework

The theoretical framework in Figure 2 is developed for an analytical purpose and thus simplified. Despite being visualised as a linear process, we acknowledge that real organisational situations are more complex and that sensemaking is an inherently iterative process. However, by integrating influential factors and consequences on PMI to the conceptual framework of TFR (Orlikowski & Gash, 1994), we aim to attain a deeper understanding of the overall sensemaking process related to MCS in PMI.

By applying the theoretical framework above on the empirics of this study, we thereby aim to address the research question: *How do organisational members make sense of a management control system aimed at facilitating employee alignment in post-merger integration and how does this affect the role of the system?*

3. Method

The following chapter describes the research methodology. The first section motivates the choice of a single case study and explains the selection of research setting. Section 3.2 and 3.3 thereafter describe the process of data collection and data analysis, followed by a discussion of the quality of the data in section 3.5.

3.1. Research design

3.1.1. Single case study

To answer the research question, this study has been carried out as a qualitative, single case study. Qualitative research in accounting builds on the assumption that social reality is *"emergent, subjectively created, and objectified through human interaction"* (Chua, 1986, p. 615). This approach was chosen as it provides the depth and richness of data needed to be able to answer the 'how' in the research question (Dyer et al., 1991). In addition, single case studies have commonly been used in prior research on MCS in post-merger settings (e.g. Granlund, 2003; Moilanen, 2016).

Since there is little existing research on the interplay of MCS and employee alignment in PMI, an explorative study was found well-suited (Eisenhardt, 1989). For nascent theory, which refers to less explored research fields, qualitative methods are preferred (Edmondson & McManus, 2007). To assure internal consistency, Edmondson and McManus (2007) further argue that there needs to be a fit between elements such as the research question and the theoretical contributions. A qualitative approach with an open-ended research question was thus chosen to be able to explain rather than describe the phenomenon of interest in this study (Otley & Berry, 1998).

3.1.2. Selection of research setting

The research in this study took place during an ongoing merger of two equally sized Swedish camping chains. In the beginning of the PMI process, a digital employee satisfaction tool was implemented to facilitate employee alignment within the new organisation (hereafter "NewCo"). The selection of this case was motivated by the following factors:

Firstly, the research setting of an ongoing integration enabled data collection in the midst of the sensemaking process. The theoretical gaps indicated that there was a need to understand how sensemaking of MCS in PMI unfolds, pointing towards the usefulness of seeing more of the sensemaking process: *"Without a knowledge of process, variance knowledge is very hard to use: the 'how' is missing"* (Wiebe, 2010, p. 11). As this study was conducted in the midst of ongoing events, it can be argued that the interviewees' accounts represent sensemaking of both past, present and the future (Maitlis & Christianson, 2014; Kaplan & Orlikowski, 2013; Wiebe, 2010).

Secondly, the setting of a merger of two equally sized firms was found appropriate given that prior research mainly has focused on the implementation of a dominant acquirer's MCS in the acquired firm (e.g. Jones, 1985a, 1985b; Nilsson, 2002; Roberts, 1990). In this case, the MCS was introduced to the companies at the same time, implying that employees from both sides of the merger were triggered to make sense of the MCS in the PMI process. Another benefit with this is that the MCS was still new to both sides of the merger at the time of the study, facilitating accounts of 'ongoing' sensemaking in line with earlier reasoning (e.g. Wiebe, 2010).

Moreover, the context was well-suited to study the use of non-traditional results controls. Since PMI relies heavily on employee alignment, it provided an appropriate context to study how the use of employee measures influenced the outcome on PMI. The use of non-traditional results controls has been linked to firms relying on strategic human capital (Widener, 2004), but these controls have to a large extent been discussed in relation to improving operational performance. Studying the use of an employee satisfaction tool aimed at facilitating PMI was thus considered a fruitful way to add a new empirical setting to research on non-traditional results controls.

Lastly, some practical criteria guided the selection of the case company. To be considered a suitable case, the company was required to fulfil the following criteria: 1) preferably have a head office located in Sweden, 2) have multiple organisational levels, and 3) allow access for interviews at all levels, including management positions. As the case company of this study fulfilled all of the above criteria, it was deemed to be a good fit for the study.

3.2. Data collection

This study has primarily been based on in-depth interviews, with internal data and documents used as a secondary source. As highlighted by Orlikowski and Gash (1994), in-depth interviews suit the sensemaking perspective as they stimulate discussion surrounding meanings and expectations of technology. In this study, a total of 24 interviews were conducted with 22 interviewees (see Appendix A). All interviews were conducted one by one. After 24 interviews, theoretical saturation was considered to have been reached as the last interviews did not provide any new observations (Eisenhardt, 1989). The interviewees (see Table 1) consisted of 7 employees from the head office, 8 employees from the acquiring firm (hereafter "Alpha") and 7 employees from the acquired firm (hereafter "Beta"). Of the 15 local employees interviewed, 11 have the role of local managers, 2 as janitors and 2 as receptionists. In the selection of interviewees, the aim was to maintain an equal weight of employees from both Alpha, Beta and management (see Table 1). To understand how organisational members make sense of the employee satisfaction tool, the aim was also to interview employees at all organisational levels. This was done to ensure different perspectives and mitigate the risk of biased data (Eisenhardt & Graebner, 2007).

Table 1. Overview of interviewees

Management/Other	**Alpha**	**Beta**
4 Management	6 Local managers	5 Local managers
2 Regional managers	1 Receptionist	1 Receptionist
1 Controller	1 Janitor	1 Janitor
Total: 7	Total: 8	Total: 7

Hereafter referred to as: Regional manager (RM), Local manager (LM), Receptionist (Employee), Janitor (Employee)

The data collection took place in January, February and March 2020. The interviews lasted on average 50 minutes and a majority of the interviews were conducted over video due to the long physical distance between the organisational units. Three interviews were conducted with employees at a physical site visit at one of the organisational units and three interviews were held with management representatives at the head office. Prior to the interviews, all interviewees were informed about their anonymity and the aim of the study. Moreover, the interviewees were asked if the interview could be recorded, which all interviewees accepted. Both of the authors were present in all interviews, in which one was responsible to guide the interview according to the themes of an interview guide and the other to take notes and ask clarifying questions when needed. All of the interviews were held in Swedish, audio recorded and subsequently transcribed into text. Quotes that were chosen to be included in the paper were translated from Swedish to English, but also kept in the original language as backup.

The interviews were conducted in two rounds. A first round of interviews with management and a few employees was held to get an initial understanding of the merger-related changes and background to the employee satisfaction tool. Thereafter, a second round of interviews guided by the theoretical framework was conducted. Despite some revision of the interview guide throughout the study, questions related to the same themes were asked to each interviewee to capture the perspective of each organisational level. The interviews started with an introduction by the interviewee about his or her role and background. Thereafter, the interviewee was asked questions related to themes guided by theory. The themes in the interviews focused firstly on the employees' experiences related to the merger and secondly on the interviewees' view on the motive and use of the employee satisfaction tool (see Appendix B). Focus was on understanding the interviewees' perceptions of the merger and the tool from an individual perspective, in line with the chosen method theory (see Maitlis & Christianson, 2014; Orlikowski & Gash, 1994). Semi-structured interviews were utilised to allow the interviewees to steer the direction of the interview and to develop an in-depth understanding by asking follow-up questions (Bryman & Bell, 2015).

In addition to the interviews, secondary data was collected in the form of internal and external presentation material, weekly emails sent out by management to all employees, and data captured by the employee satisfaction tool. With administrative access to the tool, we could observe results in the form of KPIs and individual comments written in the employee surveys. Altogether, the secondary data sources helped us to get an understanding of the background to the merger and the employee satisfaction tool, as well as supporting the primary data collection.

3.3. Data analysis

To develop a theoretical lens for data analysis, this study drew on the concept of method and domain theory (Lukka & Vinnari, 2014). The method theory; sensemaking (e.g. Weick, 1995) and TFR (Orlikowski & Gash, 1994), provided a general notion on what to look for in the data and was used as a lens to uncover similarities and differences in the data in relation to the theory.

The data analysis followed an abductive approach, implying that theory development, data collection and data analysis were carried out iteratively, continuously testing the data against the theory while narrowing down the research question (Ahrens & Chapman, 2006; Lukka & Modell, 2010; Dubois & Gadde, 2002; Dubois & Gadde, 2014). To facilitate this abductive process, initial insights were discussed and noted in a research journal after each interview. In the first round of interviews, focus was on understanding the role of the employee satisfaction tool without a particular focus on sensemaking or TFR. As the initial empirics indicated that different groups viewed the tool differently and theory indicated that the sensemaking perspective could help to answer the research question, the concepts of TFR and sensemaking were adopted. Consequently, the second round of interviews were supported by the method theory through the use of an interview guide capturing the TFR concepts (see Appendix B).

