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Understanding the process of successful acquisition: An actor-network-theory perspective

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Abstract

Mergers and acquisitions (M&A) is a phenomenon that is getting more and more attention in organizational studies lately. Big international companies are buying smaller companies in order to achieve competitive advantages. But despite this increased popularity, studies show that the majority of all mergers and acquisitions are failing. Many reasons have been suggested for this and the literature is not in consensus regarding the factors that are leading to the failure of M&As and consequently, what factors that are contributing to the success of mergers and acquisitions. Based on the need for more research within this field, as suggested by the literature, the aim of this paper is to study the unfolding of a successful acquisition process through the lens of actor-network-theory and the model of translation and to identify the factors contributing to the success of an acquisition. To fulfil the aim of this paper, a case study of an acquisition has been conducted at an international multidisciplinary consultancy firm acting in the field of architecture, design and engineering. The events that unfolded during the acquisition process have been analysed using the actor network theory (ANT) and the model of translation. The implications of this study are that the acquisition process is a process of translation where actors are enrolled and mobilized. The vital factors contributing to the success of the acquisition are identified as communication, cultural fit between the merging companies, the speed of the acquisition, the presence of an integration plan and the current legislation regarding employee rights in the acquirer's country. By analysing the process of acquisition through the lens of ANT, this study contributes to the literature on actor-network theory by adding an understanding of successful acquisition process as a process of translation. By identifying the factors that were important for the successful outcome of the acquisition, this study also contributes to the literature on determinants for a successful acquisition process.

Key words: Mergers & Acquisitions, Success factors, Actor network theory, Translation model.

Introduction

The interest of academic researchers on mergers and acquisitions (M&A) have been present for a long time (Saunders, 2009). Mergers and acquisitions have become a global phenomenon over the last few decades and is considered as a popular strategy for organizations that want to grow and expand (Seth et al., 2000; Buckley and Ghauri, 2002; Shimizu et al., 2004). Mergers and acquisitions appear as a result of companies striving to improve their competitive advantage and to access new markets (Savovic, 2017). Some other intended goals with M&A are to acquire expertise, products, technology, reduce exposure to risk and to achieve economies of scope and scale (Lodorfos & Boateng, 2006). Companies carry out mergers and acquisitions with a hope to achieve the desired results, but empirical evidence show that the implementation is not always successful (Homburg and Bucerius, 2006; Marks and Mirvis, 2001).

Despite the increasing popularity of M&As, studies show that mergers and acquisitions are failing at high rates, meaning that the intended goals with the M&As are seldom achieved (Lodorfos & Boateng, 2006). According to Erez-Rein et.al (2004) and Carleton (1997) who have studied the tendency for failure in mergers and acquisitions, the ratio of failure in M&As ranges from 55-70 percent. Other researchers claim that the percentage of failing mergers and acquisitions is as high as 88 percent (Schorg et. al., 2004). Since acquisitions are synonymous with change (Nikandrou et. al. (2000), these results are in line with the findings of Beer and Noria (2000) who claim that 70 percent of change initiatives fail. This indicates that there is a need to study what factors that are important to achieve success in mergers and acquisition.

Even if the majority of mergers and acquisitions are failing, there are some organizations who manage to successfully acquire other companies and merge these new organizations with their own organizations. Lots of different factors have been presented as possible explanations leading to failure of acquisitions (King et.al., 2004; Sarala et.al.,2017) but the literature on M&As is not congruent on the factors causing mergers and acquisitions to be successful (Calipha et.al, 2010). This pose a great complex challenge to the research in the field of M&A success and it also indicate the need to continue to research in depth the factors that influence the M&A deal success (Calipha et.al, 2010).

The previous literature on mergers and acquisitions does also lack the analysis of successful acquisition processes through the lens of actor-network-theory (ANT) and its main model for analysis of networks and change processes called the translation model. The translation model is a useful tool for analysing networks and power relations (Callon, 1986). Almost no research on M&A has applied the model of translation, which in four steps describes how a certain actor or actors achieve their goal by enrolling and mobilizing other actors in a network. Thus, drawing on a detailed case study of a successful acquisition at a large consultancy firm, I argue that examining the acquisition process through the lens of translation model provides valuable insights into why the acquisition becomes successful. The research question of this paper is thus following:

How does a successful acquisition process unfold, seen through the translation model, and what factors contribute to the success of an acquisition?

