The Role of Communication in Change Management

A Case Study on the Merger of Boreda and Värderingsdata

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ABSTRACT

Change management has been a subject of interest for many researchers due to the rapidly transforming business environment. Communication, on the other hand, plays a critical role to decide the fate of these changes. Therefore, it has been a tricky subject to bring into analysis what counts as a ‘successful’ communication approach to adopt during change activities. This thesis scrutinizes communication strategies adopted during a planned change process with the help of an empirical approach.

For this specific study, the author aims to highlight a planned merger in two Swedish organizations with respect to the ubiquitous aspect of ‘communication’ as well as the resultant cultural clashes. The study aims to investigate how did the top management of both organizations devised communication strategies in the context of the merger plan so as to deal with differences in organizational cultures. This research is qualitative in nature and semi structured interviews were conducted for the purpose of data collection. Data analysis is done using thematic approach which is a commonly used method of content analysis in the field of qualitative research.

The study findings represent eight common themes that have a focus on different communication strategies employed by the top management of the merged organizations. Cultural differences in both firms were related to the aspects of working environment, mindset, expectations, behaviors and attitudes. Yet, at the same time a number of drawbacks were identified in communication. Nevertheless, it is encouraging to note that various steps are taken in response by the management to solve these problems, which are still in progress so their results are yet to reveal in the upcoming years.

Keywords: Communication, change management, organizational culture, mergers and acquisitions, case study.
1. INTRODUCTION

Change is embedded in the roots of modern organizations. Transition is the only constant and is much needed in today’s complex world owing to the factors of globalization, competition and technology. Progressive organizational cultures have already recognized this phenomenon and consider adaptability to be the key of success (Hritz, 2008). However, ‘change’ cannot be defined as an easy switch from an old stage to a new and better one. Besides several other factors to be kept in mind, communication is the most vital aspect that needs to be taken care of while change is taking place. Lewis (2011) explains that the organization’s stakeholders try to make sense of the change process by discussing its imperatives among themselves. This communication decides whether they are going to support, resist or alter the change process—and at an individual or collective level.

There has been a unanimous agreement among organizational researchers as to why communication is important while going through the path of change. Change can always trigger a variety of emotions in its recipients, therefore, it is utmost important that the change message is communicated in a way that best reaches the target audience (Cameron and Green, 2004). McCalman and Paton (2000) identify several guidelines on communicating the change to stakeholders. Some of them include customization of the message to appropriately address the intended personnel, gathering feedback, taking care of the medium through which change is being communicated to guarantee penetration and ensuring that the message’s tone is apt and does not result in offending the audience (Dawson, 2003).

1.1 Motivations for Choosing the Topic

This thesis highlights the case of two specific organizations that have recently merged to form a single entity. There are a number of motivations for selecting this topic. Firstly, to explore the reasons of change forcing the modern organizations to adapt at various levels and the implanted communication needs. Secondly, the author aims to study the change spectrum in relation to empirical evidence from the industry. Since no two changes are exactly alike therefore it may be an interesting approach to focus on a specific organization’s change experience and then relating it to the existing theoretical framework afterwards. However the main focus will be on ‘communicating change’ throughout this whole study.

While analyzing the change and communication grounds, it is interesting to ponder upon the three categories of change defined by Ackermann (1997) in relation to the two organizations chosen for this study. The three categories are:

-Developmental changes occur when the existing skills or processes go through an improvement.
-Transitional modifications involve moving from a present state to a desired one where the change takes place in a controlled time period.
-Transformational change is the most radical one which results from the chaotic demise of the present stage and its results are unknown until the new stage emerges (Ramanathan, 2008).

Organizations are continuously going through developmental changes by improving their current services. Mergers and acquisitions, creation of new products or services or implementing technological changes all fall into the category of transition. Transformation is normally the next step after developmental or transition stages and it may involve both the aforementioned change types. Since the results of transition are unpredictable therefore, instead of following a methodological approach, organization may be forced to follow a
drastic change pattern (Tucker, 2007). The organizations under consideration have gone through all these three types of changes, merger being the most obvious modification falls into the category of ‘transitional’ change. Since transformational stage normally follows the transitional change, therefore, it may be interesting to scrutinize the merger process through an empirical approach so as to get an insight into these change dimensions.

1.2 Research Question and the Study Purpose
This thesis is aimed at discovering as to how the planned change processes such as integration of organizations may still pose challenges to the senior management in the form of cultural conflicts and communication shortcomings. The study aspires to find a communication strategy that has been adopted by the senior management of both organizations to facilitate a better foundation for implementing the change in lieu of distinct organizational cultures. The research question is stated as follows:

RQ: How do the top managers of Boreda and Värderingsdata devise communication strategies in the context of the merger plan so as to deal with differences in organizational cultures?

The purpose of this research question is to highlight, not only the choice of strategies to an imperative juncture but also to signify the impact of such decisions on the effectiveness of merger plan and dealing with cultural differences. The research objectives include:

a. To investigate probable ways of communicating change by the top management,
b. To find out the barriers to effective communication in practical considerations,
c. To explore the role of communication during change, i.e. whether the merger was successful or not owing to the communication strategies implied by the management.
d. To scrutinize the communication between the employees of both companies after the merger has taken effect.
e. To take into consideration cultural differences that resulted as a consequence of this merger.

For the purpose of data collection, semi-structured interviews have been conducted. Findings reveal the communication strategy of the senior management of both companies, adopted during the change process and its consequences in detail. Furthermore, the resultant cultural impacts due to this merger have been discussed in depth.

1.3 Brief Organizational Insight
Värderingsdata is quite an old organization that has been serving its customers in the domain of Swedish real estate information for about 25 years. The company gathers detailed information regarding all private properties and majority condominiums that are generally mediated by real estate agents in Sweden. This information relates to the properties’ worth, resale price and the market trend that is generally followed by them, with respect to their location, over a period of time. The information is then sold out to different brokers or clients depending upon their areas of operation. For instance, the information provided to real estate agents covers the aspects of valuation of different housing properties and their market shares (i.e. information on market to help real estate agents and banks on evaluating the respective property). On the other hand, banks are more interested to know the feature of risk assessment of various property credentials to offer credit on such properties. Värderingsdata has the mission to ‘enhance our customers’ practices by providing reliable and unbiased
information through our various services tailored to our customers’ different needs”\(^1\). Its clientage consists of banks, financial institutions, real estate appraisal firms and consultants, and realtors etc.

Quite similar to the domain of Värderingsdata, Boreda AB provides a web-based tool for the analysis of Swedish property market. However they have an inclination towards the commercial property side, where they normally deal with banks and some other financial institutions. Boreda is somewhat new in the market, in relation to Värderingsdata, and came into existence in 2005. However, they have developed a product in the form of Boreda Pro which, according to the officials of Boreda, can serve to capture a good market share in the Swedish real estate market. Their system provides analytical information on 2.7 million properties and 100,000 property owners which is continuously kept up-to-date.

Boreda was acquired by Värderingsdata in June 2012 and the companies merged to form a single entity (under the label of “Värderingsdata”) on 27\(^{th}\) September, 2012. This process is planned to get completed by June 2013. A number of reasons describe as to why this merger took place (detailed discussion is done in a later section). The most compelling factor for both companies was to broaden the horizon of their products and to capture a larger portion of the market share. However, the merger wasn’t a smooth or simple process and a number of contingencies had to be dealt with during the course of this whole process, the most eminent being the cultural conflicts. It is interesting to note that both of these companies were small in size before getting merged. So, the process may be perceived as a simple one owing to the involvement of few people and the inter-related product lines of both companies. Nevertheless, data collected revealed that there are always ‘bumps on the road’ and change is not always an easy phenomenon when it comes to dealing with the soft/human aspect as compared to hard core changes.

1.4 Framework
The structure of this thesis includes six detailed chapters discussing both theory and practice. Chapter two brings out some change perspectives and most fundamentally ‘communicating the change’ emblem with particular attention to mergers and acquisitions. It is important to note that out of a vast sea of change and communication literature, only a selection of theories and concepts found relevant to the research scope are presented. The following chapter then discusses research methodology that has been employed for this study. Detailed case findings have been discussed in the subsequent chapter. Chapter five consists of analysis and discussion of the case findings that were mentioned in chapter four. Finally, a closing chapter presents concluding remarks, study implications, discusses research limitations and suggests possible areas of further research.

\(^1\) Source: [http://www.varderingsdata.se/sv/om-vaerderingsdata](http://www.varderingsdata.se/sv/om-vaerderingsdata) [Accessed 17th April, 2013].
2. THEORETICAL BACKGROUND

Extensive amount of literature is available both on the subjects of ‘Organizational change’ and ‘Communication’. Therefore it is a challenging task to select a few models and concepts from the stream of knowledge offered on these subjects. For the purpose of clarification, both these variables will be studied separately to some extent in this section. However the main focus will be on ‘communicating change’. Later, the author will link selected theories and models to the type of change followed by the organization that has been chosen for this study.