The in-depth interview material was analysed with qualitative content analysis, which is suitable for the interpretative analysis required for eliciting underlying expectations, assumptions and inconsistencies related to TFR (e.g. Barrett, 1999; Orlikowski & Gash, 1994). The data was analysed and coded in two phases; first order analysis resulting in 'first order concepts' and second order analysis resulting in 'second order themes' (Gioia et al., 2013). In the first order analysis, the interview transcript was scanned for emerging themes that were manually coded into first order concepts. In this phase, the analysis was not guided by theory (Gioia et al., 2013). Examples of first order concepts include: 1) pre-merger ways of working, 2) management using Beta as best practice, and 3) low need for the employee satisfaction tool in the local setting. In the second order analysis, the first order concepts were analysed and categorised with the method theory as a theoretical lens

(Gioia et al., 2013). Consideration was taken to not ‘over-fit’ concepts to existing theoretical concepts. The TFR analysis should be flexible enough to allow for the inclusion of new frame domains, as well the exclusion of previously established domains (Orlikowski & Gash, 1994). The interaction of theory and empirics therefore led us to apply the frame domains *motive of* and *use of* (cf. Olesen, 2014). The second order analysis resulted in five themes, for example: 1) motive of the employee satisfaction tool, 2) use of the employee satisfaction tool, and 3) consequences on the use of the results.

The concepts were then studied in relation to each other. The identification of linkages was influenced by iterations of screening and selection, i.e. ‘contrastive thinking’ (Lukka, 2014). For example, we are not claiming to provide a holistic set of explanatory variables when it comes to ‘factors influencing sensemaking’. Our study aims to provide an exploration of emerging aspects rather than a complete answer*: “we do not explain events or phenomena per se, but only particular aspects of them”* (Lukka, 2014, p. 563).

In order to develop causal explanations, we adapted the approach of ‘counterfactuality’ (Lukka, 2014). One example of this is the dependency relationship between ‘frame incongruence’ and ‘consequences on post-merger integration’. By asking ‘what if’, we concluded that the negative consequences described in section 4.4 would probably *not* have emerged if the organisational groups had shared a more congruent view on the employee satisfaction tool.

3.4. Data quality

Data quality has traditionally been assessed through *validity* and *reliability* of the data (Yin, 2014). However, Dubois and Gadde (2014) argue that these concepts were developed to assess the quality of quantitative, rather than qualitative data. In line with the growing body of qualitative research in management accounting, Lukka and Modell (2010) instead suggest assessing interpretive research through *authenticity*, i.e. trustworthiness, and *plausibility*.

Authenticity of interpretive research refers to the construction of a holistic narrative that gives voice to the ‘other’ (Lukka & Modell, 2010). Thus, this study has aimed at providing in-depth and detailed explanations from the perspective of the interviewees. To avoid bias in the narratives, this study has furthermore focused on ensuring nuanced data by providing stories from multiple levels and roles in the organisation. To reliably describe the case company, approved facts and descriptions have been shared to provide the reader with a background.

In terms of plausibility, potential explanations of the findings need to ‘make sense’ to the reader (Lukka & Modell, 2010). Through a detailed description of the data collection and analysis, this study has aimed at providing credible insights on how conclusions were drawn. Another aspect of plausibility relates to the causality of the findings, which has often been put in contrast to the aim of interpretive studies. However, with a tendency to focus on questions concerning the ‘how’, the interpretive paradigm can contribute with in-depth explanations of the phenomenon studied rather than ‘law-like generalisations’. This study sought causal explanations of emerging aspects by applying the concepts of contrastive thinking and counterfactuality (see Lukka, 2014).

4. Empirical analysis

The following chapter will present the empirical analysis. The chapter starts with a background section explaining the merger, the employee satisfaction tool and the organisational structure of the case company. Thereafter, the sections are structured in line with the theoretical framework: factors influencing sensemaking in section 4.2, technological frames of reference in section 4.3 and lastly consequences in section 4.4.

4.1. Background

The case company of this study is a camping chain named NewCo. NewCo is the result of a merger between Alpha and Beta, which was initiated only a few months prior to the start of this study. NewCo is currently in a phase of post-merger changes, ranging from alignment on a new strategy to the implementation of new commercial concepts. The post-merger strategy has created an imbalance between the two sides of the merger, as it is mainly the employees from Alpha that has to change and adapt. As Beta was more commercialised and profitable prior to the merger, management chose to mainly use Beta's strategy as the new direction for NewCo. This has evoked strong emotions among the Alpha employees, who perceive it as their knowledge and ways of working are no longer valued. Despite Alpha being the acquiring firm, employees from Alpha feel like they are the ones being acquired.

The events leading up to the merger begun three years earlier, when Alpha was acquired by a private equity firm. With the new owners, Alpha started the transformation from being a family-run business to a fast-growing camping chain. This had two main implications. Firstly, Alpha started to pursue an active M&A strategy with multiple smaller acquisitions leading up to the acquisition of Beta. This acquisition was the largest so far, adding 14 new camping sites to the existing operations of 26 sites. Secondly, it implied that a new management team with experience from other industries was put in place. Only in the two last years, seven out of eight roles have been replaced or added to the current management team.

A few months into the merger, management implemented a survey tool to measure employee satisfaction throughout the PMI. This 'employee satisfaction tool' is a digital employee survey that is sent out to employees on all levels in the organisation, on a monthly or even weekly basis. In the survey, employees are asked questions related to their perceptions of the post-merger changes as well as to their overall satisfaction. Two examples of questions are: 1) *'How do you feel about the change right now?'* and 2) *'How likely are you to recommend NewCo as an employer?'* As the employees can answer the questions with both points and written text, the results come in the form of standardised numerical indicators such as eNPS[2] and individual comments. The results can then be visualised on different organisational levels, ranging from displaying results on a local level for each camping site to aggregated results for the entire group. The employee satisfaction tool can be defined as a management control system (e.g. Chenhall, 2003; Simons, 1995) aimed at facilitating employee alignment in NewCo's PMI. Moreover, as it collects non-financial metrics related to employee satisfaction, it can also be defined as a form of non-traditional results control (Ittner & Larcker, 1995; Widener, 2004). The employee satisfaction tool was implemented in a hastily manner to enable measurement already in the first summer season following the merger. Hence, management did not have much time to communicate the intended purpose of the tool to the organisation. As a consequence, there was no assurance of a shared understanding of the tool. This will be elaborated on in section 4.2, 4.3 and 4.4.

Figure 3 visualises a simplified organisational structure of the case company. NewCo employs a total of 900 people during the peak season in the summer, but only 90 of these are full year employees. The daily operations at the respective camping site are managed by a local manager (LM). The LMs are organised in two regions: West and East. The LMs report to a regional manager (RM), which in turn reports to the COO and the rest of the management team. The two RMs are included in the extended management team (roles in bold text in Figure 3) and will hereafter be referred to as 'management'.

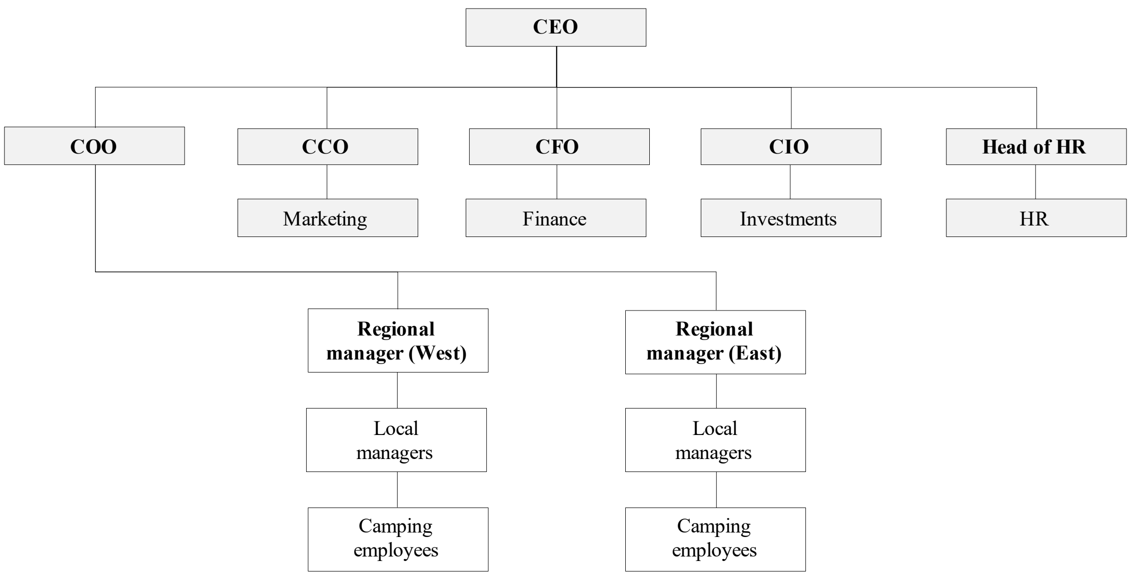

Figure 3. Organisational chart of NewCo

[2] The eNPS is an acronym for employee net promoter score. This metric measures employees' willingness to recommend their employer to a friend.

