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The threat of dis-identification for HR practices: An ethnographic study of a merger ☆

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Summary Research shows that HR practices play a crucial role in postmerger integration by facilitating employees' identification with the new company. However, the effects of identity and identification dynamics upon these practices have yet to be examined. We draw on an ethnographic study of a merger among four different banks to outline the challenges that identification processes among employees create for these HR practices. Specifically we underscore the possibility of dis-identification among employees from different premerger organizations and explore the obstacles it rises to HR practices which seek to foster postmerger identification. Our findings show that HR practices can, unexpectedly, result in initial dis-identification and disrupt integration in multiple ways. We integrate our findings into a model, which maps the mutually constituted processes of identification and dis-identification. Employees of the pre-merger companies experience human resource practices by framing and enacting them to create differences with the others, and by elaborating postmerger encounters enabled by HR practices into occasion for dis-identification and civil inattention.

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Introduction

What challenges do human resource (HR) managers face when they attempt to co-opt employees' identification processes in their effort to contribute to the success of a merger? Research shows that HR practices play a crucial role in

postmerger integration (Schuler & Jackson, 2001) by facilitating employees' identification with the new company. However, the effects of identity and identification dynamics upon these practices have yet to be examined (Nag, Corley, & Gioia, 2007; Ullrich & van Dick, 2007).

In previous studies of identity (Anteby, 2008; Giddens, 1986; Goffman, 1959), identification processes are the dynamics through which people incorporate their experience into their identity, which is a consistent account of their action. During mergers, identification processes are one of the major roadblocks preventing their success since

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mergers become more difficult when employees react by clinging to their original organization as a defining element of their identity (Hogg & Terry, 2000; Van Knippenberg, Van Knippenberg, Monden, & De Lima, 1999). In this way, employees build a consistent and positive account of their prior experience while the merged organization to which they now belong threatens their identity. This prompts them to resist managers' efforts to implement the merger and to regard compliance with such attempts as a source of shame (Cox, 1997; Fugate, Kinicki, & Scheck, 2002).

Human resource practices can facilitate this shift of identity during mergers. Practices such as team-building events, communication, and member integration programs have proven to be effective as they provide opportunities for managers to frame the new organization as a source of identity-enhancing experiences that were not available before the merger (Larsson & Finkelstein, 1999). Moreover, such HR practices provide employees with opportunities to incorporate their experiences into a valuable account of their work progression (Hambrick & Cannella, 1993; Schweiger, Ivancevich, & Power, 1987).

Literature on identity suggests that the effectiveness of HR practices depends on employees' initial reactions to members who represent the other side of the merger (Albert, Ashforth, & Dutton, 2000; Bartels, Douwes, de Jong, & Pruyn, 2006). If the employees react positively to the merger, it will reduce competitiveness between the units (Colman & Lunnan, 2011) and minimize the "us versus them syndrome" (Marks & Mirvis, 2001). Employees from each premerger organization need to share a similar identity, otherwise their interactions will be jeopardized by an unwillingness to take other future practices into account when enacting their own (Elsbach & Bhattacharya, 2001; Goffman, 1961). HR practices serve to promote continuity in the organization during the integration process. If there is no continuity in the practices of the newly formed organization and employees do not categorize themselves as members of the merged organization, then there is no identification (Ullrich & Van Dick, 2007). This implies that employees tend to protect their self-esteem through the continuity of their identity (Colman & Lunnan, 2011).

In this paper, we explore the difficulties that HR practices face when employees' initial reaction is one of dis-identification (i.e., a refusal to identify) with the new, postmerger organization (Amiot, Terry, Jimmieson, & Callan, 2006; Colman & Lunnan, 2011; Elsbach & Bhattacharya, 2001). These employees exclude members from other premerger organizations because they fear that they can jeopardize their identity (Cunha & Orlikowski, 2008). The aim of this paper is to investigate the effects of dis-identification on the implementation and the integrative potential of HR practices in a merger process. This paper covers a gap in the literature, as the effect of identity dynamics on the implementation of HR practices has not been fully investigated (Nag et al., 2007; Ullrich & Van Dick, 2007) since empirical research into HR practices in relation to organizational dis-identification is limited (Bartels et al., 2006; Ellemers, de Gilder, & Haslam, 2004).

The paper is structured as follows: We begin by considering the challenges that identity and identification processes place to corporate mergers. We emphasize the need to understand how identification processes which occur in

the early stages of a merger affect the HR practices that seek to facilitate postmerger integration. We then outline the data and methods used to explore this problem. We finish by presenting and discussing a model of the effects that the mutually constituted, but separate processes of identification and dis-identification have on the effectiveness of these HR practices.

Theoretical background

In the following review of the literature, we will first present the role of others in the identification process, and we will then look into the challenges of identifying with others in mergers. Finally we present how HR practices and the challenge of identification have been investigated in the literature.

The role of others in the identification process

Research on identification processes in organizations indicates that individual identity is a social outcome and an account of an agent's action and experience, created together with others (Tajfel & Turner, 1986).

Identity can be challenged or supported in significant interactions, which we refer to herein as encounters, or other HR practices that aim to foster postmerger integration. In these face-to-face or mediated interactions, each participant's image is at stake, so the individual participants depend on one another to legitimize their presented image (Dutton, Dukerich, & Harquail, 1994; Elsbach & Bhattacharya, 2001).

However, not all interactions matter in terms of dictating a person's self-presentation, even if they may be prescribed or framed as such by HR managers. An employee could interpret encounters with others as a social contact, with few if any consequences for his/her professional interests and identity (Garud, Jain, & Kumaraswamy, 2002) or regard the occasion as an opportunity to define these ideas (Fligstein, 2001). The first situation is metaphorically similar to the experience of a seasoned chess player allowing her grandson to win a chess match to boost his confidence. The second is more akin to a seasoned chess player being beaten by a rival in an official tournament. In the former, the player does not take the game seriously, and the defeat has little if any impact on the player's interpretation of his/her own ability. In the latter, the player's reputation is on the line, and a defeat challenges the ability to present him/her-self as a skilled practitioner.

When social contact entails little importance for identity, employees may enact a process of civil inattention, such that they act in the presence of other employees, or even their managers, but do not respond to their action or its outcomes (Goffman, 1967). Employees interpret interactions as important encounters only when they choose to use those interactions to make sense of their experience and define their current challenges, as well as the resources available to address them (Goffman, 1967).

There are other encounters that are neither occasions for identification nor civil inattention, but instead lead to dis-identification. Dis-identification happens when "individuals' social identities and self-concepts are defined by the groups

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