To answer this research question and to fulfil the aim of this paper, a case study has been conducted at a large Scandinavian multidisciplinary consultancy firm acting in the field of architecture, design and engineering which has recently acquired a small architecture company. A total of 25 interviews have been conducted with people from the acquiring and the acquired company in order to get a thorough picture of the events that happened prior, during and after the acquisition which led to a successful outcome of the acquisition.

There are several ways of measuring and defining whether the acquisition process is successful or not (Calipha et.al, 2010). The definition of success in acquisition process in this paper is delimited to the human aspect, omitting the long and short term financial benefits of the deal. As the existing empirical research has not clearly and repeatedly identified the factors that impact the outcome of an acquisition, it has been suggested that researchers need to pay more attention to nonfinancial variables of the acquisition, which are currently underrepresented in the theory and research (Gomes et.al, 2013). The acquisition studied in this case study is claimed to be successful based on the goal of the acquiring company, which was to make all employees at the acquired company to start working for them and to retain them at their organization, which they also managed to do based on the fact that all employees are still working in the company five months after the acquisition.

This paper is written from an actor network theory perspective. By presenting how the management problematized the acquisition process and how negotiations were taking place and how the interests of the employees were translated, I will show that the acquisition process can be described as a translation process with four moments, as described by Callon (1986). ANT and the model of translation is a very valuable framework for empirical analysis of organizations and it is especially useful when analysing networks and the power relations within these networks (Callon, 1986). I believe that ANT is especially applicable in the case of M&As since acquisition is a process where some networks are disrupted and others created, where some actors gain more power than others and where dissidence is possible in form of people resisting to changes or not wanting to be acquired by other companies (Bijlsma-Frankema, 1997). I believe also that ANT is useful in the case of acquisition process since it does not a priori exclude non-human factors such as organizations, culture, communication, ownership (shares) etc. and thereby allows a more explicit examination of the acquisition process (Sarker et.al., 2006). ANT does not either distinguish between macro (e.g. organizations) and micro (individual) and it also acknowledges the inherently unstable nature of actors (ibid). This gives the researcher the flexibility to see organizational networks as a single actor or a group of individual actors and it also makes it possible to analyse seemingly stable organizations as unstable actors. Based on these assumptions, I believe that ANT and the model of translation are suitable to use as analytical framework for this study.

Previous research on important factors for M&A outcome

When one organization acquires another organization and when two organizations merge it is reasonable to expect a conflict between the cultures of these organizations (Savovic, 2017). The conflict of two different organizational cultures leads to difficulties associated with human resources (ibid). If there is a difference between management practices and the cultures of these organizations, then there is a potential risk for conflict which in turn can lead

to loss of anticipated benefits of the integration (Faulkner and Cambell, 2003). This conflict occurs when the employees realize that there are some differences in authority, teamwork, mode of operations and communication style between these two companies, believing that their own ways are superior to the other (Marks and Mirvis, 1986). According to Jemison and Sitkin (1986), managers of the acquiring company tend to have an attitude of superiority which can lead to conflict between the employees of the newly merged companies. Therefore, an increasing number of researchers have recognized that the management of the human factor in mergers and acquisitions is of high importance for the outcome of the merger (Lubatkin and Lane, 1996; Cartwright and Cooper, 1992; Gilkey, 1991; Buono and Bowditch, 1989; Pritchett, 1987; Sarala et.al., 2017). According to the literature on mergers and acquisitions, it gets clear that cultural differences between the merging organizations is a key factor affecting the effectiveness of the integration process and thereby the success of the M&A (Lodorfos & Boateng, 2006; Schraeder & Self, 2003).

If the differences between cultures are not managed properly they can grow in aversive diversity and lead to productivity problems such as low levels of trust and low levels of cooperation between different groups of people from the merging companies. Prior to M&A, each of the firms has its own beliefs, assumptions and cultural values that distinguish them from others, including the newly acquired partner, which provide the employees of the company with a feeling of collective competence, identity and pride (Schein,1989).

Culture plays undoubtedly a big part in the way employees react to the new structure of their work environment (Bijlsma-Frankema, 1997). Some adapt very quickly and commit to the new expectations from the new managers, others tend to resist, withdraw and behave in other counterproductive ways (ibid). There is also a high risk that a change in structure will lead to temporary frictions between the sub-cultures and the structure in the new organization which in turn will foster unproductive behavioural reactions from groups and members of the organization (ibid).