2.1 Organizational Change; Concept, Models and Theories

2.1.1 Definition of Organizational Change

Nadler and Tushman (1989) consider change to involve one or more components of an organizational structure, entailing reconfiguration of the whole system that has an effect on the major sub-systems like formal and informal procedures, work, human resource, strategies and hierarchy. If the change involves hefty part of the organization, it is considered ‘Strategic’. On the other hand, if it is restricted to certain component parts, having aspirle of maintenance then its nature is considered to be ‘Incremental’ (Ramanathan, 2008). Additionally, there have been some factors identified by various researchers as to what can force organizations to change. These are presented below:

2.1.2 Change Compelling Factors

A number of external and internal forces come into play that lean on organizational change process. Some of these factors as identified by Dawson (2003) and Paton & McCalman (2008) are of specific interest to the author. They are listed in the following table:

Table 1: External and Internal Forces of Change

<table>
<thead>
<tr>
<th>External Factors</th>
<th>Internal Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Legislative laws</td>
<td>Some internal factors may activate the need of change. Dawson (2003) identifies them as:</td>
</tr>
<tr>
<td>b) Globalization; which forces the need to accommodate the pressures of new markets, both in home and host cultures.</td>
<td>a) Technological changes- e.g. computerization of various processes or changes in machines/tools etc.</td>
</tr>
<tr>
<td>c) A major event that has a significant impact on organizations and businesses. For instance, the incident of September, 2011 and the uptake of Euro in January, 2002 by the European markets (Dawson, 2003). Moreover Paton and McCalman (2008) have identified environmental changes as an external factor than can impact the organizations sooner or later.</td>
<td>b) Major change in core business task.</td>
</tr>
<tr>
<td>d) Technological advancements. Dawson (2003) mentions that organizations that specialize in technological spread often have to accommodate companies which are obsolete in technologically. Hence it crops up the need to introduce a new technological program that can lodge to both companies’ business needs. In</td>
<td>c) People-centered change initiatives; like introduction of new or improved human resource management programs, initiatives that involve their training and skill improvement or the shift of work-paradigm from individual to team-based setting.</td>
</tr>
<tr>
<td></td>
<td>d) Changes in organizational structure--e.g. hierarchy or relationship structures.</td>
</tr>
</tbody>
</table>
addition, modern organizations have created the need of non-traditional work approach. It has given rise to multi-skilled professionalism, telecommuting and outsourcing. (Paton and McCalman, 2008).

e) Changes in organizational size and structure. Sometimes change is triggered by expansion of businesses, which means indulgence of complexity that may require synchronization of various organizational mechanisms (Dawson, 2003).

f) The ebb and flow in the business cycles may oscillate change; e.g. change in economic going-on’s at national level (Dawson, 2003).


It is significant to make sense of the change by focusing on various models that have been discussed by numerous researchers. The author will now mention and explain some change models of relevance for this study.

2.1.3 Change Models

While the list of various change models continues to expand, some models are more relevant in relation to their application to the organizations selected for this study.

Paton and McCalman (2008) consider planned change as a phenomenon which is almost impossible to achieve owing to the continuous nature of the change process. They argue that generally the end state does not come in a greatly programmed manner. Considering this approach, it is interesting to look upon some initial studies in this respect to capture an understanding of the change process.

Kurt Lewin has done some pioneer work in the development of change models; his concept was further developed and is now often referred as Organizational Development (OD) Model of Change. Lewin (1951) proposed three general stages of change; i. Unfreezing ii. Change, and iii. Refreezing. The need to change is recognized in the ‘unfreezing’ stage which deems as the preparatory step to unfreeze people’s behaviors. It is an important phase to gain employee support and to minimize resistance to change. Lewin (1951) hit across the idea that active employee participation in the change planning process (during the ‘unfreezing’ stage) often leads to minimize resistance to change. This is followed by the planned change process, which is alteration of the old system to a desired new state. Then the whole system goes through the ‘refreezing’ stage to ensure that the alterations in employees’ attitudes are internalized and are in lieu with the innovative work regime (Dawson, 2003).

While some positioning tools (such as force field analysis and fish-bone analysis) give a rough idea to the change agent about the nature of change, it is essential to take into account
certain approaches to manage this change predicament. These positioning tools are not discussed in this thesis since they are outside the scope of research question.

2.1.4 Managing the Change Process

In order to implement the change process, certain approach needs to be adopted by the organization. Two most eminent approaches include planned and emergent techniques to implement the change predicament.

Planned approach to change encompasses systematic stages of planning, organizing and implementation. The nature of change is usually top-to-down and has the aim of transforming the organization from its current to desired state in lieu of its vision within a short time period. The purpose of planned approach is to alter the behavioral components of organization, for example, people, processes or culture. The initiation of change is internal in response to environmental strains and it normally affects many diverse aspects of the organization. Since the top management initiates this kind of change therefore certain plans and projections are made for the successful implementation of the change process. Druhl, Langstaff and Monson (2001) explain the following characteristics while summarizing the planned change process; formulating a vision, communication of this vision, strong determination by the senior management, planning, encoding and opting for the finest practice. Several researchers have validated the usefulness of planned approach to change and suggest that it can be used to facilitate various distinct purposes such as to manage diversity within organizations and to express the advantages of business simulations. However it has certain limitations as well since it assumes organizations to operate under stable circumstances, it only views change from the perspective of senior management and considers change to be linear (Ramanathan, 2008).

On the contrary to planned approach, emergent approach views organizational change as ‘continuous’ in nature. This approach offers a process-centered strategy to deal with change situations where the momentum of change comes from the organization’s need to continuously adapt to the rapid happenings in its outside environment. Opposite to planned approach, this approach considers change to be a bottom-up motion and identifies that various small modifications that occur simultaneously within different units of the organization can accumulate to form a somewhat ‘significant’ change over a long time period. Continuity and scale are two main terms relevant to the researchers of this approach, where continuity refers to organizational culture and scale is associated with micro-level changes which form the foundation of transformational change. Instead of creating change conditions, interventions in this approach relate to formation of a joint vision which may provide a sense of direction to continuing change happenings within the organization. Managers’ role is to create an organizational climate which encourages and sustains conditions that promote risk-taking and experimentation. Furthermore, they need to understand the dynamics of the whole change process to remain effective. This approach views change as a ‘learning process’, therefore organizations that choose to adopt this approach call for more flexible structures since it evolves unanticipated and erratic circumstances. In comparison to planned approach, emergent perspective is supported by limited research. Moreover this approach appears to be unorganized with many different opinions in the available literature (Ramanathan, 2008).

It is now important to turn the focus towards the specific type of change that the selected organizations have experienced. Since it was a merger process that both the companies went through therefore, it may be quite relevant to analyze what may force organizations to change their status quo and fall into a merger or acquisition.
2.2 Mergers and Acquisitions (M&As)

2.2.1 Definition, Process and Causes

Gaughan (2005) defines the term ‘merger’ as amalgamation of two corporations in which only one of them survives. The firm that was merged generally stops to exist and the acquirer takes over not only the assets but also the liabilities of the other firm. Sometimes in a merger, both companies make a deal to end their individual existence and create an entirely ‘new’ company which represents the combination of the merged firms. Mostly, the two companies engaging in a merger negotiate the terms and conditions in a friendly deal. This involves the senior management of both corporations, who finalize pricing and some other legal concerns related to the merger contract.

Mergers, acquisitions, corporate alliances and business restructuring are increasingly becoming common and fulfilling their role as change agents. DePamphilis (2012) lists some causes as to explain what actually causes organizations to fall into a merger or acquisition. They are listed in the table below:

Table 2: Reasons for doing Mergers and Acquisitions

<table>
<thead>
<tr>
<th>Reason</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Synergy:</strong></td>
<td></td>
</tr>
<tr>
<td>Economies of scale⁵</td>
<td>Businesses improve their operational efficiency by acquiring each others’ clientage, dealers/suppliers or competitors.</td>
</tr>
<tr>
<td>Economies of scope⁶</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Synergy:</strong></td>
<td>Results in lowering the capital costs and placing the firms in the domain of high growth markets.</td>
</tr>
<tr>
<td><strong>Diversification of:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>New products/services in existing markets.</td>
</tr>
<tr>
<td></td>
<td>New products/services in new markets.</td>
</tr>
<tr>
<td></td>
<td>Current products/services in new markets.</td>
</tr>
<tr>
<td><strong>Strategic Relocation</strong></td>
<td>Increases the firm’s ability to adapt to environmental modifications by acquiring the required capabilities instead of developing them internally.</td>
</tr>
<tr>
<td>Changes in technology</td>
<td></td>
</tr>
<tr>
<td>Political and authoritarian alterations</td>
<td></td>
</tr>
<tr>
<td>q-Ratio (Acquiring underrated assets)</td>
<td>It’s the ratio of the market worth of the acquiring company’s stock to the replacement/substitution cost of its assets. Companies interested in extension often decide to obtain a firm with market value less than what it takes to invest in apparatus and equipment.</td>
</tr>
<tr>
<td>Managerialism</td>
<td>The phenomenon that if the company’s size increases, it also raises the power and pay of its managers; which becomes the driving force for M&amp;As.</td>
</tr>
<tr>
<td>Market Control</td>
<td>This theory suggests that firms often choose to merge in order to improve monopoly power, to set their price levels above that of competitors’. However there is not enough empirical evidence to support this notion. Instead,</td>
</tr>
</tbody>
</table>

² Economies of scale illustrate the spread of fixed costs (such as long term expenses, interests, lease payments, depreciation, amortization etc.) over production level. Companies can improve their EOS by exploiting their underutilized equipment (or personnel). (DePamphilis, 2012)

³ Economies of scope demonstrate the firm’s ability to use its specific skills or equipment to produce numerous product/service ranges in one firm than to produce them in two firms. For instance a company may use the same software to process loans, deposits and joint fund accounts for banks etc. (DePamphilis, 2012)
M&As are frequently done to improve operating effectiveness of the two firms.

Agency Issues

The disparity in interests between shareholders and management results in offsetting a merger or acquisition. This is often the case when the management possesses a small fraction of the firm’s shares. M&As are done to correct these mismanagement issues; for the purpose of separating the shareholders’ and management concerns.


One of the most noteworthy communication issues during M&As is the fact that employees are often reassured of ‘business as usual’ stance—that no significant change is going to occur. However, there are rare occurrences when organizations are acquired on a 50:50 partnership. This results in having one company gain control of the other in many aspects. Broken promises, trust issues and failure to manage employees’ expectations can cast a long shadow over the success of mergers and acquisitions. Hence, it is not only the formal communication media that matters, but, also the employees’ experience of management’s actions can in fact make a big difference (Myers et al., 2012).