4.2. Factors influencing sensemaking

Theory suggests that employees' sensemaking can be triggered and influenced by factors such as organisational culture (e.g. Ravasi & Schultz, 2006), emotions (e.g. Maitlis et al., 2013) and organisational identity (e.g. Dutton & Dukerich, 1991). In the following sections, we review these dimensions in the case of NewCo.

4.2.1. Characteristics of pre-merger cultures

The merger does not only imply an integration of two different cultures within Alpha and Beta, but it also entails the integration of the new management's subculture. The cultural differences among these groups create difficulties for the integration process:

> We have two cultures from two different camping chains, but then we also have a completely new management team. The CEO, the COO and the CCO all come from different industries [...] So it is not only a merger, it is also that a completely new common culture should be created and that takes time. – LM B, Beta

The members of the management team have recently joined NewCo from larger corporations and other industries than camping. Thus, they are used to working with formalised routines and measurement systems. It is evident that management is in favour of measuring, quantifying and making decisions based on data. This can be noted in artefacts such as a wide screen dashboard at the head office displaying real-time financial data from the operations. Another underlying assumption is that clear top-down communication is a solution when dealing with managerial issues in the integration. The characteristics of management's pre-merger culture can thus be summarised as valuing professionalisation, performance measurement and one-way communication:

> We [management] generally like to measure things, which I partly inherited from my time as a management consultant. We like facts [...] And a constant learning in all mergers is communication, communication, communication. Super important. You think it is enough when you say something 10 times, but you need to say it 20 times before everyone gets it. – CEO

The characteristics of Alpha's pre-merger culture can be found on the other side of the spectrum. Alpha's pre-merger culture is characterised by being local and familiar, as opposed to professionalised and business oriented. The Head of HR emphasised that Alpha's pre-merger culture is characterised by caring for the employees' well-being. Employees from Alpha are used to the fact that the old management team focused on listening and engaging in dialogue with individuals on all levels. LM B from Alpha framed it as the Alpha employees are used to *"dialogues, not monologues"*.

However, as the local independency is replaced with more standardised and centrally decided work practices following the merger, the Alpha employees perceive it as they no longer have a say in the changes:

> Before the merger, we made most decisions [on the camping sites] by ourselves. I would estimate that 80 percent of the decisions were made by us and 20 percent by the central organisation. But since the merger and since the new organisation came in place it is rather the other way around. – LM A, Alpha

The Beta employees are already used to working according to standardised guidelines from the head office. They even appreciate clear top-down instructions and structured ways of working. LM D from Alpha portrayed it as a *"top-down governed Beta"* in contrast to a *"family from Alpha"*. A Beta employee further described that Beta was a *"car with wheels"* and Alpha like a *"horse with a wagon"*. Beta's pre-merger culture is thereby characterised by being more top-down governed, almost hierarchical, in terms of both communication and ways of working. This was further elaborated on by LM C from Beta: *"My view is that Beta has been more structured and organised. It feels like Alpha has been very unstructured [...] We have exactly the same curtain in every window, but they have different curtains in every cabin"*.

The empirics show that the three groups (Alpha, Beta and management) have differing taken-for granted assumptions about organisational communication and ways of working. These assumptions originate from the groups' pre-merger backgrounds and experiences. When the taken-for granted roles and routines are threatened, organisational members tend to engage in sensemaking (Maitlis & Christianson, 2014). Before analysing how the employees' pre-merger experiences influence sensemaking of the employee satisfaction tool, section 4.2.2 will discuss the employees' emotions (e.g. Maitlis et al., 2013) evoked by the post-merger changes.

4.2.2. Emotions evoked by post-merger changes

The post-merger changes and communication evoke strong emotions among the Alpha employees, which seem to have an impact on how they view the employee satisfaction tool. Management's strategy is to make NewCo a centralised, market leading chain. Although management aims to keep some aspects from Alpha in the new group, such as a decentralised budget process, the employees from Alpha perceive it as NewCo is going 'the Beta way'. Since management has chosen to use Beta's brand for the new group, Beta's pre-merger organisational identity of being a centralised chain is confirmed.

Moreover, the CCO emphasises that *"everything is basically Beta"*, which creates a positive attitude among Beta employees:

> From Beta's side, it is much easier because we continue with the same name and same colours. They [management] seem to copy much from our ways of working. I think it is more challenging for Alpha, because they encounter larger changes.
> – LM B, Beta

While Beta employees feel appreciated by management, the Alpha employees rather feel the opposite. The structural changes have made employees from Alpha to feel like they are the ones being acquired instead of the other way around. The standardisation thus threatens Alpha's pre-merger *organisational identity* of having a local, caring family structure. This perceived identity threat has made some of the Alpha employees to look for other jobs, as they are not identifying their personalities with NewCo's chain concept. The Alpha employees interpret the changes as if management wants NewCo to get rid of Alpha's corporate identity in favour of Beta's. LM C from Alpha explained that this evokes feelings of no longer being appreciated: *"It hurts that they [management] did this. I feel like someone has told me 'You do not know how to do your own job'"*.

Negative emotions are also evoked by the fact that the Alpha employees share feelings of *injustice* in terms of how much of management's attention that is devoted to Beta in comparison to Alpha. LM A from Alpha feel as if the head office no longer cared about listening to the LMs, emphasising how he/she was not even invited to the working group in which he/she originally had been placed in. The feeling of injustice is also reflected when management brings up LMs from Beta as examples of best practices in weekly newsletters and in presentations:

> To conclude, it is basically that Beta is amazing and does everything well, while Alpha does everything poorly. That is the feeling you get [...] It makes the employees from Alpha feel 'What about us, are we not also doing good things?' [...] Because right now it seems like it is mainly LMs from Beta that contribute the most.
> – Employee A, Alpha

When being brought up as a best practice example, LM A from Beta described how this kind of feedback makes him/her feel positive and important in the organisation. Besides being slightly positive to the increased attention by management, the employees from Beta do not display as strong emotional reactions to the merger as the employees from Alpha.

The first part of this section distinguished characteristics of Alpha's, Beta's and management's respective *pre-merger cultures*. It became evident that the cultural characteristics of the three groups differed. The second part showed that the post-merger changes evoked strong, negative *emotions* for the Alpha employees due to feelings of identity threat and injustice. The post-merger setting is thus an ambiguous situation for

NewCo's employees, pointing to the need for sensemaking (e.g. Weick, 1995). In the following section, we will explore how these factors related to the merger influence the sensemaking process of the motive and use of the employee satisfaction tool.

4.3. Technological frames of reference

The following TFR analysis shows that the three different groups within NewCo (Alpha employees, Beta employees and management) have different views on the employee satisfaction tool. The different interpretations become evident in terms of both the *motive of* and the *use of* the tool and lead to *frame incongruence* between the three groups. The frame incongruence relates to three dimensions: the motive of the tool, management's use of the results and the use of numerical versus verbal accounting indicators. While the former one concerns the *motive of* the employee satisfaction tool, the two latter go under the *use of* the tool. The empirics will be structured accordingly.

4.3.1. Motive of the employee satisfaction tool

Organisational members might have different underlying assumptions for *why* a new technology is implemented in the organisation, which consequently impacts members' interaction with the system (Orlikowski & Gash, 1994). In the case of NewCo, there is an incongruence between all three groups when it comes to how they view the *motive of* (i.e. the purpose of) the employee satisfaction tool. While management focuses on measuring performance on an aggregated level, employees within Alpha view the underlying motive of the tool to be a way of understanding the employees' feelings and to provide an opportunity for employees to express their individual opinions. The Beta employees partly share Alpha's view but attribute less value to the possibility of expressing individual opinions.