According to Schweiger et. al. (1987) employees attach themselves to the organizations, jobs, work routines, co-workers, the application of personal skills and performance and career goals. Employees that are involved in mergers and acquisitions experience a powerful sense of loss when the strong attachments that they had to the company are changed or destroyed (ibid). Acquisition process also leads to employees feeling stress, tension and uncertainty. Many acquisitions are accompanied by absenteeism, sabotage, low satisfaction and low commitment (Morrison and Robinson, 1997).

Trust is also an important term in empirical findings on what managers can do to get groups with different cultures to cooperate and achieve synergy in the work environment (Bijlsma-Frankema, 2001). Communication and trust for the acquirer is closely related (Schweiger and DeNisi, 1991). Since communication is a big part in the process of trust building, it is claimed that to help the integration of merging cultures and thereby the success of M&A, communication is required (Weber & Tarba, 2013).

Lots of researchers report that communication play a vital role in the outcome of mergers and acquisitions (Angwin, 2000; Bastien, 1987; Buono & Bowditch, 1989; Cartwright & Cooper, 1992; Marks & Mirvis, 1986; Nikandrou et.al., 2000; Schweiger & DeNisi, 1991; Weber et

al., 2012; Zhu et.al., 2004). And there seems to be a general consensus that effective communication is the key for managing uncertainty and crucial for effectively managing acquisitions (Bastien, 1987). If the acquirer fails to communicate with the employees of the acquired company, then the cultural differences become more highlighted and it creates tensions (Budhwar et al., 2009; Lodorfos and Boateng, 2006). On the other hand, if the acquirer communicates the organization's intentions, it increases the perception that the acquirer is trustworthy, caring and honest (Schweiger and DeNisi, 1991). Frequent communication, both before and after acquisition, seems to play the most important role on the impact of managerial trustworthiness (Nikandrou et. al. 2000).

The literature on the topic of M&A seems to agree upon that effective communication from the acquiring company during M&A helps to reduce uncertainty, enhance the degree of post-merger commitment to the new organization and consequently increase the success of M&As (Aguilera & Dencker, 2004; Allatta & Singh, 2011; Risberg, 2001). Overall, communication from the acquirer towards the acquired members is claimed to be the backbone of M&A success and one of the major reasons for M&A failure (Aguilera & Dencker, 2004).

In a merger and acquisition process, the communication from the acquirer towards the newly acquired members is not the only channel of communication, there is also communication (or the lack of it) from the management/owners of the company that has been acquired and their own employees (Schweiger & DeNisi, 1991). Despite the previous arguments about the risks of lack of communication from management, managers have to consider about aspects of fully communicating the anticipated changes to the organization and employees (ibid). Even when the owners and management know that changes are about to happen, they are often unwilling or realistically unable to discuss the changes with employees for various reasons (Marks & Mirvis, 1986). They might for example not know exactly what will happen until far into a merger or acquisition and therefore it might be harmful for the company to communicate these intentions. Some previous research on this topic suggests that management should actually avoid communicating realistically with employees during mergers and acquisitions because it has been claimed that such communication might alert competitors and result in employees leaving the organization as they are unwilling to endure the painful changes (Buono & Bowditch 1989).

But regardless of the reasons to not communicate with the employees, it leaves them uncertain about their future and it is claimed that it is often this uncertainty, rather than the changes themselves that is so stressful for the employees (Schweiger & DeNisi, 1991)

Based on the comprehensive review of the literature it becomes clear that culture of the organization is an important factor in mergers and acquisitions, partly determining the outcome of the mergers, and that trust and communication and the way of how communication is carried out is also one of the determinants of whether the merger and acquisition is successful or not.

Theoretical framework

In this part of the paper the relevant theories for this study have been presented in an attempt to make sense of the gathered empirical data. Firstly, the actor network theory has been presented as a concept and then the model of translation has been presented in more detail. To give validity to the choice of the theory for this study, previous literature that has applied ANT in organizational studies has also been presented. Lastly, some critique against ANT has been mentioned.