It is interesting to note as to what aspects can be perceived as ‘managements’ shortcomings’ by their employees. Effective and timely decision making is a mounting concern in this respect as stressed by Galpin and Herndon (2006). Hence, it is significant to have some idea about the tough nature of decision-making process that underlies the top management during the course of M&As. Following section will briefly emphasize on this notion.

2.2.2 Making Tough Decisions

While any sort of change activity can require managers to make tough decisions, this is particularly the case while integrations are taking place. However this process may be purposely delayed due to several factors. These factors may comprise mounting time pressures and the concerns on part of managers who neither want to annoy the new employees nor to offend the previous ones. A survey conducted by Galpin and Herndon (2006) focusing on mergers and acquisitions displays ‘leadership and decision making’ as a factor that requires improvement on part of managers. According to the authors, it is nearly impossible for managers to be perceived as fair by everyone in the organization owing to the fact that managers have to make decisions regarding the new organizational hierarchy, span of control, duties, responsibilities and ‘who reports to whom’ issues. The authors advise the executives to take such decisions wisely, implement them and abide by these regulations otherwise they may be perceived as indecisive and unorganized portraying the merger as lacking necessary leadership aspects (Galpin and Herndon, 2007).

Moreover, dealing with employee resistance is also a tricky yet important milieu on part of the senior management during any change situation.

2.2.3 Coping with Resistance

Galpin and Herndon (2007) discuss the imperatives of dealing with employee resistance during the course of mergers. According to them, even the best planned mergers can become a disaster due to the fact that humans resist change and massive change is involved in the course of any merger or acquisition. Clemons et al (1995) found in a cross-industry research that most failures related to change efforts in organizations are not due to the technical
nature, but they relate to what the authors describe as ‘political risk’; the risk associated with the view that change efforts might not be able to get successful owing to organizational resistance or the progressive lack of commitment to efforts of change. Institutional barriers, resistance to change, cultural aspects and jumbled strategic plans are some of the facets that need particular executive attention specially while dealing with integration issues. One reason as to why managers fail in coping with such dilemmas is their attention to only the ‘hard’ aspects of organizational functioning; i.e. the technical, operational and financial on goings. They fail to allocate quality time to ‘soft’ or people part of the change process which is the prime component of the whole system. Another aspect to view employee resistance is to see it in a perspective that people resist change when they understand that some major happening is on its way. Managers who see it this way are more likely to perceive this behavior as a normal reaction. Galpin and Herndon advice the managers to shift their focus to those people in the organization who are indecisive to support or resist the change activity; according to these two authors, this group is normally the largest within a company and can become a ‘swing vote’ for the managers (Galpin and Herndon, 2007).

Besides this, in order to minimize the resistance offered by employees, managers need to go beyond the scope of just communicating the knowledge, instead they must engage the employees with trainings in order to equip them as to how to use the processes, systems and products of the other company (Galpin and Herndon, 2007).

During the course of M&As, the most striking differences can create nuisance in the form of cultural collisions. Culture of a company is something that does not exist in a written state. Hence, it may be difficult to interpret and can result in employees’ refusal to accepting the new circumstances.

2.2.4 Cultural Clashes during M&As

Contemporary definitions consider culture as a combination of “shared values, attitudes, beliefs, behaviors, norms, material objects, and symbolic resources” (Samovar, Porter and McDaniel, 2012, p.11-12). Organizational culture has been defined as “the social or normative glue that holds an organization together; it consists of values and beliefs that some groups or organizational members come to share” (O’Hair et al., 2011, p. 19). According to O’Hair et al. (2011) there can be numerous components of a company’s culture which may include rites and rituals (for instance annual outings or quarterly meetings etc.), heroic figures (Steve Jobs for Apple and Bill Gates for Microsoft), communication networks (Grapevine or chain of commands), norms (dressing, meetings, work routine etc.), stories, myths and legends (for example how did the business came into existence) and climate (outlook towards the management’s way of treating employees). Communication is hence a crucial element to understand different cultures but strategic communication is at the soul of solving the resultant issues.

Kotter and Heskett (1992) discuss the unanimity of opinion among organization researches regarding the existence of a unique culture in every firm irrespective of its size which has a significant impact on its resultant performance and outcomes. However the current focus of contemporary research is to find the strategy that best aligns the corporate culture with its strategy and infrastructure so as to achieve and uphold competitive advantage in a constantly turbulent business environment. It has become a noteworthy priority owing to the exponential rise in mergers, acquisitions and corporate restructuring as an approach to business growth. Carleton (1997) has given the term ‘due diligence’ for the alignment of corporate cultures of the firms involved in M&As so as to make them compatible to each other. The author argues that it requires the same diligence that organizations traditionally give to financial and legal
issues. There has been a lot of misinformation and misapprehension regarding the formation, management, analysis, mergers and modifications of corporate cultures. This is partly due to the fact that the cultural phenomenon is still in its developing stages and also because it comprises of various components and it just represents a demonstration of the overall structure. According to the authors it is almost impossible to deal with culture in complete isolation. A focused plan of ‘cultural change’ is certainty going to be unsuccessful in formulating prolong and measureable change. To deal with firm’s culture is similar to dealing with all of its other components like recruitment, compensation, making decisions, planning, organizing, policies and procedures—at the least (Carleton and Lineberry, 2004).

Till now, the author presented some overview of the change process with particular attention to mergers and acquisitions immersed in the research. The subsequent literature will represent an approach that will focus on strategic ways of communicating change. Before that it is important to ponder upon some features of communication itself.

2.3 Communication

2.3.1 Definition and Models

Communication is a widely used term and there exists a broad variety of different perspectives that numerous researchers have identified in order to define this term. Allwood (2002, p. 2) defines communication as “Transmission of content X from a sender Y to a recipient Z using an expression W and a medium Q in an environment E with a purpose/function F”. Another definition considers communication as “a systematic process in which people interact with and through symbols to create and interpret meanings” (Wood, 2012, p. 3).

O’Hair et al. (2011) view communication as an interactive procedure in order to accomplish goals and objectives. According to the authors, communication can only be truly effective if it is interactive and entails message in the form of verbal or non-verbal expressions transferred with the help of a source (or sender). Verbal means can be written or spoken while non-verbal mediums may include posture, gestures, face expressions and even clothing attire. The message is encoded (the process of arranging the components of the message in order to transmit it to the receiver) in the form of verbal or non-verbal cues. Verbal cues may be choosing the appropriate words and sounds and vocalizing them afterwards. Non-verbal cues consist of creating gestures, laughing/smiling, nodding etc. These are then transferred through a medium or channel (e.g. telephone calls, video conferencing, letters, memos, emails, personal meetings, group interactions, web pages etc.) to the final destination i.e. the receiver who determines whether the communication happened or not. The authors clarify that in order for communication to take place, the receiver must ‘pick up’ the message. Another interesting factor is that the receivers may be one or many and intentional or unintentional (e.g. the message may be picked up by someone who was not the intended receiver). The receiver then decodes (the process of making sense) the message and gives feedback (that can be verbal or non-verbal). Decoding is dependent on cultural contexts and the receiver’s attitudes. Communication is context dependent and may be affected by noise (physical and psychological distractions) that can occur at any time during the communication process. Shared meaning is the principal desired outcome of this process which results when sender and receiver interpret the message in a common manner.

In the light of this interactive model, O’Hair et al. (2011) describe organizational communication as the exchange of verbal (Oral and written) and non-verbal messages so as to achieve shared tasks and goals. In an organizational context Miller (2006) discusses S-M-
C-R Model which implies transmission of a message (completion of some task) from a source (that may be a supervisor) via some channel (email, telephone, face-to-face etc.) to a receiver (employee). However, it is interesting to put forward Robert Craig’s approach of considering communication as a ‘meta-model’ so as to open different avenues for theory building and research in the field of communication (Miller, 2006).

For the purpose of this thesis, strategic communication is of prime focus. Strategic Communication entails achieving the potential in four sectors (O’Hair et al., 2011) which are:

I. **Situational Knowledge**: Information regarding the necessary requirements to successfully communicate within a specific context. To get to know what is considered appropriate and expected of this communication.

II. **Goal Setting**: Determination of a goal that would be likely to achieve through communication.

III. **Communication Competence**: Adapting the message to situational requirements, organizational needs and value system. For instance, through the type of message, channel selection, delivery style etc.

IV. **Anxiety Management**: Control of anxiety and emotions during critical situations such as job interviews, meetings with supervisors etc.

Since the theme of this thesis revolves around strategic communication adopted by the senior management; some insight is therefore needed to get to know the aspects that are involved with regard to communication while implementing a planned change.

### 2.4 Communicating Change

Researchers generally agree upon the importance of effective communication during the course of organizational change (Myers et al., 2012; Allen et al., 2007; Lewis and Siebold, 1998). According to Palmer et al. (2009) clear and consistent communication during mergers, restructuring and downsizing was seen as one of the most crucial factors in a survey of Canada’s top firms, conducted by KPMG. Lewis (2000) identifies communication as one of the most problematic areas when it comes to implementation of change. Given the crucial nature of change communication, leaders can make use of it by doing it well, which may help reduce anxieties and raise support for change. Hubbard and Purcell (2001) view communication as a ‘psychological contract’ between organization and its employees (Myers, Hulks and Wiggins, 2012).

At one instance, communication seems to be a simple activity which has been practiced continually by people in the forms of debate, negotiation, probing, encouraging and listening etc. however; it is often the most challenging task owing to certain barriers and noise which hinder the effective communication of the intended message from communicator to listener (Myers, Hulks and Wiggins, 2012). Some of the barriers to communication as explained by Robbins et al. (2009) are summarized in the table:

<table>
<thead>
<tr>
<th>Table 3: Barriers to Effective Communication</th>
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<tr>
<td><strong>Barriers</strong></td>
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<td>1. Filtering</td>
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2. Selective Perception  The tendency of the receiver to view the message in accordance to personal needs, interests, motivations, expectations, experiences and other characteristics. As the authors explain that we don’t actually see the reality. We interpret what we perceive and name it reality.