Management's view is that the main purpose of the employee satisfaction tool is to enable frequent and aggregated measurement of employee satisfaction. Management emphasises that while traditional annual employee surveys produce a static picture, the employee satisfaction tool allows frequent tracking. The CCO describes the tool as a *"temperature check"* and the Head of HR emphasises how he/she wants to be able to *"work with the data now, now"*. In addition, both the CEO, CCO and Head of HR highlight that it is problematic when the voice of a few individuals represents the entire organisation. As touched upon by the CEO, management values that the employee satisfaction tool enables them to capture aggregated data for the organisation: *"There are always a couple of loud individuals that raise their voice a lot, but they cannot become spokespersons for 700 employees. We have to have proper facts on what the situation actually looks like"*. In line with sensemaking theory, the underlying assumption for why the tool was implemented relies to a large extent on *organisational culture*. As outlined above, management's frame on the *motive of* the employee satisfaction tool is clearly influenced by characteristics of their *pre-merger culture* in terms of measuring, quantifying and making data-driven decisions.

Employees from Alpha see the motive of the tool to be a way of understanding and empowering individuals, as opposed to measuring aggregated data. The Alpha employees emphasise that the motive likely is that management wanted to get a deeper understanding of the employees' perspective and feelings in the merger. The post-merger changes has evoked negative *emotions* for the Alpha employees and LM A from Alpha exemplifies how this makes them see the employee satisfaction tool as a platform to express these strong emotions: *"We [employees] are lucky that we had it in the merger, so that we could write what we really think and feel"*.

The Alpha employees thereby interpret the employee satisfaction tool as a way of expressing their individual feelings, since the post-merger situation has created a strong need for them to give voice to these feelings. This stands in contrast to the Beta employees, who do not have as strong *emotions* about the merger and thus attribute less value to the opportunity of expressing their individual feelings. Although describing the employee satisfaction tool as a way to understand the employees, the Beta employees do not see the purpose of the tool as an opportunity to be heard. LM A from Beta emphasises that he/she does not really see the tool as something that could bring value to him/her, while another employee explains:

> I do not see it as very personal, it feels like you just answer quickly and then maybe someone looks at it [...] So I have not devoted that much energy to giving any answers in the comment function. – Employee A, Beta

The findings highlight how emotional and cultural characteristics have triggered and influenced sensemaking, by showing that management's *pre-merger culture* and the employees' *emotions* influenced how they view the *motive of* the employee satisfaction tool.

4.3.2. Use of the employee satisfaction tool

By exploring organisational members' understanding and expectations of how technology will be used on a day-to-day basis, Orlikowski and Gash (1994) argue that incongruence related to *use of the tool* can be identified. For the groups within NewCo, two disparities related to the use of the employee satisfaction tool are identified. The first one concerns management's use of the results and the second one concerns the usefulness of numerical versus verbal forms of accounting.

The employees from Alpha have high expectations that management will use the results actively. Their underlying assumption is that management will reflect on the results and thereafter give concrete responses back to the employees, as well as taking actions to change the situation if something specific is brought up or if there is a decline in the results. This reasoning clearly reflects the characteristic of Alpha's *pre-merger culture* of frequently being listened to:

> I hope it is a tool that management really cares about, not only when there is blame, but also when there is praise. I hope that they take a step back and if they see that there are concerns out on the camping sites, that they reflect and think about why this is the case. I really hope that. – LM B, Alpha

There is also an expressed need among the Alpha employees for more dialogue about the results. This need seems to stem from Alpha's pre-merger norm of having an open dialogue. In contrast, Beta employees have lower expectations on management's use of the tool. In fact, they are even uncertain if and how the results are used. An example of the uncertainty is how several Beta interviewees explain that they use alternative channels such as email or phone calls to communicate feedback, because it is not so clear how the feedback in the employee satisfaction tool is acted upon. One of the Beta employees described it in the following manner:

> I do not know how they [management] use the statistics and what they do with it. Sometimes it feels like you answer randomly, but they say that they look at the statistics and that they read all the comments. – Employee A, Beta

The difference between Alpha's and Beta's frames is intriguing, as explanations can be construed from differences between the characteristics of their *pre-merger cultures*. Alpha's expectations on an active use of the results and a desire for a more open dialogue relate to their underlying assumption of being listened to. Beta's uncertainty on how the results are used relate to their pre-merger communication, which mainly took the form of top-down instructions.

The employees' expectations outlined above stand in contrast to management's actual use of the results, which implies a more passive use and tracking of the merger progress. This assumption can also be seen to origin from management's *pre-merger culture* that values performance measurement. With an underlying assumption that declining results (e.g. declining eNPS) is a natural part of the change process, management explain that they expect the results to improve as the integration moves along. One example of this is how the CEO expected the Alpha LMs' dissatisfaction to improve after a kick-off was held. When the subsequent results then declined instead of improved, the COO gave the motivation that they just have to continue on the same path. The frequent measuring thus seems to provide management with a sense of control:

> We need to continue exactly as we are doing. We have shown clear policies for everyone and what it means for them [...] When they understand, they will see that this is an improvement [...] The employee satisfaction tool allows us to measure and track. We already know how people react, but it is very good to be able to actually

> see how they react to the changes and that there is nothing harmful with changes [...] What gets measured gets done. – COO

Another difference between the groups relates to the diverging views on the usefulness of numerical versus verbal accounting indicators in the tool. Management focuses on numerical scores to avoid bias from individual opinions, whereas many employees from Alpha and Beta see disadvantages with numbers as they do not provide underlying explanations. Management's focus on numbers goes hand in hand with their *pre-merger culture*, characterised by measuring and quantifying aggregated data, as a numerical score fulfils these characteristics better than verbal comments. In the internal communication it becomes evident that management primarily focuses on the results in the form of numbers. An example of this is how management communicates league tables of eNPS and response rates in the weekly newsletters. Furthermore, the CEO argues that the most important KPI is the eNPS as management can use it to benchmark with other companies.

Management's overall focus on numbers stands in contrast to how the employees use the results. There is instead an emphasis on the positive aspects of comments, as they allow the employees to explain 'why' they feel or think certain things. LMs from both Alpha and Beta expect it to be easier to understand the root cause and take appropriate actions based on comments than on numbers. Despite that both sides see the value of comments, the employees from Alpha display a stronger willingness to actively use it themselves due to their dissatisfaction evoked by the merger-related changes. Employee B from Alpha brings up the issue that numbers can be interpreted differently in the employee satisfaction tool. Even if he/she would be satisfied, he/she would never give a point higher than 8 as *"there are always things to improve"*. Thus, there is a feeling that the input from the comments is the most important indicator in the tool:

> I do not think it says as much if I drag the scale to number 7 as if I would write a few sentences and say that 'now I think it goes way too fast with the change, I am not following at all'. – LM D, Alpha

In summation, the frame domains for the respective groups differ in several ways. The organisational members make sense of the employee satisfaction tool differently and *frame incongruence* exists. Management sees the employee satisfaction tool as a *performance measurement tool* aimed at measuring the merger progress, while employees from Alpha see the tool as an *empowerment tool* aimed at strengthening the employee voice. Employees from Beta attribute less value to the empowerment aspect and have lower expectations on the use of the results in general and can thereby be seen as more 'in the middle' of how the other groups view the tool. Employees from Beta have a neutral view on the employee satisfaction tool and simply see it as a *survey tool* aimed at gathering employee answers. However, they remain uncertain if their opinions will be heard and taken into account for further action. The empirical analysis of factors influencing sensemaking and TFR is summarised in Table 2.

Table 2. Summary of the empirical analysis

	Management	**Alpha employees**	**Beta employees**
Factors influencing sensemaking			
Characteristics of pre-merger culture	Measuring, data-driven decisions, one-way communication	Familiar, dialogue, unstructured, used to being listened to	Top-down governance and communication, structured, not used to being listened to
Emotions evoked by post-merger changes	Limited emotions evoked in the merger process	Negative emotions evoked by: 1) threat of pre-merger organisational identity, and 2) perceived injustice	Limited emotions evoked in the merger process
Technological frames of reference			
Motive of employee satisfaction tool	Performance measurement of merger progress	Empowerment tool to strengthen the employee voice	Survey tool to gather employee answers
Use of employee satisfaction tool			
- *Management's use of results*	Passive use to track merger progress (actual use)	High expectation on active use of results	Uncertain if results are even used
- *Numerical versus verbal accounting indicators*	Focus on numerical, aggregated data	Focus on and strong willingness to use verbal, individual comments	Focus on verbal, individual comments

4.4. Consequences

In line with the TFR framework (Orlikowski & Gash, 1994), the frame incongruence results in misaligned expectations on the employee satisfaction tool. The frame incongruence impacts the groups' interaction with the tool, reflecting the final step of 'taking actions' after constructing interpretations in the sensemaking process (Maitlis & Christianson, 2014). In the case of NewCo, the frame incongruence subsequently leads to the results being interpreted and utilised by management in a different way than what the employees from Alpha expect. In the analysis below, we show how this in turn results in counterproductive consequences for the integration.