For the analysis of the successful acquisition process, described in this case study, the actor network theory has been applied for its thorough description of how networks are formulated and maintained and how the negotiation process is an important process in mobilizing different actors into creating a network. In this case study, the process of translation promoted by the actor network theory has been used to analyse how the management in both organizations made themselves the obligatory passage points and how they, through the use of different intersement devices, tried to create a stable network which in this case means that they attempted to successfully merge these two organizations by convincing the employees at acquired company to be acquired and to work for the acquirer, instead of leaving the company after the news about the acquisition.

Actor network theory

Actor network theory (ANT) is an approach that allows to identify actors and to see how they are connected to each other through collective activities (Callon, 1990). It describes how the world consists of networks of actors. The networks themselves are created by different actants, which are acting or acted upon in a specific context (Callon, 1986; Latour, 2005). Akrich and Latour (1992) emphasizes the term actant when speaking about the emergence phase of a network. When an actant possess a meaningful role in its context and achieves an identity by doing something, it becomes an actor (Akrich & Latour, 1992; Czarniawska & Hernes 2005). The formation and stabilization of the actants is therefore what becomes actor-networks (Akrich & Latour, 1992).

One central notion in the heart of actor network theory is the metaphor of heterogeneous network which means that organizations, society, agents and machines are all effects generated in patterned networks of various human and non-human material (Law, 1992). Our communication with each other is mediated by a network consisting of a variety of objects which contributes to the shaping of our interaction (ibid).

Continuing on the topic of heterogeneity, Callon (1987) states that the actor-network should not be seen as a network that links static or precise elements, but rather the units constituting the actor-network are able to redefine their identity. Relationships can be altered and new units can be brought into the network. Based on that, Callon (1987) suggest that an actor network is able to redefine itself and transform what it is made of and at the same time it is an actor whose activity is networking heterogeneous elements.

The means to produce the social are either taken as intermediaries or mediators (Latour, 2005). In Latour's (2005) words: "*intermediary is what transports meaning or force without*

transformation: defining its inputs is enough to define its outputs” (p. 39). The input of mediators on the other hand is never a good indicator of their output (ibid). Mediators, transform, translate, distort and modify the meaning of the elements they are supposed to carry (p.39). According to Nicolini (2009) mediators and intermediaries are semiotic in nature and thus carry a certain amount of value or meaning so that they are able to influence actors.

Callon (1990) does also talk about intermediaries and gives it a more prominent role in the enrolment process. Callon (1990) defines intermediary as “*anything passing between actors which defines the relationship between them*” (p.134). Examples of intermediaries include scientific articles, computer software, disciplined human bodies, technical artefacts, instruments, contracts and money (ibid).

Callon (1990) states that the enrolling process of other actors involve intermediaries and that there are four types of them: (1) Literary inscriptions such as reports, books, articles etc. (2) Technical artefacts such as scientific instruments, machines, robots and consumer goods. (3) Human beings and the skills, the knowledge and the know how that they incorporate. (4) Money, in all its various forms.

According to Callon (1990), when an intermediary passes between actors it allows these actors to identify the relationship between them. If the actors have a mutual interest in that particular intermediary, then they will create a link through the intermediary. As long as they are bound together, all the actors and intermediaries form a network (ibid) and owe their particular position in relation to the network as a whole (Nicolini 2009).

A network can be in different states, it can be more stable or less stable, convergent or divergent (Callon 1990). If a network is less stable and divergent it means that it is less likely to stabilize because of the constant fluctuation and translation (ibid). But if the network is strongly convergent it means that it has strong presence of norms and is characterized by homogeneity which in turn means that the network is more resistant to external actors trying to change or define the identity of a member of a network (ibid).

Translation model

The translation model is a key concept within the actor network theory which maps how the process of how different actors are related to each other (Callon, 1986). The process of translation advocates that ideas are translated in a specific context influenced by specific people, which means that ideas can be translated and interpreted differently depending on the actor’s situational affections and personal characteristics (Czarniawska-Joerges & Sevón, 1996). Through the process of translation, one main actor, who has the support of the other actors involved in the network, is able to enrol these other actors to act in his/her/its interest. This is achieved by convincing the other actors that it is in line with their own interest (Callon, 1986; Latour, 2005). Thus, the translation model allows to investigate the power relationships in a network where one or a few actors obtain the right to express themselves and represent the other silent actors they have managed to mobilize (Callon, 1986). Because of this nature of this model, it will help to understand the process of negotiations aimed at mobilizing all relevant actors in order to achieve a successful acquisition process.