3. Information Overload  Due to the finite capacity of humans to process information, and the inability to deal with hefty amount of data through emails, phone calls, meetings, IMs and other means, there is increased potential for managers and employees to suffer information overload. This phenomenon then results in certain behavior such as forgetting the information, ignoring it, passing it on or just letting go the whole situation.

4. Emotions  The fact that rationale and objective thinking is subsided by emotional influences which results in distortion of effective communication.

5. Language  Words denote a different perspective to different people based on age, context and several other factors. This modification in language use may result in communication disorders.

6. Gender Differences  Men and women have a tendency to perceive things in a divergent manner. For instance, the way through which they engage in group talk and the purpose of communication (women communicate to make connections and intimacy; men aim to achieve status and power through communication) may create distances among the two genders in communication aspects.

7. “Politically Correct” Information  This type of communication has the purpose to remain inoffensive. The sender of the message remains so engaged in this process that he often loses the meaning and simplicity of the original message being conveyed.

8. Communication Apprehension  This phenomenon represents the anxiety and fear that some people experience while communicating in front of a group of people. Oral apprehension (face-to-face or telephone conversation) may specially be a dreadful experience to such people. On the contrary, many people go through written apprehensiveness as well.


Keeping in mind these barriers, it’s interesting to study the general tendencies followed by managers with respect to communicating a change situation to their employees. Some of these are broadly outlined by Myers et al. (2012) during the course of their research.

2.4.1 Strategies to Communicate Change

Mohr and Nevin (1990) define communication strategy as the usage of various communication components (such as frequency, direction, modality and content) while delivering the message. Due to the limited amount of timescales and resources, managers often need to make decisions about ‘what’ and ‘when’ to communicate. This requires making certain trade-offs and resorting to different communication strategies which deal with the aspect of communicating the change process. Myers et al. (2012) explain two main strategies
in this respect; programmatic versus participatory and a more differentiated approach to communication. For the purpose of this thesis only the former mentioned approach is being discussed in detail.

**Programmatic versus Participatory:**

Programmatic communication of change implies dissemination of information from top-to-bottom where the senior managers take immediate responsibility to direct employees about what will happen and what strategy to adopt. The purpose of using this strategy is to generate compliance and minimize employee resistance by delivering the ‘right’ message to the ‘right’ person and at a ‘right’ time. Power, decision-making and control are laid at the top hierarchy in this case. The benefits of entailing this approach include fairness—where everyone receives the same information. However, Shanon and Weaver (1949), identify that the managers have a tendency to wrongly assume that the message was received as efficiently as it was originally delivered, which entails as a limitation of this approach.

Participatory communication, on the other hand, involves gaining employee participation to outline the change program instead of passively acting upon it. Hence, there is a possibility of two-way communication which provides opportunity for dialogue, listening and making contributions. The hallmark of participatory change management is to let employees ‘shape’ the change process. The benefits of this process are the employees’ sense of control of the change process with minimal resistance and more participation. Nevertheless the original intention to apply the change may get lost in the aspiration of more and more employee involvement.

Simultaneously, it is important to consider the available choices of media in order to communicate the information to the target audience.

**2.5 Choice of Communication Media**

Lengel and Daft (1988) differentiated various media channels based on their richness. Media richness is a term that signifies the availability of cues and knowledge accessible to the receiver of communication. In this respect face-to-face communication is the richest media due to the availability of many cues such as the voice, facial expressions and seating arrangement. These available queues help employees to make sense of the impending change by accessing its scale and scope and to evaluate their trust in senior management. However, in certain situations, it may be a better idea to resort to lean communication media so as to avoid information overload. According to the authors, it is contextual dependent as to what sort of communication media should be put into use, nevertheless, it is recommended to use face-to-face communication for sending in ‘difficult’ or complex messages (Myers et al., 2012).
Myers et al. (2012) suggest using different communication media with reference to different phases of change. This is simplified in four steps mentioned below:

1. At the beginning, when change is being communicated, it is better to provide knowledge to employees for what are the motives behind this change process, the possible outcomes and the next stages.
2. During the phases of resistance, it is crucial to communicate support to them. This is the point where listening activity is most important and the managers should resort to getting information about the employees concerns and communicate through one-on-one strategy. This is often the most challenging stage during a change program.
3. The next step may be to pull employees out of their depression phase by talking about how the change can prove beneficial to them and their teams, hence conveying the vision about the future.
4. The last stage is involvement. Getting employee involvement in change is fundamentally important.

The author is now reflecting further exploration with respect to the choice of divergent communication media, as discussed by Myers et al. (2012).

a) Face-to-Face Communication:
Face-to-face communication is the richest media according to Lengel and Daft’s scale. It may entail focus group meetings, large scale meetings or simply team briefings that follow organizational hierarchy with custom information for each specific level. It is sometimes referred to as leader-led communication. Two skills necessary for inspirational intention are rhetorical crafting and the use of framing. Rhetorical crafting involves the technique of verbally expressing the message in order to best reach, persuade and motivate the target audience. Framing, on the other hand, requires understanding of the audience and connecting the message with their interests and needs. This obviously involves prior listening to the voice of employees and extending a common sense of destiny through dialogic purpose.
b) Print, Publications and Intranets
The use of print media such as company’s newsletters and magazines are commonly a good source of sharing stories, photos and events but usually not an impressive medium for making announcements on rapidly changing news. Myers et al. (2012) suggest the use of company intranet for providing such information. The authors suggest that during mergers the company can resort to fortnightly or weekly newsletters to inform and engage employees on the recent happenings like latest advancements or decisions that have been made.

c) Social Media
Social media represents the range of online technologies, for instance, blogs, wikis, message boards etc. New applications are continuously emerging in this domain and are a source of providing innovative and exciting ways to connect people together. The extent to which social media can be put to use during the organizational change situations is contextual. This kind of media is not an appealing one when ‘control’ has to asserted or for top-down situations where change is directed by the top management. So instead for giving the message about a particular change, this kind of technology can be adopted for ‘emergent’ change situations, for getting employees ‘engaged’ in the change program and to improve their collaboration (Myers et al., 2012).

d) External Communication
Myers et al. (2012) discuss that apart from employees, there are external stakeholders who do not have active participation in the organization affairs but their consent is necessary as far as the change program is concerned. It is, therefore, essential to keep shareholders informed about the progress on change programs and assure them that it would not impact quality control and supply. External communication media may encompass press releases and newspaper interviews, lobbying to influence regulatory authorities (such as government decision-makers), targeted messages, briefings or customer events etc.

By discussing a wide array of theories and concepts related to change management and communication, the author has now laid a foundation for theoretical background in this perspective. It is imperative to focus on research methodology in detail in the upcoming section.
3. **RESEARCH METHODOLOGY**

This chapter will first explain qualitative research and the purpose that it entails in the domain of academic and scientific research. The focus will then shift to spotlighting the research approach that has been adopted for this thesis. Study design, case study perspective and validity of the research will be discussed afterwards.

### 3.1 Qualitative Research Approach

Hennink, Hutter and Bailey (2011) broadly define qualitative research as an approach that permits the study of occurrences experienced by people in profound detail, by making use of numerous techniques such as in-depth interviews, focus group discussions, data analysis, direct observation, visual means and biographies. However the authors discuss that by simply applying these techniques, one cannot achieve the main purpose of qualitative research. The main essence of this research is to *identify* and *interpret* participants’ issues and the meaning that they give to certain events, behaviors and entities. This also implies an understanding to the social, cultural, economic and physical contexts underlying the lives of the participants.

A wide assortment of applications can benefit from qualitative research methods. Besides serving as an interpretive approach to people’s beliefs, behaviors and emotions from the participants’ point of view, this approach can help to understand the processes, for instance, through which people make decisions or negotiate a settlement (Hennink, Hutter and Bailey, 2011). Hence, qualitative approach seems to be the most appropriate strategy to adopt, given the ‘exploratory’ nature of this study. The author aims to study the communication techniques adopted during the course of a change program, which involves interpreting experiences of dealing with the change and culture paradigms owing to the communication aspect. Since the main variables of the study (i.e. change, culture and communication) intend to discover the ‘what’, ‘how’ and ‘why’ of the processes, therefore qualitative approach seems most apt to achieve the intended outcomes of the study.

The purpose of this thesis is to investigate the communication strategies adopted during the route of a planned merger by focusing on a specific case from industry; hence the study tends to be exploratory in structure. Moreover, the author will relate to ‘inductive approach’ which resorts to explain the functioning of the processes/instances as derived from empirical facts (Hennink, Hutter and Bailey, 2011).

The research will be mainly descriptive in its character, owing to the explanation of attributes such as people’s experiences and commitments. The complexity and richness of such traits provide explanation to the choice of research approaches adopted by the author.

### 3.2 Case Study Approach

Case study approach has been adopted for conducting this study mainly due to the nature of its research question. According to Swanborn (2010) if the impetus of research question is inclined towards exploring some social processes (e.g. people’s thoughts, expectations, values, behaviors, opinions, experiences etc.) then case study is the appropriate research approach to adopt. Moreover, Yin (1994) discusses case study research as a suitable choice to study contemporary issues within the context of real life.

Since this research is experiential in nature, therefore, a case of planned merger has been selected to fulfill the study objectives. As each case study is unique in its context, culture and processes, therefore, it may help to underscore the practical considerations involved in change deliberations. For this purpose, the author has chosen the merger of Boreda and
Värderingsdata to underlie the experiences and observations during the course of M&As. There were some motivations behind this choice. The two organizations were in lieu with the research intentions: i.e. they had gone through a planned change program which has occurred quite recently. Therefore, it minimizes the struggle through which people have to refresh their memories to state the impacts and experiences observed by them. Moreover, this was a compelling choice to make due to the strikingly variant cultures of the two organizations.