To start with, one of the consequences of management's use of the employee satisfaction tool is a 'misunderstanding' of the root cause to the increased dissatisfaction among the

Alpha employees. As management primarily focuses on the aggregated, numerical data rather than individual comments from the 'detractors', they gain limited insights on the underlying reasons for the dissatisfaction. While the LMs from Alpha described in the interviews that they mainly are dissatisfied about no longer feeling listened to, the management team view the dissatisfaction more as a temporary issue. The CEO thus expects the integration issues to be resolved over time, with the support of continuous top-down communication: *"Everyone needs to get a chance to digest the changes [...] Regarding the actions we will take, it is again about communication, communication and communication"*.

Secondly, another consequence related to the frame incongruence is that management may overlook the risk of potential employee drop-offs. In relation to mainly tracking the merger process on an aggregated level, management is accepting a 'margin of error' in the results: "*We had expected a certain dip due to the change process and the new way of working might not suit everyone"* (CEO). This expectation seems to stem from the underlying assumption that employee dissatisfaction is a natural part of the change process. However, by already expecting some negative results, management may be underestimating the existing risk of employee drop-offs. As the overall employee satisfaction score has declined significantly during the integration, employees from Alpha fear that management is not taking the declining results seriously enough:

> I do not know if it comes as a complete surprise that LMs are now dropping off. That is why I do not know how they [management] have been working with it [the results]. If they would have worked with the results, I think they would have recognised the risk of employee drop-offs earlier. – LM D, Alpha

Finally, management's use of the employee satisfaction tool also implies that Alpha employees' underlying expectations about dialogue about the results are not met. While Alpha employees expect actions from management's side to deal with the dissatisfaction, management focuses on actions that are not really addressing what Alpha employees perceive as the root cause to their dissatisfaction. Thus, from the perspective of the Alpha employees, management is not taking sufficient actions to the declining results. As LM E from Alpha described, management should instead actively *"give response to the important questions raised in the comments. They have to be transparent, as we are in our guest surveys"*. Management's one-way communication thereby becomes counterproductive, as the Alpha employees primarily desire a two-way dialogue and a feeling of being acknowledged.

Altogether, the consequences highlighted above indirectly lead to an increased risk of higher dissatisfaction and employee turnover among the employees from Alpha. It is important to note that the underlying reasons for the original employee dissatisfaction derive from other issues, such as the structural changes, and not merely the frame incongruence related to the employee satisfaction tool. However, by not living up to the expectations that the Alpha employees have, the employee satisfaction tool does not support management in facilitating employee alignment as intended. Instead, the frame incongruence leads to misaligned expectations on the use of the tool, which imposes a risk of negative spill-overs on the integration. The next section will discuss the empirical findings in depth and explain how the findings contribute to the literature on MCS in PMI.

5. Discussion

The following chapter discusses the empirical analysis in comparison to previous research. Firstly, we discuss frame incongruence and the effects on PMI. Secondly, we discuss the factors that seem to trigger and influence sensemaking of the employee satisfaction tool. In the last section of the chapter, we problematise the use of non-traditional results controls by discussing the impact of frame incongruence.

5.1. Frame incongruence and the effects on post-merger integration

Previous research on the role of MCS in PMI is scarce and limited attention has been devoted to the use of a MCS with the specific purpose of facilitating integration (cf. Granlund, 2003). Other scholars have mainly focused on integration of existing MCS (Jones, 1985a, 1985b; Nilsson, 2002; Roberts, 1990), rather than the role of MCS in facilitating PMI. The empirical focus of this study is thus of value, as it explores a setting in which the organisation implemented a MCS with the purpose of managing employee satisfaction in the merger process. By exploring the sensemaking process of a MCS aimed at facilitating integration, the findings of this study contribute to existing research on the role of MCS in PMI in two ways.

Firstly, we find that the three groups; Alpha employees, Beta employees and management, make sense of the MCS differently. The different TFR serve as a basis for how the groups use the MCS: *"group members took actions that were consistent with their particular technological frames"* (Orlikowski & Gash, 1994, p. 198). When contrasting how the three groups view the MCS in terms of *motive of* and *use of*, three aspects of frame incongruence are identified (see Table 2). While the Alpha employees make sense of the MCS as an empowerment tool aimed at strengthening the employee voice in the organisational dialogue, management see it as a performance measurement tool aimed at measuring the merger progress. The Beta employees are somewhere in the middle, as they attribute less value to the opportunity of expressing their voice and are uncertain about if and how the results are used by management. While previous research indicates that a MCS can provide a 'common language' in the ambiguous PMI process (Granlund, 2003), the findings of this study show how a MCS triggers its own sensemaking process (see Maitlis & Christianson, 2014; Weick, 1995). This inevitably leads to subjective interpretations of the tool (Azad & Faraj, 2008; Davidson, 2006; Orlikowski & Gash, 1994). Thus, we see that the use of MCS in PMI to a large degree is influenced by individual sensemaking processes.

Secondly, while existing literature points to the importance of acknowledging different interpretations of MCS in PMI (Moilanen, 2016), a processual understanding of which factors that could trigger diverging sensemaking and how this affects the role of the MCS is missing. We contribute to existing research by showing how the frame incongruence in this study causes negative consequences for the use of the MCS (see Azad & Faraj, 2008; Orlikowski & Gash, 1994). This further creates negative spill-over effects on the integration process. More specifically, we see that the frame incongruence leads to the following within NewCo: 1) management has a differing opinion on the root cause to the dissatisfaction than the Alpha employees themselves, 2) management risks overseeing the possibility of employee drop-offs reflected in the results, and 3) the Alpha employees' expectations on management's actions to deal with the dissatisfaction are not met. The analysis shows that when organisational members act upon different interpretations (Weick et al., 2005), it can create consequences impeding the intended outcome of the technology (Azad & Faraj, 2008; Orlikowski & Gash, 1994). Incongruent interpretations lead management to use the employee satisfaction tool in a way that partly contradicts what the group of dissatisfied employees expect, which in turn increases the risk of employee dissatisfaction. As employee alignment is a critical component of successful PMI (Birkinshaw et al., 2000; Buono & Bowditch, 1989; Graebner et al., 2017), divergent sensemaking causes the MCS in this case to have unintended, or even negative effects on the integration.

To conclude, we problematise the idea that a MCS can support PMI by providing a common language: *"A common MAS [management accounting system] could have facilitated shared learning in providing a common interpretative scheme"* (Granlund, 2003, p. 235). Instead, the findings show that frame incongruence can *hinder* the MCS from providing a common language in PMI. Accordingly, we argue that the role of MCS in PMI is dependent on individuals' interpretations of the systems: *"To interact with technology, people have to make sense of it"* (Orlikowski & Gash, 1994, p. 175). Due to how members make sense of a MCS, it may not succeed in achieving its intended outcome of supporting PMI.

5.2. The influence of pre-merger culture and emotions

An ongoing merger is a setting with inherent ambiguity and uncertainty (Graebner, 2004; Vaara, 2003), pointing to the need for sensemaking (Weick, 1995). As sensemaking is triggered when underlying expectations are violated and when a situation is of significance for the interpreter (Maitlis & Christianson, 2014), frames will to a large extent be dependent on organisational members' pre-existing experiences, knowledge and values (Gioia, 1986; Weick, 1979b). Thus, sensemaking can be impacted by factors such as organisational identity (Dutton & Dukerich, 1991; Tripsas, 2009), organisational culture (Barrett, 1999; Ravasi & Schultz, 2006) and emotions (e.g. Cornelissen et al., 2014; Maitlis et al., 2013; Walsh & Bartunek, 2011). From an accounting perspective, Moilanen (2016) highlights that emotions, related to the position of being in an acquiring or an acquired firm, have an impact on how MCS changes are interpreted in PMI. This study extends previous research with two new insights related to which factors that can trigger and influence diverging sensemaking processes.

To start with, we find that *emotions* that fuel and influence how organisational members make sense of MCS (see Maitlis et al., 2013) can be evoked by multiple factors going beyond the structural aspects of the merger (cf. Moilanen, 2016). Hence, we contribute by showing how other factors than the structural positions of the groups in the merger influence sensemaking of the MCS. In our case, negative emotions were evoked among the Alpha employees by 1) post-merger changes that threaten Alpha's pre-merger organisational identity and 2) perceived injustice in terms of how much of management's attention that is devoted to Beta in comparison to Alpha. While the former supports previous PMI research on organisational identity (Graebner et al., 2017; Van Knippenberg & Van Leeuwen, 2001), the latter sustain previous research on justice (e.g. Hambrick & Cannella, 1993; Monin et al., 2013; Very et al., 1997). The negative emotions influence the sensemaking process by making the Alpha employees interpret the employee satisfaction tool as an opportunity to express their feelings, which stands in contrast to how the more neutral Beta employees make sense of the tool. Thus, it is the emotions that 'signal the need for' and 'provide the energy' to trigger the Alpha employees' sensemaking (Maitlis et al., 2013). This contributes to management accounting research by highlighting how emotions indirectly can impact the role of MCS in PMI and how emotions triggering sensemaking can be evoked by a range of post-merger issues.