Callon (1999) writes that translation is the movement of different forms of knowledge, cultural practices, artefacts and technology. This means that networks include both human and non-human actors. One central assumption within the actor network theory is that both human and non-human actors are assumed to have equal roles in the networks (Callon, 1986). Law (1992) claims that for example machines and architectures must be given the same meaning as people because they are a part of the same heterogeneous network as the humans.

Callon (1986) describes four important moments of translation which are the processes that build and change a network. These four moments are: Problematization, interessement, enrolment and mobilization. These steps describe how certain actors define something that is of interest to many other actors and create a network of actors and make themselves an obligatory passage point in that network of relationships (ibid).

In the first step of this model, the problematization, relevant actors and objectives are identified. The first step consists of double-movement, the first move where the identities of the actors are identified, and the second move where one or more actors make themselves the obligatory passage point of the network and becomes the focal actor in the network by defining the problem. The problem that they define should be of interest to all the actors in the network. The intent of the focal actor is to solve the problem by assigning interests and identities to the other actors. The identities assigned by the central actor are ideal for the central actor and s/he/it wants the other actors to be enrolled into and act upon it. The central actor which made themselves the obligatory passage point suggests in the problematization that the problem will be solved if the actors agree to pass through the obligatory passage point. The obligatory passage point is created by the focal actor/s to make themselves indispensable and it is claimed that it is necessary to have this point in order for a convergence of the interests of the relevant actors. Those actors who do not go through the obligatory passage point cannot be enrolled and thereby mobilized into the network because they will refuse to accept the interests assigned to them and will not act upon them (Callon, 1986).

In the second part of the translation model, called interessement, the central actor/s of the network try to convince others in the network that it is beneficial for them to be a part of the network, thus trying to impose and stabilize the identities that were given to them in the problematization. The central actor in the network uses a device or mechanism of interessement that interests all the actors in the network to strengthen the association between actors and to support the structure of the network (Latour, 2005). This interessement device needs to reflect the interests that were defined in the problematization in order for it to be effective (Callon, 1986).

If the interessement is successful then it leads to enrolment meaning that actors within the network accept the roles that were assigned to them. In this moment of the model it is important that the interests of the actors are met. But however, not everyone identifies with and accepts the roles that were assigned to them in the problematization. In Callon's (1986) framework this is defined as dissidence. There are always impediments hindering the successful enrolment of every actor. Betrayal by some actors in the enrolment may destabilize the network (ibid). To reduce the risk of destabilization of the network Bergström and

Diedrich (2011) discussed about re-problematization which meant that the focal actor changes their negotiation tactics and try to create new roles that would be interesting for those who were not enrolled.

In the fourth and final moment of translation the focal actor has managed to stabilize the network. The allies have been mobilized, possible alliances are formed and they all act as a unit with a spokesperson speaking for the whole network.

According to Callon (1986) translation is an ongoing process, which might fail, and it is never a completed achievement. It has no beginning or an end (Pipan & Czarniawska, 2010). Because there are many different actors involved in the process it is difficult for an idea to be successfully translated. At some point there will be a situation where the central actor of the network no longer is able to control the actions of the actors within the network. (Latour, 1987). The idea will continue searching for its optimal form, taking different forms along the way (Czarniawska & Joerges 1996).

When the actors get convinced and eventually enrolled, the negotiating and discussing ceases, and objects, people and situations gets erased. When the idea gets institutionalized and taken for granted it becomes black-boxed (Czarniawska & Joerges, 1996). Since there are no more negotiations between the actors, a border gets created around the network. The context and the content merge (Latour, 1987). A black-box implies that the network has a set of inputs and outputs that are taken for granted by all the actors in the network (ibid).

ANT research in management studies

ANT has been often used in studies of technology and information systems (Mitev, 2009) due to its assumption that humans and non-humans have the same roles in networks, but lately ANT has also become popular in management and organizational studies (Czarniawska, 2017). Despite this, surprisingly, the phenomenon of M&A is almost completely lacking within the field of actor network theory. But since M&A is synonymous with change (Nikandrou et. al. 2000), previous research show that ANT has been applied in studies of different forms of organizational change processes.