3.3 Data Collection
As far as this thesis is concerned, in-depth interviews were selected as a choice for data collection. Semi structured interviews of approximately 30-40 minutes were conducted with each participant on a face-to-face basis. Typically, in-depth interviews are employed in quest of information on individual or private experiences or occurrences relating to a specified issue (Hennink, Hutter and Bailey, 2011).

The guidelines about appropriate ‘sample size’ in the course of qualitative analysis are practically nonexistent. Mostly the researchers agree that it depends upon the aim of study and the point at which ‘saturation’ in the data is attained (Guest et al., 2006; Hennink et al., 2011). Guest et al. (2006) discuss in their journal article “How many interviews are enough?...” that the saturation point is a vaguely described concept but experiment reveals that this level depends upon what does the researcher aims from the study and its data analysis. Another factor pinpointed by the authors is ‘homogeneity’ which states the more similar the participants are in accordance to their experiences, the sooner is saturation achieved. The selected organization consists of 12 permanent employees in total (after the merger) out of which 4 people were chosen for the interview process. The involved participants were members from senior management and administration. In this thesis, participants are homogenous in a sense that majority (three) of them belong to top management, where they are the strategic designers of change. The fourth participant, however, is an experienced/senior level employee of the company (Boreda) who works with software development and manages the IT system. The sample choice was purposive. The selection was done on intention because the research question aims on identifying communication strategies implemented by top managers as well as dealing with cultural differences between the two firms. The reason for choosing the fourth participant is to reinforce the ideas and strategies driven by the senior management and to achieve saturation in the data. It was expected that the fourth participant will bring into account cultural variations between the two firms on the basis of his work experience in the company. Boreda was the preferable company to choose an employee from since they moved into the new office and experienced some additional aspects of change as compared to the personnel of Värderingsdata.

Besides interviews, some supplementary resources were referred to in an attempt to obtain insight into the organizational change and communication. These sources consisted of some documents (Insights Discovery; discussed in a later section) and websites of both companies.

3.4 Questionnaire Development
There were two questionnaires that were formulated (Appendix 1 and 2). One questionnaire was for the CEOs and the other was for the consultant who facilitated the merger process (the consultant is pursuing the designation of ‘Administrative Chief’ as well). These two questionnaires were based on contextual questions (depending upon the identity of the participant) and consisted of 12-15 questions in total. However, there were some mutual questions that were asked to all participants in order to know their perspective regarding similar situations and to achieve data saturation.
The aspects highlighted into the questionnaire were summed up into four sections which are:

1. Background information (pertaining to the participants’ role in the change management. For the CEOs; background information was meant to explore the reasons of the change process).
2. Change Management (the questions asked were related to the process of change initiation, implementation, and coping to employee resistance).
3. Communication (which was sub-divided into more headings for in-depth analysis. These sub-headings are channels/ modes of communication, communication barriers, communication feedback and communication after the merger).
4. Organizational culture (that was intended to explore and discuss the variations in cultures between the two working groups).

However, for the fourth participant, questions were more intended to discover cultural variations and his analysis of the changes in progress (i.e. the merger process). The questionnaire was almost the same as mentioned in Appendix 1 with a few omissions (e.g. question 1 was not asked). The questions related to strategy development were omitted and more focus was inclined towards culture and communication.

The following codes will be referred to while quoting the participants’ point of view during the thesis:

P1: CEO
P2: CEO
P3: Consultant/ Administration Chief
P4: Software Developer (Senior Level)

Subsequent to data collection, it was analyzed to extract research findings.

3.5 Data Analysis

After the data collection process, it was analyzed in two steps. Firstly, since the interviews were recorded so they had to be transcribed. Secondly, the transcribed data was analyzed using thematic approach which is a commonly used method of content analysis in the domain of qualitative research. According to Weathington et al. (2010) the goal of thematic coding is to search for common patterns that emerge in the responses of the participants. For this purpose the data is observed closely and responses of different participants are compared in order to explore similar themes. When the data is being sorted out, various responses can be summed up under smaller sub-categories which are termed as ‘themes’ or ‘codes’. This provides a way to analyze the rich information that has been provided by respondents using the qualitative paradigm. In addition it helps to identify the most prevalent categories and experiences in relation to the participants. The researcher then digs deep into the responses within those categories in order to search for the answer to the research question under study.

The following themes emerged during the analysis of the responses provided by the study participants:

1. Motivation behind the merger.
2. Communication ‘About’ the merger plan.
3. Implementing Change.
5. Resistance to change.
6. Communication ‘After’ the merger.
7. Communication Barriers.
8. Communication Feedback.

Participants’ quotes are presented from the transcribed data whenever needed. Results were then put forward based on data analysis and study aims.

3.6 Validity and Reliability

Validity and reliability are two important criteria to judge the rigor and quality of research. While there are established terms to measure validity and reliability in the course of quantitative research; qualitative research lacks any single consensus among researchers as to what constitutes validity and reliability. Klenke (2008) discusses the findings of many researchers in this respect and suggests credibility, transferability, dependability and confirmability as some decisive factors in judging the authenticity of qualitative research. As far as this study is concerned it fulfills the criteria of quality in these aspects:

- The study is transferable to similar settings to some extent. Although more research is required to strengthen this view but the study findings can be effectively used to enhance the outcomes of planned organizational changes in lieu of communication strategies. Due to the company’s size and small number of participants, it may be difficult to generalize the study findings. Nevertheless, it can prove to be useful in shedding some light on the field research in similar domains. (This aspect is further discussed in a later section under ‘study implications’).

- According to Kirk and Miller (1986) if the study observations match those generated by alternative reliable sources then the study is considered valid. The study findings reflect many features of the already existing theoretical framework. For instance, the choice of communication strategies as suggested by Myers et al. (2012), change management approaches by Paton and McCalman (2008), the underlying reasons, processes and dilemmas of mergers as discussed by DePamphilis (2012), Galpin and Herndon (2006), Carleton (1997) etc. This establishes confirmability and credibility of research findings.

- The concept of dependability in qualitative research is parallel to that of reliability in quantitative research as suggested by Klenke (2008). Dependability is the extent to which similar findings of the study can be generated if it is repeated by other investigators. In spite of the author’s best discretion, some bias may be involved in interpreting the interview findings. Although the interviews were recorded first and transcribed word by word to avoid any assumptions but since there was a single author involved and second opinion was not taken therefore some chances of predisposition may have occurred. Due to this account, the results may or may not be different if investigated by some other researchers.

3.7 Ethical Considerations

Each interview was guaranteed confidentiality and anonymity. The interviews were recorded with the permission of employees and the companies’ names are mentioned by the consent of the participants involved. The knowledge pertaining to participants’ professional background is not shared with anyone. However it was affirmed that only the designations of the participants will be made explicit. Furthermore, the data collected will only be used for the purpose of this thesis.
4. CASE FINDINGS

This chapter will present research findings in the light of the interviews conducted from the study participants. The data has been summed up under various themes in order to make sense of the research rationale and to reach the case findings. Moreover, in order to maintain confidentiality, the identity of the respondents will be kept anonymous during this study. It is important to bear in mind that this section will provide an insight to the experiences of the study participants. Detailed analysis of the responses in relation to background theories will be done in the ‘Discussion’ section.

Initially, the main research objective was to investigate the communication aspect with respect to change but as the study progressed, the resultant cultural clashes (that possibly emerge due to variations in the norms followed by separate organizations) became of particular interest to the author. As it was said by P1:

“I think the hardest thing to deal with, is the cultural difference between most companies. I did not conceive it was going to be that hard to merge these expectation problems. So if I talk to somebody else who is going to do a merger, I’ll say to them that they need to focus much more on this culture stuff.”

Case findings are computed and discussed under the ‘themes’ below:

4.1 Motivations behind the Merger

In this case, there were certain driving forces as to why the organizations should consider doing the merger. They are categorized into external and internal spheres for the purpose of clarification.

External factors:

Globalization by expanding the current business and understanding the market needs were two of the prominent external forces for doing this merger. They were pointed out by the interviewee from Boreda (P2) in these words:

“We’ve built our platform for this Boreda Pro, even though we have data only for Sweden. We’ve included the possibility...that if we get data from Norway or Finland or Denmark or any other country, we can easily expand the platform to the Nordic countries and since Värderingsdata has this ownership in Norway, so quite easily we can also build the ‘Nordic’ instead of this ‘Swedish’ perspective.”

Similarly, with respect to understanding of the Swedish real estate market, here is what P2 has to say;

“Actually, in real estate, it’s such a small market in Sweden, so in order to fully understand the office buildings; you also have to understand the apartments, villa market and the opposite, so to get the full picture.”

Therefore, according to P2, understanding the market needs will lead to capture most of its shares and better compete with other companies who have to offer similar products in the real estate aspect. This factor has a linkage with a few internal factors mentioned by Boreda’s official which is discussed in the upcoming paragraph.
**Internal factors:**
Boreda had two core internal reasons to fall into this merger: one was to improve and expand its product line, hence to broaden up its scale and second was to increase the company size by having more employees, which it couldn’t have otherwise managed to afford. As P2 expresses:

“Boreda and Värderingsdata has had relationships, I think in 2008 where we delivered a service for Nordea together...During this time we found out a couple of things. One of them was that we had some financial struggles in groups which lead to our customers...They have cost reductions in products....and they want to reduce the number of providers for information. So together if we would combine Boreda Pro and the systems with Värderingsdata , that means we would have the possibility to deliver everything with properties....After we did the development of Boreda Pro we noted that some of the big companies; they had hesitation to buy from us because we were such a small company. In the risk assessment when they choose suppliers they look for their financial situation, number of employees and the support system....Banks considered our company size as a risk; what happens if half of the company is sick?”