Additionally, another extension of previous accounting research relates to the fact that it is not only emotions that can impact how organisational members make sense of a MCS in a PMI context (cf. Moilanen, 2016). In the case of NewCo, differences in the characteristics of the *pre-merger cultures* of Alpha, Beta and the management team provide explanations for why the frame incongruence related to the employee satisfaction tool emerges. As one characteristic of Alpha's pre-merger culture is reliance on organisational dialogue*,* the employees from Alpha have expectations of being listened to through the employee satisfaction tool. On the other hand, the employees from Beta feel rather uncertain about how the results are used. This seems to reflect their pre-merger experience of top-down, rather than bottom-up, communication routines. At the same time, management makes sense of the tool based on their professional backgrounds and pre-merger culture characterised by a focus on performance measurement. The characteristics of the pre-merger cultures thus seem to be reflected in the organisational members' respective frames (Barrett, 1999; Ravasi & Schultz, 2006). It is important to note that the characteristics of the pre-merger cultures identified in study are distinguishing *aspects* rather than full sets of underlying assumptions, values and artefacts (see Schein, 1997). Yet, these characteristics provide valuable insights to how sensemaking of MCS is triggered and formed in the PMI context. We show that *"taken-for granted roles and routines"* (Maitlis & Christianson, 2014, p. 77) from the pre-merger organisations play an important role in forming members' interpretations of a new MCS and subsequently their interaction with it (Orlikowski & Gash, 1994; Weick, 1979a). This finding thus contributes to the management accounting domain by showing that the role of MCS in PMI likely will be influenced by organisational members' pre-merger cultures.

5.3. A new perspective on non-traditional results controls

This study makes a third contribution to management accounting research by problematising the role of MCS in managing employee alignment. Previous research points to a positive relationship between the use of employee measures and company performance (Gates & Langevin, 2010). Widener (2004) further argues that non-traditional results controls, such as employee measures, can support organisations in communicating their objectives, enhance employee alignment and establish a common culture. However, as the implementation of MCS can trigger sensemaking, which is influenced by organisational members' backgrounds, underlying assumptions and emotions (e.g. Maitlis et al., 2013; Ravasi & Schultz, 2006), we argue that measuring employee satisfaction does not always mean the same thing for all organisational members. Through the lens of sensemaking and TFR, the findings of this study thus challenge the current discourse on non-traditional results controls in two ways.

Firstly, we challenge the ex-ante positive relationship between the use of employee measures and employee alignment, by showing how divergent sensemaking of a MCS measuring employee satisfaction indirectly can cause counterproductive effects. Due to differing interpretations, i.e. frame incongruence (Orlikowski & Gash, 1994), an employee satisfaction tool can mean different things to different actors. In the case of NewCo, the Alpha employees expect the tool to be a means for management to understand the root cause to their dissatisfaction, while management's actual use of the tool is to measure the integration progress through aggregated, frequent data. While the Alpha employees translate 'employee satisfaction' as empowerment of their individual feelings and thoughts, management uses the concept of employee satisfaction to implicitly track the merger progress. It thus creates a 'made-up', cognitive construction of satisfied employees. The analysis thereby shows that management makes sense of employee satisfaction differently than the employees: *"automobile designers have different notions and knowledge of automobiles than drivers"* (Orlikowski & Gash, 1994, p. 179). The findings of this study thus show that measurement of employee satisfaction does not simply make employees more satisfied. The attribution of meaning to the concept of employee satisfaction can create complexities that if not dealt with properly can challenge the initial purpose of such measures. This contributes to management accounting literature by unveiling that managing employee alignment is not as straightforward as what has previously been suggested (cf. Widener, 2004).

Secondly, this study points to the need for dialogue when introducing non-traditional results controls in digital forms. As frame incongruence might exist between different groups using such tools, it is important to engage in open discussions in order to avoid counterproductive consequences: "*As these different interpretations are typically not articulated or discussed, they may [...] result unintendedly and unknowingly in misaligned expectations, contradictory actions and unanticipated organisational consequences*" (Orlikowski & Gash, 1994, p. 203). Prior to NewCo's merger, the Alpha employees were used to that the management team addressed employee satisfaction through informal contact and face-to-face dialogue. As the employee satisfaction tool was implemented in a time of significant organisational change, there was not enough time for the new management team to engage in dialogue about its intended use. Digitalisation of managerial practices addressing employee satisfaction thus poses challenges for a common attribution of meaning (see Quattrone, 2016). Employee-related aspects (e.g. employee satisfaction) are less associated with traditional performance measurement compared to for example financial dimensions (e.g. profitability). Widener (2004) even refers to employee measures as 'non-traditional'. As the NewCo employees lacked shared frames on the meaning of employee satisfaction prior to the implementation of the MCS, this triggered sensemaking and subsequently frame incongruence. This highlights the importance of ascertaining that the implementation of non-traditional results controls comes with discussions about the motive and the expected use of such controls. We thus contribute to management accounting literature by highlighting that employee-related measures should be combined with dialogue to mitigate some of the risks inherent in digitalisation and formalisation of employee satisfaction controls.

The discussion above has compared the empirical findings with previous research on MCS in PMI and non-traditional results controls. Altogether, this study contributes to management accounting research in three ways. A summary of these contributions can be found in Table 3 below.

Table 3. Comparison of findings vis-à-vis previous studies

	Previous management accounting research (Gates & Langevin, 2010; Granlund, 2003; Moilanen, 2016; Widener, 2004)	**Making sense of management control in a merger** (Sandberg & Thulin, 2020)
The role of management control systems in managing post-merger integration	1) A MCS can provide a common language in PMI and thus facilitate the integration process (Granlund, 2003) 2) MCS changes in PMI can be interpreted differently. Not focusing on the actual effects of different interpretations of MCS in PMI (Moilanen, 2016)	1) Frame incongruence can *hinder* a MCS from providing a common language and facilitate PMI 2) Misaligned expectations caused by frame incongruence could lead the MCS to have *negative*, rather than facilitating, effects on employee alignment in PMI
Factors influencing sensemaking of management control systems in post-merger integration	Sensemaking of MCS in PMI can be influenced by: 1) *Emotions* evoked by the position (acquiring or acquired firm) held by the individual (Moilanen, 2016)	Sensemaking of MCS in PMI can be influenced by: 1) *Emotions* evoked by identity threat and perceptions of injustice in post-merger changes 2) *Pre-merger culture* (of the acquiring firm, the acquired firm, and the new management team)
The use of non-traditional results controls	1) Non-traditional results controls and employee measures can increase company performance (Gates & Langevin, 2010) and support employee alignment (Widener, 2004)	1) The ex-ante positive relationship between employee measures and employee alignment is challenged, as frame incongruence on the meaning of 'employee satisfaction' may lead to contradictory actions 2) The use of non-traditional results controls should come with dialogue to ensure congruent expectations about the role of such measures in the organisation

6. Conclusions

Managing employee alignment is crucial for M&A success (Birkinshaw et al., 2000; Buono & Bowditch, 1989; Graebner et al., 2017), yet little is known about the role of MCS in achieving this. It is noted that MCS in PMI can be subject to different interpretations (Moilanen, 2016), but a deeper understanding of the process in which this evolves is still missing. This study has addressed the process in which a MCS focused on employee alignment was made sense of and used in the PMI. The research was carried out through a single case study of an ongoing merger in which an employee satisfaction tool was implemented to manage employee alignment. By applying the lens of sensemaking (e.g. Maitlis & Christianson, 2014; Weick, 1995) and the concept of TFR (Orlikowski & Gash, 1994), this study aimed to answer: *How do organisational members make sense of a management control system aimed at facilitating employee alignment in post-merger integration and how does this affect the role of the system?* This study thereby contributes to the domain of management accounting in three ways.

Firstly, we contribute to accounting literature on the role of MCS in PMI (Granlund, 2003; Moilanen, 2016). Our findings show that a MCS in PMI can be subject to divergent sensemaking (Moilanen, 2016) and we problematise the role of a MCS as a common interpretive scheme (cf. Granlund, 2003). In this study, employees from the acquiring firm, the acquired firm, as well as management, had differing assumptions and expectations about the MCS and thus made sense of it differently. We extend previous literature by explaining the process in which the interpretations unfold, including the actual effects of divergent sensemaking of a common MCS. The findings of this study show how the identified frame incongruence caused the respective groups to use the MCS in different ways. Although the MCS was aimed at enhancing employee alignment in the merger, misaligned expectations caused management to engage in actions in contradiction to what the employees expected. This increased rather than mitigated the existing employee dissatisfaction. Instead of providing a common language (cf. Granlund, 2003), the frame incongruence hindered the MCS to serve as a common mediator in the integration. This shows that differing sensemaking of a MCS aimed at facilitating PMI can cause unintended, or even counterproductive, effects for the intended outcome of the MCS.