Sarker et.al., (2006) for example, have in their study used the concepts of actor-network-theory and the model of translation to interpret the sequence of events that led to business process change failure at a telecommunication company in the United States. They found that a number of issues suggested by ANT, such as errors in problematization, parallel translation, betrayal and irreversible inscription of interests contributed significantly to the failure (ibid). Their study show that ANT is useful when studying factors that are important for successfully managing a change process which gives even more validity for using ANT for this study.

Studying change process through the lens of ANT can also highlight moments, actors and actants which are not so apparent within the change process itself. This is presented in the study of MacAulay et.al. (2010). Through the application of actor network theory, their research has followed the process of organizational change enacted through the CEO of an eastern North American community college network. In doing so, they found that some of the most durable and powerful actors in this case were either absent or unseen most of the time. (ibid).

The study of MacAulay et.al. (2010) showed the important role of the actors, but the actor-network-theory, as the name implies, claims also that the actors themselves are not powerful, it is the network, the association between these actors that has more vital role (Callon, 1986). This claim is confirmed by the study of Pollack et.al (2012). They studied the implementation of a project management information system (PMIS) in three public sector agencies using ANT. Their research revealed that PMIS software application and the practitioners/researchers who developed and implemented the PMIS, by themselves had limited impact, instead it was the stable network of associations between them that resulted in effectiveness and capability (ibid).

ANT has also been used to study the human factors of an organizational change process. Bergström and Diedrich (2011), for example, examine the claim that companies exercise corporate social responsibility by responding to stakeholder interests. By presenting a case study, they showed that despite the fact that a Swedish high-tech company dismissed 10 000 workers, the company was accepted as being socially responsible. Their study reveal that this outcome was a result of a process where corporate representatives managed to enrol and mobilize a network of actors into being faithful to their definition of social responsibility.

Critique against Actor network theory

Despite the fact that the actor network theory has been consider as a useful tool to analyse the findings of this study it should be brought to attention that there is some critique against this approach. Whittle and Spicer (2008) argues for example that ANT relies on a naturalizing ontology, an un-reflexive epistemology and a performative politics. They do not dismiss ANT as a theory but suggest that it is less well suited for pursuing a critical amount of organizations, that it lacks the ability to discover the unfolding of realities, taking into consideration the limits of knowledge in organizations and neglecting pre-existing structures (ibid).

Law and Singleton (2005) also criticizes ANT by arguing that it puts too much focus on how networks are sustained, rather than how they are enacted, while Czarniawska and Hernes (2005) accuses it of having a focus on macro-actors, rather than on “ecology”.

Another critique against ANT has been that it is not comprehensive enough when studying organizations. For example, because it for the most time embraces successful translation processes which resulted in achieved enrolment and mobilization of the actors and stabilization of the network, it fails to include the interests of those actors who have not been enrolled or mobilized, that is the dissidents (Gad & Jensen, 2010). Gad and Jensen (2010) suggests that ANT should be used in more focused and flexible way and the scope of the four-moment model of the translation have been claimed to be too narrow and an expansion of it has been suggested.

Putting advantages of ANT against its disadvantages, it becomes clear that the advantages outweigh the disadvantages despite the critique against it. ANT and the model of translation has been used by many researchers in many different fields of scientific studies, which shows its strength as a useful analytical tool. Therefore, ANT has been selected as an analytical framework even for this study.

Methodology

Background

The intent with this study is to examine how a successful acquisition process unfolds and to analyse which important factors that are contributing to its successful outcome. To fulfil the aim of this study, a case study has been conducted. For this case study, a big international consultancy firm which has recently acquired another smaller company has been chosen.

This big consultancy firm, which from now on will be referred to as Consultia, is one of Scandinavia's largest multidisciplinary architecture, design and engineering consultancies. They provide services to clients in both the private and public sectors worldwide. Consultia has a history that goes back almost one century. They have several thousand employees of which the majority are from the country that Consultia has its roots from. The Swedish part of the company has approximately 600 employees and it is the Swedish part of the company that is relevant for this study. Consultia has several offices around Sweden, their headquarters are located in Gothenburg and the empirical data for this case study has been collected from the Gothenburg office, more precisely from the department of architecture. The department of architecture has a business area manager and the department itself is divided into four teams, three of which are located in Gothenburg. There is also a team manager who is responsible for all four teams and each team has its own team leader.