Simultaneously, from the perspective of Värderingsdata, they had more of internal reasons to do this merger as compared to external ones. Exactly in the words of P1:

“Boreda has this system for commercial real estate’s that we wanted to have and they have quite much unique data. We were so much depending on the information from Boreda and we thought it would have been much better for us to own the company instead of just buying the information. Then we had a situation that we should get much more employees to Värderingsdata. The people and the competence in Boreda fitted us quite well so we can get this bigger organization.”

This text identifies “expansion of company size”, “data uniqueness”, “company fit” and “dependence on Boreda’s information” as four main reasons due to which Värderingsdata opted for this merger move.

**4.2 Communication ‘About’ the Merger Plan**
The merger plan was initiated by the CEO of Värderingsdata, who then brought the matter to the board members. After getting their approval, Boreda was contacted and invited to the board meetings of Värderingsdata and then the subject proceeded. As in the case of this merger; the top management of both companies considered face-to-face communication as the best way to convey the news of this merger. It was informed before signing the official contract but the shareholders and board members were informed prior to other employees regarding this change in order to get their consent. In the words of P2:

“Although we had built a really good system... But we needed to sell because otherwise we wouldn’t get enough revenue. Boreda people had been living in this start up for quite some time and they know the struggles with getting enough salary... So I communicated to them the benefit of getting to a company, which was bigger, profitable and had been here for 30 years, where getting the salary is not a challenge. The challenge is to sell the new products and get to the market... Being more stable and perhaps bringing the courage for...what we act in the market.”
In the case of Värderingsdata the explanation of merger was communicated in this way:

“When we got to this point that we should start negotiation with Boreda, we informed the employees in Värderingsdata that this is a strategic operation. If we can succeed with this then we can have advantage over our competitors. So they knew quite early the reason for why did we do this.” (P2)

As far as the modes of communication are concerned, most of the communication was face-to-face owing to the company size. As the consultant, who is playing the role of a change facilitator and is pursuing the job title of ‘Administration Chief’, mentioned it during his interview:

“The company size is more feasible for face-to-face communication. It’s easier if you are less than 15 people... If you are 25 to 40 or something then you have to have written communication. But still it’s important to have face-to-face communication anyway because it’s not that everything is written.” (P3)

As for Boreda; it was a little bit tougher than Värderingsdata because they were shifting at a different location so it was crucial to take employees into confidence well before time so as to increase their co-operation. P2 expresses the stance in these words:

“This (decision to merge) was communicated before the contract was signed, even though it was still sort of a business secret... But I did not ask for their consent ...because it’s a very complex issue. We have been trying to find how to acquire a bigger body in the company because it would mean massive amounts of capital if we do it ourselves. So through a merger we get to that point a bit faster”.

4.3 Implementing Change

As a process of implementing this planned change, one of the most prominent steps that was taken to build up a better understanding of the personnel working in both companies, was to do a project by a firm called “Insights Discovery”. It was a resource that was carried out to come up with a ‘personality profile’ which provides information on factors like a individual’s key strengths and weaknesses, his style of interacting with others, decision-making skills, the person’s ability to work in a team-setting, his possible blind spots, communication style and barriers to effective communication. Moreover suggestions were put out for development and improvement in the possible weak areas and for motivating and managing the person. It was performed on an individual basis and was based on a questionnaire that was given to each employee before putting forward the insights. ‘Insights’ offers expertise on the subjects of improvement of personal communication and understanding one’s unique personality in order to better cope with others. According to P4, this step enhanced better understanding of fellow workers, which is deemed to improve their professional relationship in the future especially during the course of this merger. Moreover, it was further stressed by P3 in these words:

“That’s the first thing—to get to know each other... Nothing is wrong, everything is right but you have to understand each other and then that’s the start of the new culture.”

Another step to implement the change was the adoption of a V-Model after the merger by the senior management. This model is used to put different teams together. It’s a practical model in use right now which presents seven different stages that usually come across during the merger.
Each stage in the model refers to a backwards arrow which represents that if the problem is not solved then employees need to turn back to the previous stage in order to unravel the issue. This process is assumed at varying progress levels by different individuals. So even within the same organization, many individuals may find themselves struggling at diverse stages of this model. P3 explained that he perceives the merged organizations in between stage 3 and stage 5. This is because some individuals are at level 3, some at 4 and others are at level 5. In order to make the merger a successful one, they have to solve the problems for everyone around.

4.4 Cultural Clashes
Boreda and Värderingsdata had quite dissimilar cultures before they merged into a single entity. Värderingsdata is old, stable and has a calm working environment. Boreda on the other hand is somewhat new, energetic and has a fast working milieu. They keep on doing changes in their software on a regular basis because they don’t have very many customers. Värderingsdata has been there in the market for around 25 years and has a large client circle. They cannot make changes on a fast track as is done by Boreda. Here are some excerpts from both of these organizations’ personnel which represents cultural collisions:
**Värderingsdata**

“Boreda is a startup company and startup company has their mind-set. They don’t have any money. They always (are like) if we (are) going to do this, we should employee 6 new persons, and then you have to go out in the city to find some money and that's quite different. They have not so many customers as well so they can always focus on the development of their system...but in Värderingsdata case we have our system on the market for 20 years...if we want to change something we have to inform all our customers and big contracts... and they have these internal processes that they will have to run through before giving us okay to make the difference.” (P1)

“The culture is the toughest part to handle in the merger. You see even if you have these discussions all the time during the process; it’s the expectations; you cannot do so much with them. You have this in your backbone.”(P1)

**Boreda**

“I think culture is the trickiest question. I don’t think we have really resolved that part because if you think of it like, we have existed in a couple of years and this company as 30 years. So it is 10 times as long. That means the culture here is very strong and is also very different than what we used to have in Boreda. And that is still one of the main issues to solve here---it’s the culture difference.”(P2)

“Värderingsdata and Boreda don’t share the same way of behavior. It’s very hard merging process because it is like two football teams coming together to form a single team.”(P3)

“I feel that the two cultures are remarkably different. We had to move to a new place and experience many different things altogether; from breakfast traditions to fika meetings, it was all new.” (P4)

Efforts are continuously made by the top management to encourage open-minded dealing of cultural variations. This is conveyed by the following statements expressed during the interviews:

“They (employees) have started to adapt to each other because we (senior management) are the support. We are educating them from the perspective of both companies so they can understand the company structures, products and so on.” (P3)

The following positive statement encourages the prospects of working with new companies:

“Of course it’s cultural clashes on the road but if you can adjust/ use the good things about this startup companies and the security and safety of old stable company, you can make some really good output. But you have to compromise and that’s where we all are now.” (P1)

Another interesting aspect was that the management of Boreda and Värderingsdata decided to hire the consultant as ‘Administrative Chief’ who was working to facilitate the merger process (initially he was just a board member of Boreda). This step was taken because the management felt the need for it in order to better deal with cultural concerns on a daily basis:

“Even though we (consultant together with management) had 20 or more meetings with staff... to tell about the work, how is it processing and we have done...assessments with the staff to figure out what kind of roles they have actively and passively etc. we found out that
perhaps someone internal to the organization can better deal with these issues. So now from today (consultant) is the head of administration. That will intensify this issue with the ambition of resolving cultural differences.” (P2)

It was articulated that the consultant who was hired to deal with the smooth processing of this merger was an important step to deal with the cultural issues. Apart from dealing with the day-to-day issues that arise due to cultural dissimilarities, it was the consultant’s initiative to implement ‘Insights’ in order to develop a better understanding of personnel regarding each other.

4.5 Resistance to Change

According to the CEO’s of both Boreda and Värderingsdata, they did not have to cope with employee resistance to a larger extent since they were able to successfully convince their employees as to why this merger is taking place. The consultant expressed employee resistance in the context of the V-Model in practice. He said that we have already built ‘trust’ and explained and informed everyone involved about the reasons for this change. According to them it gets easier for the management if employees conceive the goals for change.

4.6 Communication ‘After’ the merger

It was decided in the merger contract that Boreda will continue its business as usual. That means continuation of two separate product lines---Boreda being the provider of commercial buildings and Värderingsdata serving the information for private real estate. During his interview, Värderingsdata’s CEO expressed it was quite ‘naive’ to think that to be the best way and he would probably think of other ways if given a chance to do this merger again.

According to P1, this of course had an impact on the communication between employees of both companies. Since they were working on two separate paths, it could mean elevation of communication issues. According to the consultant, the effectiveness of communication is something yet to be proved. On the other hand, Boreda’s senior management explained that it wasn’t actually the communication issue between the employees of both companies; rather it is a communication gap between shareholders and other employees. This is due to the fact that there are so many working shareholders in the company.

“Even though it’s communicated, it’s not certain that shareholders’ perspective is the same as employees’. I mean I can have one opinion as a shareholder and another as employee and that’s a bit duality.”(P2)

Furthermore; as expressed by P3, another significant step towards communication about step-by-step development in the merger is ‘Monday Meetings’. This regular employee meet-up is scheduled every week during which not only the future happenings are brought to discussion but also the previous week’s progress is monitored in order to discuss the deviations in plans.

4.7 Communication Barriers

There were multiple barriers to communication during the whole process as mentioned by P1, P2 and P3. Despite of all the efforts put forward by the administration and the senior management, there were some hindrances that were beyond control. As P3 expressed:

“It’s always setbacks. It’s never smooth. The ‘perfect process’—I don’t think it exists. I’ll say when you do a merger, its lack of time which is the largest hindrance… You want to have the results but you have to survive as a company.”
Moreover it was conveyed during the interview process that in the beginning many communication problems arose due to the fact that people were not aware of each other and the roles they are going to perform. So it was unawareness of goals, tasks and not knowing what others were doing (“that’s your work not mine”—exemplified by P4 in these words). Additionally, there were some technical issues as well. As P1 explained:

“It’s always a bit less information that they (employees) actually would have had. That’s a problem because they always wanted all the information. I couldn’t give them so much information… because in that early stage of this process…if I tell them anything about the future and then we take another part in the negotiation with Boreda that would not have been so good”.