As a second contribution, we provide a deeper understanding of factors that can trigger and influence sensemaking of MCS in the PMI setting. In line with Moilanen (2016), we see that emotions play an important role in organisational members' sensemaking processes. However, our study extends existing management accounting research by adding insights on what kind of factors that trigger and influence sensemaking of MCS in PMI. Firstly, we see that sensemaking of MCS in PMI can be influenced by the pre-merger culture of different organisational groups. Secondly, we show how emotions influencing sensemaking can be evoked by feelings of injustice and organisational identity threats in the merger process.

Lastly, we contribute to accounting literature on non-traditional results controls by problematising the discourse on employee-related measures. More specifically, we challenge the positive ex-ante relationship between employee measures and employee alignment (cf. Gates & Langevin, 2010; Widener, 2004) by acknowledging the risk of frame incongruence. In this study, misaligned expectations on the motive and use of the MCS caused the employee measures to have counterproductive effects on employee satisfaction. By recognising that the assumed meaning of 'employee satisfaction' can differ between organisational members, we highlight the importance of discussing the expectations on employee measures upon implementation. In addition, our study points to the need for dialogue to ensure coherent sensemaking of digital accounting systems.

In addition to the theoretical contributions, this study also has practical implications. For practitioners aiming to manage employee alignment in PMI, it is important to note that the implementation of employee measures does not support employee alignment *per se*. Successful outcomes of such MCS are dependent on mutual perceptions and expectations about the purpose and the use of the system in the organisation. We propose that engaging in dialogue, as well as considering how employees' pre-merger perspectives may influence their interpretations of the MCS, are important steps to ensure congruent and successful use of the MCS in the organisation.

The findings of this study are subject to limitations. Firstly, as this study addressed 'how' an employee satisfaction tool was made sense of in PMI, a longitudinal process study could have benefited the analysis with more insights to how the process evolves (cf. Kraus & Strömsten, 2012; Maitlis, 2005). Moreover, as this study was conducted in the midst of an ongoing merger, we recognise that the long-term organisational effects of the MCS could not be observed. Lastly, the identified factors impacting sensemaking in this study could be context-specific and thus we acknowledge that other factors can trigger and influence sensemaking of MCS in PMI.

For future research, we suggest exploring the role of sensegiving (e.g. Gioia & Chittipeddi, 1991) in supporting congruent sensemaking of MCS in PMI. As this case did not provide examples of how managerial efforts can be used to give sense, it would be of interest to study if activities such as increased organisational dialogue could have facilitated a shared perspective on the MCS. Finally, we suggest studying how organisational members make sense of non-traditional results controls in other empirical settings. In the light of our findings, it becomes relevant to address how organisational members' interpretations of employee measures impact the intended outcomes of such control systems.

7. References

Ahrens, T., & Chapman, C. S. (2006). Doing qualitative field research in management accounting: Positioning data to contribute to theory. *Accounting, Organizations and Society,* 31(8), 819-841.

Azad, B., & Faraj, S. (2008). Making e-government systems workable: Exploring the evolution of frames. *Journal of Strategic Information Systems,* 17(2), 75-98.

Balkcom, J.E., Ittner, C. D., & Larcker, D. F. (1997). Strategic performance measurement: Lessons learned and future directions. *Journal of Strategic Performance Measurement*, 1, 22-32.

Barrett, M. I. (1999). Challenges of EDI adoption for electronic trading in the London insurance market. *European Journal of Information Systems*, 8(1), 1-15.

Bartunek, J. M., & Moch, M. (1987). First order, second order, and third order change and organization development interventions: A cognitive approach. *The Journal of Applied Behavioral Science*, 23(4), 483-500.

Bhimani, A., & Bromwich, M. (2009). Management accounting in a digital and global economy: The interface of strategy, technology, and cost information. In C. S. Chapman, D. J. Cooper, & P. Miller. (Ed.), *Accounting, Organizations, and Institutions: Essays in Honour of Anthony Hopwood* (p. 85-111). Oxford University Press.

Birkinshaw, J., Bresman, H., & Håkanson, L. (2000). Managing the post-acquisition integration process: How the human integration and task integration processes interact to foster value creation. *Journal of Management Studies*, 37(3), 395-425.

Buono, A. F., Bowditch, J. L., & Lewis, J. W. (1985). When cultures collide: The anatomy of a merger. *Human Relations*, 38(5), 477-500.

Buono, A. F., & Bowditch, J. L. (1989). *The human side of mergers and acquisitions*. San Francisco, California: Jossey-Bass.

Busco, C., Giovannoni, E., & Scapens, R. W. (2008). Managing the tensions in integrating global organisations: The role of performance management systems. *Management Accounting Research*, 19(2), 103-125.

Bryman, A., & Bell, E. (2015). *Business research methods* (4. ed.). Oxford: Oxford University Press.

Chenhall, R. H. (2003). Management control systems design within its organizational context: Findings from contingency-based research and directions for the future. *Accounting, Organizations and Society,* 28(2), 127-168.

Chua, W. F. (1986). Radical developments in accounting thought. *The Accounting Review,* 61(4), 601-632.

Cornelissen, J. P., Mantere, S., & Vaara, E. (2014). The contraction of meaning: The combined effect of communication, emotions, and materiality on sensemaking in the stockwell shooting. *Journal of Management Studies,* 51(5), 699-736.

Davidson, E. (2006). A technological frames perspective on information technology and organizational change. *The Journal of Applied Behavioral Science,* 42(1), 23-39.

Dubois, A., & Gadde, L. (2014). Systematic combining—A decade later. *Journal of Business Research,* 67(6), 1277-1284.

Dubois, A., & Gadde, L. (2002). Systematic combining: An abductive approach to case research. *Journal of Business Research,* 55(7), 553-560.

Dutton, J., & Dukerich, J. (1991). Keeping an eye on the mirror: Image and identity in organizational adaptation. *The Academy of Management Journal*, 34(3), 517-554.

Dyer, W., Wilkins, A., & Eisenhardt, K. (1991). Better stories, not better constructs, to generate better theory: A rejoinder to eisenhardt; better stories and better constructs: The case for rigor and comparative logic. *The Academy of Management Review*, 16(3), 613-619.

Edmondson, A.C., & McManus, S.E. (2007). Methodological Fit in Management Field Research. *The Academy of Management Review*, 32(4), 1155-1179.

Eisenhardt, K. M. (1989). Building theories from case study research. *The Academy of Management Review,* 14(4), 532-550.

Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *The Academy of Management Journal,* 50(1), 25-32.

Gates, S., & Langevin, P. (2010). Human capital measures, strategy, and performance: HR managers' perceptions. *Accounting, Auditing & Accountability Journal*, 23(1), 111-132.

Gephart, R. P. (1993). The textual approach: Risk and blame in disaster sensemaking. *The Academy of Management Journal,* 36(6), 1465-1514.

Giddens, A. (1984). *The Constitution of Society: Outline of the Theory of Structure.* Berkeley, California: University of California Press.

Gioia, D. A. (1986). *Symbols, scripts, and sensemaking. The thinking organization*. San Francisco, California: Jossey-Bass.

Gioia, D. A., & Chittipeddi, K. (1991). Sensemaking and sensegiving in strategic change initiation. *Strategic Management Journal*, 12(6), 433-448.

Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the gioia methodology. *Organizational Research Methods,* 16(1), 15-31.

Graebner, M. (2004). Momentum and serendipity: How acquired leaders create value in the integration of technology firms. *Strategic Management Journal*, 25(8), 751-777.

Graebner, M., Heimeriks, K., Nguyen Huy, Q., & Vaara, E. (2017). The process of postmerger integration: A review and agenda for further research. *The Academy of Management Annals*, 11(1), 1-32.

Granlund, M. (2003). Management accounting system integration in corporate mergers: A case study. *Accounting, Auditing and Accountability Journal*, 16(2), 208-243.

Hambrick, D. C., & Cannella, Albert A. (1993). Relative standing: A framework for understanding departures of acquired executives. *The Academy of Management Journal*, 36(4), 733-762.

Ittner, C., & Larcker, D. (1995). Total quality management and the choice of information and reward systems. *Journal of Accounting Research*, 33, 1-41.