The company that has recently been acquired by Consultia, referred to as Betaconsultia from now on, was a small Swedish company acting in the field of architecture. They had a manpower of ten people which was considerably less numerous than Consultia. It was founded in the mid-nineties by one of the current owners at Betaconsultia.

Prior to the acquisition, the architecture department of Gothenburg office of Consultia consisted of around forty people, but with the arrival of the new employees the department had a twenty-five percent increase.

Research design

Since the aim of this study is to get a better understanding of intangible phenomenon such as processes, networks and factors leading to successful acquisition, it has been considered reasonable to apply case study method for this research (Czarniawska, 2014). Case study is a research strategy that focuses on understanding the dynamics present within one single setting (Eisenhardt, 1989). Case studies can be used to achieve various aims, for example, to provide a description, to test a theory or to generate a theory (ibid). The method of case study can involve qualitative data only, quantitative only, or both (Yin, 1984). There is also no predefined right or wrong when conducting a case study (Flyvbjerg, 2006), and this allows the researcher to interpret his/her case by themselves. According to Flyvbjerg (2006), the results of a single case can also very often be generalized.

For this research, case study has been used to generate a theory using only qualitative data in form of semi-structured interviews.

Initially, one interview was conducted with the CEO of Consultia, who is one of the main actors involved in the merging process of these two companies that are chosen for this study.

Later, more interviews have been conducted with other people from Consultia that have been involved in the acquisition and integration process. After a discussion with the CEO names of all senior managers that were involved in the acquisition process were collected. It was informed that three other managers, excluding the CEO, had been involved in the acquisition process and all of them have been interviewed for this case study. In addition to the four managers, the decision was made to interview one middle manager and ten more employees from Consultia who had been affected by the acquisition, this in order to get the employee perspective on the acquisition since it is the employees who will be affected the most by acquisition and it is also them that the acquired people from Betaconsultia will be working with.

When a sufficient number of interviews were conducted with members of the acquiring company, focus was turned to the acquired company, Betaconsultia. All ten members of the acquired company have been interviewed for this case study.

The interviews were conducted in Swedish and all citations used in this paper have been translated by the writer of this paper.

| Consultia (15) | Betaconsultia (10) |
|-----------------------|---------------------------|
| CEO | Owner 1 |
| HR Manager | Owner 2 |
| Manager 1 | Employee 1 |
| Manager 2 | Employee 2 |
| Middle manager | Employee 3 |
| Employee 1 | Employee 4 |
| Employee 2 | Employee 5 |
| Employee 3 | Employee 6 |
| Employee 4 | Employee 7 |
| Employee 5 | Employee 8 |
| Employee 6 | |
| Employee 7 | |
| Employee 8 | |
| Employee 9 | |
| Employee 10 | |
| | Total:25 |

Figure 1: List of people that have been interviewed

All the employees have been referred to as just *employees* without specifying who is who when citing in this report. This in order to increase the anonymity of the respondents. There is also an ethical issue regarding the anonymity of the CEO of Consultia and the owners of Betaconsultia. Since there is only one CEO at Consultia and only two owners at Betaconsultia and since it is necessary to specify the roles of these actors, it is impossible to fully anonymize them. Nonetheless, even the two owners have both been referred to as just *owners* when citing in this report. The managers from Consultia on the other hand, have been distinguished as *manager 1* and *manager 2* as it is practically impossible to anonymize these two actors since they were responsible for the whole acquisition process and every other actor involved in this acquisition know who they are and what responsibilities they had.

The setting

The majority of the interviews (22 out of 25) were conducted at the office of Consultia in Gothenburg. Three interviews were conducted through the phone due to the fact that the interview persons were very busy and could not have a personal meeting, therefore interviews were conducted via the phone at their free time. The decision to have the interviews at their office was made based on Bryman and Bell's (2013) claim that the interview persons feel more relaxed in an environment that is familiar to them. All interviews lasted between 20-50 minutes and were recorded with the approval of the interview persons.