In the case of Boreda, there were a lot of emotions. P2 expressed it as:

“It might have been emotions of course, also for my part, because we started off in that small space in Göteborg. But at the same time there was actually not so much of an option…I think, I hope, I explained it to them (employees) but it (communication) was face-to-face… I don’t think we had any information overload”.

Another barrier to communication was brought up by Boreda’s management. The company, after the merger, represents a unique case where most of its employees are shareholders. This makes communication difficult. As in the words of P2:

“We have so many working shareholders. Almost half of the people here are shareholders. That makes it sometimes hard to know when is this discussion from the shareholders’ perspective and…when does it become a board issue because not all the board members are shareholders... And when is this perhaps the ‘sub-company’ issue...This is been a bit mixed up”.

4.8 Communication Feedback

According to P1 and P2, both the organizations have been following a ‘flat’ organizational structure up till now. This format had been working fine because of the presence of limited number of employees. Recently there has been a consideration to create some sort of organizational hierarchy to improve the communication from bottom-to-top. Both Värderingsdata and Boreda have a unanimous standpoint on this subject:

“Even though it’s such a small company...But we need more hierarchy here because of this communication issue... That means the possibility to capture the feedback. Also because we have competition in all our products right now and this was not the case five years ago. I think that’s why we need a bit hierarchy because we have to be more reacted to the feedback”. (P2)

Furthermore, P3 has been playing a very positive role in this aspect to resolve the concerns and anxieties of employees during the merger process. He has been doing interviews with the employees to capture their feedback about the whole process and their understanding concerning their new roles and goals. He has been an essential linkage between top-to-bottom and bottom-to-top whenever needed.

P1 explained during the interview that the presence of middle management improves communication because if everyone in the company is reporting to the CEO that means he has to be really available to listen to everyone’s point of view, which is often not the case. So
if the middle management listens to employees reporting to them and conveys it to the top management then it’s not only convenient but also more feasible.
5. DISCUSSION

Up till now the background literature and case findings have both been discussed in detail, therefore, it is meaningful to compare the two sections and analyze the disparities. The purpose of this chapter is to highlight and discuss the gaps that exist between theory and practice. Moreover, some case findings will be brought to analysis from the author’s point of view and study aims (discussed previously in the section of ‘research methodology’) will be related to the case findings and background literature. In addition, the author will make some attempt to ‘refine’ the theories already discussed in chapter two of this thesis. According to Snow et al. (2003) theory development encompasses two approaches which serve to modify the already existing theory; these have been referred as ‘theoretical extension’ and ‘theoretical refinement’. While theoretical extension deals with ‘transferability’ of the theory to a different context in which it was originally developed, theory refinement deals with elaboration of the existing theory with the help of new empirical information (Hennink, Hutter and Bailey, 2011). Therefore, theory refinement entails ‘rethinking’ the whole merger process with respect to the background theories discussed previously. Some aspects of deviation are emphasized below:

5.1 Reconsidering the Concept of Planned Change

The notion of planned change by Paton and McCalman (2008) is quite appealing to the empirical data. According to these two authors the phenomenon of planned change is impossible to achieve due to the fact that change is something which is continuous in nature. Despite the pre-planned nature of this merger, there were quite many things which the change drivers didn’t except to strike so forcefully—culture collision being the most obvious one. Besides that, there were happenings which were beyond the control of top management. For instance, although they planned the path of this change in a certain time frame, they couldn’t follow the plan perfectly because they not only had to put efforts in the merger to make it a successful one but also had to survive as a company and make revenue out of operations. This, sometimes, resulted in deviation of attention from the merger issue to survival issues. Hence the empirical evidence calls attention towards the two approaches to manage change put forward by Ramanathan (2008) in his research; planned and emergent approach. Despite of the fact that planned approach seems to be an ideal process to follow, but in reality it is “too good to be true” because of the unpredictable circumstances during chaotic change times. On the contrary, emergent approach views change as continuous and supports the unanticipated and erratic situations brought up through change processes. While some more evidence is needed to support this argument, but, this study shows that even though the strategy to deal with change may be planned but there are still many situations which are handled as they emerge; in a way that appears most appropriate at that specific time.

Considering the forces for change in the case of this merger, the company size has been considered external as well as internal factor by the author because in this particular case the size of both companies had to deal not only with the market competition (which has been identified as an external factor by Dawson, 2003) but also with changes in organizational structure (identified as an internal factor by Dawson, 2003). Other motivations for change have already been described in the section of case findings.

5.2 Is it Resistance or Resilience to Change?

Employee resistance is something that needs to be discussed in a different manner. It is important to view resistance as some sort of concerns or anxieties that employees are having in their minds, instead of considering it as a grudge against change. If the senior management
is able to resolve these anxieties, then the resistance might convert into support. In this specific case, the consultant and the senior management of both Boreda and Värderingsdata agreed that there was not any particular resistance to the plan of merger. They tried to make it clear that the decision of this integration is a strategic one and it was a matter of survival. They offered full support regarding any of the issues that may arise in order to deal with employee concerns. For instance, in case of Boreda there were concerns regarding commute to the new location but the management offered assistance by providing travel allowance to its employees, hence, solving this particular distress. As it has been pointed out by Myers et al. (2012) that as part of communication strategy, it is important for the management to convey its vision and offer supportive assistance to employees in order to provoke their involvement in the change process.

5.3 Reflecting ‘Communication’ during Change
Communication during the times of crisis or change situation is quite a challenging task. Besides several efforts from the management side, there are always some pitfalls that remain in the process. Although the hiring of consultant was a step that neutralized the communication process during the span of this merger but still there were some concerns that lingered across the way. Considering the barriers to communication explained by Robbins et al. (2009), it was observed during data collection, that the most obvious hindrances might have been filtration of messages, presence of emotions and communication apprehension. It may be perceived that the information has been filtered owing to the tendency of senior management to give selective information at a given instance and their avoidance to reveal information all at once. During the interview process, it was implicitly declared by the senior management that it is important to tactfully handle the information and disclosing it in accordance to the need of the situation; which may lead to filtration of information. Furthermore, P3 mentioned the possibility that some employees could be facing ‘communication apprehension’ (in the terminology of Robins et al., 2009) i.e. they might be finding it troublesome to voice their anxieties in front of other employees; for instance during collective meetings. Nonetheless, on a positive note, management was aware of many of these obstructions (except for filtration of messages). Although there was not much to do on the ‘emotions’ part, yet positive steps were taken to minimize communication apprehension by encouraging employees to voice their concerns during their individual meetings with the administration. As it has been pointed out by P2, that it was hard to distinguish between the communication perspectives from shareholder and employee viewpoints (due to dual roles assumed by one individual) which is still a pressing concern to resolve. Despite this, feedback process is somewhat under-construction due to which it is hard to assume whether the process can be considered as successful or not.

The management followed ‘Programmatic’ strategy to change as described by Myers et al. (2012). The case findings were coherent to the approach discussed by the authors which implies that change follows a top-down pattern where management controls decision making and power and believes in giving the right message to right person at the right time so as to minimize employee resistance.

Discussing the implications of communication channels; while a lot of communication is conducted through face-to-face channels; formal documentation is missing. It was pointed out by one of the interviewees as well that the need to have proper and formal documentation during a change plan cannot be neglected, irrespective to the company size. Moreover, this documentation can be used as a significant measure to present the vision and goals of the senior management which can be referred to by employees at the time of need. Probably, in this case, it can be seen as a means to separate the working shareholders’ stance from that of
employees. If the shareholders present their goals in some sort of a formal report and convey it to board members and employees, then the change direction could become more clear and precise. In addition, it could have solved the problem of employees’ expectations as well.

Another factor that was found coherent to the research of Myers et al. (2012) was the notion of ‘business as usual’. As the authors point out in their research that employees are assured as if nothing significant is going to change. In the case of this merger, it was in the contract that Boreda will continue its operations in the usual manner. This may give signal to employees to lower their expectations with regard to change. In reality, this may turn out to be problematic if later, employees find them at a stage which compels them to change in an unexpected manner owing to the pressing demands of competition and business. It was pointed out by a respondent from Värderingsdata, that the idea of this business as usual turned out to be quite frustrating in the later stages of merger. Furthermore, he explained that there could have been much more employees’ involvement in the change process if this ‘business as usual’ idea had not been in place since the very beginning. Besides, due to this strategy in action, the communication between employees of both these merged companies is a yet to be proven phenomenon. There are some departments of both companies that are in the process of merger (e.g. sales and technical support), however other divisions have to merge sometime in the future (e.g. software development). Though the employees get in contact with each other but still their work domains are separate and their co-operation in this regard will be tested in the future.

5.4 Culture as a Dilemma
The author has used the term ‘dilemma’ in cultural respect because this term represents a predicament which has no definite solution for the parties involved. At least one of the parties has to make a compromise to reach a solution. The case findings in this respect are consistent to Carleton (1997) suggestions. Carleton proposes that managers should give ‘due diligence’ to resolve cultural conflicts because they are equally important in a merger as financial and legal concerns. Since the literature does not provide a particular model or strategy that may work for most mergers or corporate alliances therefore, it is completely context dependent and up to the managers’ intelligence to solve cultural issues in their organizations. As for the case of this merger, it is clear from the research findings that both organizations are unable to resolve the cultural conflicts yet and are still in the process to figure out probable solutions. One step that was taken in this perspective was the company’s kick off in March, 2013 to help employees get to know each other. Kick-offs and occasions like this do not happen quite often, therefore, hiring of the consultant on permanent basis was an important step taken to focus on cultural problems more intensely.

5.5 Merger—A Success or a Failure?
According to all the interviews, it is too early to say anything about the success or failure of this merger. One reason is because the merger is still in process; another explanation might be given on the basis of generalization. According to the consultant normally it takes 3 to 5 years before a merger can be categorized as successful or a failure. However owing to communication aspect, the management is putting quite some efforts to make it a success by resorting to the concerns put forward by employees from time to time and supporting an environment for change.