Jones, C. S. (1985a). An empirical study of the evidence for contingency theories of management accounting systems in conditions of rapid change. *Accounting, Organizations and Society*, 10(3), 303-328.

Jones, C. S. (1985b). An empirical study of the role of management accounting systems following takeover or merger. *Accounting, Organizations and Society*, 10(2), 177-200.

Kaplan, R., & Norton, D. (1992). The Balanced Scorecard - Measures That Drive Performance. *Harvard Business Review*, 70(1), 71–79

Kaplan, S. (2008). Framing contests: Strategy making under uncertainty. *Organization Science,* 19(5), 729-752.

Kaplan, S., & Orlikowski, W. J. (2013). Temporal Work in Strategy Making. *Organization Science*, 24(4), 965–995.

Kraus, K., & Strömsten, T. (2012). Going public: The role of accounting and shareholder value in making sense of an IPO. *Management Accounting Research,* 23(3), 186-201.

Larsson, R., Finkelstein, & S. (1999). Integrating strategic, organizational, and human resource perspectives on mergers and acquisitions: A case survey of synergy realization. *Organization Science*, 10(1), 1-26.

Lukka, K. (2014). Exploring the possibilities for causal explanation in interpretive research. *Accounting, Organizations and Society,* 39(7), 559-566.

Lukka, K., & Modell, S. (2010). Validation in interpretive management accounting research. *Accounting, Organizations and Society,* 35(4), 462-477.

Lukka, K., & Vinnari, E. (2014). Domain theory and method theory in management accounting research. *Accounting, Auditing & Accountability Journal*, 27(8), 1308-1338.

Maitlis, S. (2005). The social processes of organizational sensemaking. *The Academy of Management Journal*, 48(1), 21-49.

Maitlis, S., & Christianson, M. (2014). Sensemaking in organizations: Taking stock and moving forward. *The Academy of Management Annals*, 8(1), 57-125.

Maitlis, S., Vogus, T. J., & Lawrence, T. B. (2013). Sensemaking and emotion in organizations. *Organizational Psychology Review,* 3(3), 222-247.

Moilanen, S. (2016). Sensemaking of post-acquisition changes in accounting and control. *Journal of Applied Accounting Research*, 17(1), 24-42.

Monin, P., Noorderhaven, N., Vaara, E., & Kroon, D. (2013). Giving sense to and making sense of justice in postmerger integration. *The Academy of Management Journal*, 56(1), 256-284.

Nilsson, F. (2002). Strategy and management control systems: A study of the design and use of management control systems following takeover. *Accounting & Finance*, 42(1), 41-71.

Olesen, K. (2014). Implications of dominant technological frames over a longitudinal period. *Information Systems Journal*, 24(3), 207-228.

Orlikowski, W., & Gash, D. (1994). Technological frames: Making sense of information technology in organizations. *ACM Transactions on Information Systems*, 12(2), 174-207.

Otley, D., & Berry, A. (1998). Case study research in management accounting and control. *Accounting Education,* 7, 105-127.

Porac, J., Thomas, H., & Baden-Fuller, C. (1989). Competitive groups as cognitive communities: The case of scottish knitwear manufacturers. *Journal of Management Studies*, 26(4), 397-416.

Quattrone, P. (2016). Management accounting goes digital: Will the move make it wiser? *Management Accounting Research*, 31, 118-122.

Ravasi, D., & Schultz, M. (2006). Responding to organizational identity threats: Exploring the role of organizational culture. *The Academy of Management Journal*, 49(3), 433-458.

Roberts, J. (1990). Strategy and accounting in a U.K. conglomerate. *Accounting, Organizations and Society*, 15(1), 107-126.

Schein, E. (1997). *Organizational culture and leadership.* San Francisco, California: Jossey-Bass.

Simons, R. (1995). *Levers of control: How managers use innovative control systems to drive strategic renewal*. Boston, Mass: Harvard Business School Press.

Steigenberger, N. (2017). The challenge of integration: A review of the M&A integration literature. *International Journal of Management Reviews*, 19(4), 408-431.

Tripsas, M. (2009). Technology, identity, and inertia through the lens of "The digital photography company". *Organization Science,* 20(2), 441-460.

Tsamenyi, M., Cullen, J., & González, J. M. G. (2006). Changes in accounting and financial information system in a spanish electricity company: A new institutional theory analysis. *Management Accounting Research*, 17(4), 409-432.

Vaara, E. (2003). Post- acquisition integration as sensemaking: Glimpses of ambiguity, confusion, hypocrisy, and politicization. *Journal of Management Studies*, 40(4), 859-894.

Van Knippenberg, D., & Van Leeuwen, E. (2001). Organizational identity after a merger: Sense of continuity as a key to post-merger identification. In M. A. Hogg & D. J. Terry (Eds.), *Social identity processes in organizational contexts* (p. 249–264). Philadelphia, PA: Psychology Press.

Very, P., Lubatkin, M., Calori, R., & Veiga, J. (1997). Relative standing and the performance of recently acquired european firms. *Strategic Management Journal*, 18(8), 593-614.

Walsh, I. J., & Bartunek, J. M. (2011). Cheating the fates: Organizational foundings in the wake of demise. *The Academy of Management Journal,* 54(5), 1017-1044.

Weick, K. E. (1979a). Cognitive processes in organizations. *Research in Organizational Behavior*, 1(1), 41-74.

Weick, K. E. (1979b). *The social psychology of organizing* (2nd ed.). New York: McGraw-Hill.

Weick, K. E. (1995). *Sensemaking in organizations.* Thousand Oaks, California: Sage Publications.

Weick, K. E., Sutcliffe, K. M., & Obstfeld, D. (2005). Organizing and the process of sensemaking. *Organization Science*, 16(4), 409-421.

Whetten, D. A. (2006). Albert and Whetten revisited: Strengthening the concept of organizational identity. *Journal of Management Inquiry*, 15(3), 219-234.

Widener, S. K. (2004). An empirical investigation of the relation between the use of strategic human capital and the design of the management control system. *Accounting, Organizations and Society*, 29(3), 377-399.

Wiebe, E. (2010). Temporal sensemaking: Managers' use of time to frame organizational change. In T. Hernes, & S. Maitlis (Eds), *Process, Sensemaking, and Organizing* (p. 213-241). Oxford University Press.

Yazdifar, H., Zaman, M., Tsamenyi, M., & Askarany, D. (2008). Management accounting change in a subsidiary organisation. *Critical Perspectives on Accounting*, 19(3), 404-430.

8. Appendix

Appendix A: Conducted interviews

Interviewee	Number of interviews	Interview context	Interview length	Interview date
Management				
CEO	3	In person By phone In person	50 min 20 min 50 min	10th January 14th February 5th March
CCO	1	In person	60 min	22th January
COO	1	By phone	40 min	13th February
Head of HR	1	By video	60 min	16th January
Regional manager A	1	By video	55 min	27th January
Regional manager B	1	By video	55 min	3rd February
Alpha employees				
Local manager A Alpha	1	By video	60 min	3rd February
Local manager B Alpha	1	By video	55 min	7th February
Local manager C Alpha	1	By video	60 min	17th February
Local manager D Alpha	1	By video	60 min	18th February
Local manager E Alpha	1	By video	50 min	3rd March
Local manager F Alpha	1	In person	70 min	4th March
Employee A Alpha	1	In person	40 min	4th March
Employee B Alpha	1	In person	50 min	4th March
Beta employees				
Local manager A Beta	1	By video	50 min	6th February
Local manager B Beta	1	By video	35 min	6th February
Local manager C Beta	1	By video	55 min	17th February
Local manager D Beta	1	By video	55 min	17th February
Local manager E Beta	1	By video	40 min	18th February
Employee A Beta	1	By video	60 min	5th February
Employee B Beta	1	By phone	30 min	6th February
Other				
Controller	1	By phone	30 min	20th February
Total interviews:	**24**	**Average:**	**50 min**	

Appendix B: Interview guide

The following themes were used to guide the semi-structured interviews conducted in this study.

Management

General questions

- Main responsibilities
- Background and years in the company

The merger

- Description of Alpha and Beta prior to the merger
- Motive behind merger-related changes
- Employees' ability to impact the changes
- Post-merger integration process

Employee satisfaction tool

- Description of the tool
- Motive for implementing the tool
- Expected use of the tool among employees
- Management's actual use of the tool and use of the results

Local managers and employees

General questions

- Main responsibilities
- Background and years in the company

The merger

- Description of Alpha/Beta prior to the merger
- Perception of the merger and post-merger changes
- Ability to impact in the organisation

Employee satisfaction tool

- Description of the tool
- Employees' own perception of the tool
- Motive for implementing the tool
- Employees' own use of the tool
- Management's use of the tool and results