5.6 Communication Strategies for Change Management
To summarize the contributions that this study has made, it can be concluded that strategic communication is at the heart of solving cultural issues during a change process. It serves as a mode to get to know each other and to adapt to each others’ roles, goals and practices.
Communication is one of the primary ways to achieve harmonized corporate culture, especially while change circumstances are in place and it may significantly gear employee commitment to change. This standpoint has also been proven by the empirical evidence of the two organizations under discussion. Hiring of the consultant, company’s kick-off, Insights discovery and V-Model are all different communication strategies in action (besides some other verbal communication actions) serving the same purpose—to encourage employees’ acquaintance to each other and foster a work environment that is productive and culture sensitive. Developing trust and open mindedness are important landmarks which can only be achieved as a consequence of positive communication activities up taken by the management during the course of change program (and which are already in action in the case of this merger). Hence it can be said that Boreda and Värderingsdata collaboratively incorporated ‘communication competence’, ‘situational knowledge’ and ‘goal setting’ during change implementation. Additionally there were measures which were aimed at ‘anxiety management’ of employees. All these factors contribute to strategic communication (O’Hair et al., 2011) techniques adopted by the senior management for change implementation.
6. CONCLUSION

6.1 Concluding Stance

Lewis (2000) explains that implementation of planned change in organizations has always been a difficult task and one major reason due to which failure risk increases is communication problems. In a survey of 89 planned change implementers, it was found out that most frequently popping problems were related to ‘negative attitudes’ and ‘communicating vision’. It can therefore be said that understanding communication process is central to making change a successful one, particularly when two different cultures are in place. A case study of two merged organizations has been a focus of this thesis and the rationale behind this is to gather comprehensive, organized and in depth information regarding the practical implication of communication during planned change.

Boreda and Värderingsdata are two private organizations in Swedish real estate market where the former focuses on commercial buildings and the latter serves on private properties. The merger of these firms seemed to be quite opportunistic possibility to each other so as to expand their business operations. The fusion took place in June 2012 and is expected to get completed by June 2013. However, none of the two CEOs were expecting cultural clashes to strike so hard during this process. Efforts to resolve these concerns are still on their way, nonetheless, it is fascinating to study how communication can assist to resolve such differences during change programs.

Data was collected from the members of both firms through semi-structured interviews. The study findings revealed eight common themes that describe the approach of strategic communication adopted by the senior management and some issues (predominantly related to culture) that emerged due to this amalgamation. By comparing the case findings to background literature in the domain of change and communication, it was found out that some gaps exist between theory and practice. While theory focuses on models and strategies to implement planned change and resolve cultural dilemmas, in reality, management finds it hard to solely focus on such issues due to some other business concerns running side by side. It was discovered that the communication strategies adopted by the senior management were face-to-face communication, Insights discovery and hiring of the consultant to deal with issues related to culture and communication. Cultural differences in both firms were related to the aspects of working environment, mindset, expectations, behaviors and attitudes. Besides, there were some pitfalls in communication such as filtration of messages, communication apprehension and some other drawbacks in the feedback process. Yet, it is apparently intriguing to find out empirically that how planned changes may still create divergence from the path and can result in some issues that were beyond the thinking capacity of change initiators. This may be due to the fact that during change plans, much of the attention is normally given to business tasks, operations, finances and technology regardless of thinking how it may impact the most important component of change—the people.

In the light of this study, some suggestions can be put forward for future references so as to deal with cultural and communication issues during the course of planned change. These include a proactive approach and readiness to deal with some unexpected matters as they emerge during change implementation, an attitude that entails open mindedness, sensitivity and tolerance to deal with cultural collisions and creating some sort of middle management to foster the feedback process. It is important to note that while some businesses may
completely focus on written communication during change, others may undermine its significance to promote a vision from senior management. Hence, it is utmost important to keep a balance between these two states and enriching communication strategy with both of these modes. Furthermore, senior management should get to know employees’ expectations and encourage their involvement in the change process so as to make them a part of change rather than imposing the revolution.

6.2 Study Implications
Waterhouse and Lewis (2004) describe the significance of implying a case study in research. The two authors quote Eisenhardt (1989) according to whom theory formulated with the help of case study has some important strengths like novelty, testability and empirical evidence. This thesis therefore contains all of these sturdy points which are conducive to the fields of ‘change management’ and ‘communication’. Since the study describes how communication strategies are devised to deal with cultural differences, therefore, some functional guidance can be gathered from the findings of this research. Additionally, it describes the integrated nature of communication, change and cultural arenas in corporate world.

This study is particularly significant for contemporary organizations who may find themselves at the verge of change, constantly. However, the study may be useful particularly for organizations that are dealing with mergers and acquisitions and/or cultural clashes. Since the study incorporates the dealing of two different corporate cultures, therefore other businesses may benefit from the research by avoiding the shortcomings of the organizations under discussion. The study has theoretically explored the strengths and weaknesses of different communication and change theories and a practical model in use (V-Model) which can be adopted and put to use by various organizations depending upon the nature of change.

Taking into account the practical implications of this study, ‘Change’ is a wide term that has been broadly used in numerous subject fields such as organizational studies, sociology, and psychology therefore applicants to this study may be numerous. Alternatively, ‘communication’ is essentially there in almost every field whether verbal or non-verbal. The situations that can be a subject to change, therefore, can find this study useful by implementing the case findings to get hold of maximum productivity and efficiency. Regardless of one’s specific aim, interests or goals, the general nature of the study can prove to be useful, not only for the specialized contexts but also for the community in a broad spectrum.

6.3 Research Limitations
There are a number of shortcomings to this study. Firstly, since the research was conducted in a limited timeframe therefore it has some impact on the research findings. A greater depth into the matter may have been entailed owing to the availability of more time and resources.

Secondly, the research takes into account the perspective of senior management. Some more insight into the research may have been significant with respect to employees’ perception of the change process (i.e. their standpoint on the communication strategies adopted by senior management). Unfortunately, the author did not have the chance to gather data from some employees due to their availability issues and time limitation.

Thirdly, besides a number of strengths that case study research offers, this approach has some inherent limitations as well. Since it takes into account a single organization, therefore, its scope is limited. Although the research findings may be helpful for similar change circumstances, however, it confines generalization of the results to a broad spectrum. More
research is encouraged to broaden the horizon in this respect so that it may help build a theory in future.

Finally, data analysis and interpretation is done by a single author, which means it has the possibility to include some bias. During the process of finding common themes, some of the data points may have been given more importance than others. Further research is therefore encouraged to eliminate such biases.

6.4 Future Research
As already discussed, this study focuses on the standpoint of senior management and does not allocate due efforts to record the employees’ experience of the change situation and their perspective regarding the strategies implemented by the top management. Further research is therefore advised to address this matter in order to gain insight on this issue.

Secondly, more research in similar domain (i.e. formulation of communication strategies to deal with change and culture clashes) is encouraged so as to eliminate the limitation of case study research and to generalize the case findings. It will then prove useful to a wide array of contemporary organizations.

Finally, the case findings may be strengthened or challenged by conducting comparative studies between various organizations dealing with mergers and acquisitions and dissimilar cultures. It may be interesting to note how senior management of different companies engage in change programs and what strategies do they devise to deal with probable issues. This may also help in generalization and theory building.
Appendix 1

Interview Questions

The questions mentioned here were asked to the consultant that has been facilitating the process of merger. The interview process took about 40 minutes.

Background information:
1. Please enlighten your role during this merger. How are you facilitating this process?

Change Management:
2. How do you view the whole change process? Is it working the same way as it was planned?
3. (a): Were the employees taken into confidence regarding the whole change procedure? (b): Were their concerns/anxieties resolved?
4. Was there any resistance to change?

Communication:
5. (a): How was the process of merger communicated by the top management?
     (b): Was the communication of change verbal/written or both?

Communication Barriers:
6. What communication barriers do you think came across the way?
7. What do you think was the best way to effectively communicate and implement the change process?

Communication Feedback:
8. Is there any feedback process concerning communication that highlights employee’s concerns during the difficult changing times?

Communication after the merger:
9. How do you perceive the communication between the employees of both companies, after the merger? Are there any communication gaps?

Organizational Culture:
10. (a): What after-effects can you see now; after the merger has taken place?
     (b): How do you find the whole process?
11. What differences did you find in the norms, working traditions and mind sets of the two companies?
12. Any additional comments?
Appendix 2

Interview Questions

These questions were asked to the CEO’s of both companies. Approximate time for each interview was 30 minutes.

Background information:
1. What were the compelling factors/forces for this change (Please mention some external and/or internal factors such as technology, competition etc.)?

Change Management:
2. In your opinion, when was the most appropriate time to convey this change process (i.e. before or after signing the contract)?
3. (a): Were the employees taken into confidence regarding the whole change procedure?
   (b): Were their concerns/anxieties resolved?
4. Was there any resistance to change?

Communication:
5. (a): In what ways did you communicate the change to employees?
   (b): What were the modes of communication?
6. Were the employees informed of step-by-step development that occurred during merger?
7. Are there any employees that are informed before others regarding important happenings within the organization?
8. What do you think was the best way to effectively communicate and implement the change process?

Communication Barriers:
9. What communication barriers do you think came across the way?

Communication Feedback:
10. Is there any feedback process concerning communication that enlightens employee’s concerns during the difficult changing times?

Communication after the merger:
11. Please underline the communication between the employees of both companies. What do you think about the way they communicate to each other?
12. What steps have been taken to remove any communication gaps (if any) between the employees of both companies?

Organizational Culture:
13. What differences do you find in the cultures of the two companies? Please explain.
14. Do you view the merger as a success/failure?
15. Any comments that you would like to add?
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