The choice of the company and interview objects

The choice of the companies was mainly based on the convenience, but it does not mean that they are less relevant for the study (Bryman & Bell, 2013). The main reason that Consultia was chosen for this study was because the researcher of this paper was acquaintance with the CEO of the company and has been working with him, though not as an employee of Consultia but as an external consultant. Thus, the first contact in the data collection process has been made with the CEO of Consultia. As Gleshne and Peshkin (1992) wrote, trust is the foundation for acquiring the fullest and most accurate disclose a respondent is able to make. In an interview, both the researcher and the respondent have to feel rewarded and satisfied by the process and the outcomes. To achieve such effectiveness the researcher must be warm and caring (ibid). This is what the writer of this paper aimed to achieve in this study. The fact that I, as the researcher, know the CEO, I believe, will make the people involved in this study to feel comfortable and give sincere and honest answers to my questions on the interviews. On the other hand, there is also a risk that if the interview person know that I am acquaintance with the CEO that s/he will be more restrained in her/his answers worrying about the confidentiality of their answers.

The reason that Betaconsultia has been chosen was because it was acquired recently, about four-five months before the start of this study, and the merging is still fresh. A recent acquisition was chosen intentionally to minimize the risk of the interview objects forgetting about the events and the feelings and emotions they had at the time of the acquisition (Bryman & Bell, 2013).

Two different approaches have been used in the selection process of the interview objects for those two companies. Since Betaconsultia only has the manpower of ten people, all these ten people have been interviewed to increase the validity of this research (Bryman & Bell, 2013). Since architecture department of Consultia in their Gothenburg office has over fifty employees, it was impossible to apply this approach of selection to it, therefore interview objects for Consultia have been chosen using the snowball method. With this approach, the researcher initially only has contact with one or few people that are relevant for the study, but later on, the contact gained with these people is used to get in contact with more people that are relevant for the study (Bryman & Bell, 2013). The choice of the remaining interview objects for this case study was therefore dependent on the CEO of Consultia.

Data collection

Qualitative method of interviewing has been used to collect data for this study. Since the phenomena that this study discuss are neither tangible nor countable, it goes without saying that a qualitative research strategy is best fit for this study. According to Bryman and Bell (2013), qualitative research is defined as a research strategy that puts focus on words rather than quantification in the collection and analysis of the collected data.

Qualitative interviews attempt to understand the world from the interviewee perspective and study the experiences of the interview objects (Kvale, 2006). Since the goal of the researcher of this study was to investigate the varieties of human experiences and to see the process of acquisition from the perspective of different actors, the choice of qualitative interviews for data collection for this study gets more support. By conducting qualitative interviews, the researcher gave voice to people from all parts of the companies and let them speak freely about their feelings in order to get their perception of the acquisition process (ibid). By getting the overall picture of the acquisition, the researcher was able to follow the process of how a successful acquisition unfolds.

The interview for this case study was designed in accordance with what Bryman and Bell (2013) describes as “semi-structured” interview. Using this method implies that the researcher has some sort of interview guide with some topics that should be brought up during the interview. The questions in a semi-structured interview are quite open and gives the interviewee space to speak more broadly about the topic. The semi-structured interview model also allows for follow-up questions and provides rich detailed answers (Bryman & Bell, 2013). When speaking with the respondents for this case study, it was important to get as detailed answers as possible and this was achieved by asking follow-up question.

When collecting data, it is important to get the full picture of the situation or phenomena and therefore several people from both companies have been interviewed. This method to get accurate picture of the situation by interviewing several people and combining different findings is called *triangulation* (Silverman, 2013; Bryman & Bell, 2013).

Data analysis

The process of acquisition involves two parts, one part that is the acquirer and the other part that is being acquired, and the data collection process was consequently divided into two parts. Because of this nature of acquisitions, it felt appropriate to use the grounded theory which suggests a continuous comparative analysis when analysing the field material (Martin & Turner, 1986). Grounded theory is an inductive methodology which allows the researcher to discover patterns in data and generate theories from the collected data (Walsh et al. 2015; Glaser & Strauss, 1967).

According to Turner (1981) grounded theory is especially well suited to dealing with qualitative data gathered from among others, semi-structured interviews and case study material. Grounded theory is also suggested as a good approach when conducting organizational studies (Martin & Turner, 1986).

Since semi-structured interviews generate a big amount of data, the interviews have been transcribed and then coded to find patterns and generate theory (Martin & Turner, 1986).

During the analysis of empirical findings, the concepts of actor network theory and the model of translation has been applied.

Empirical findings

The timeline in *figure 2* presents an overview of the events that occurred leading to the successful acquisition of Betaconsultia by Consultia.

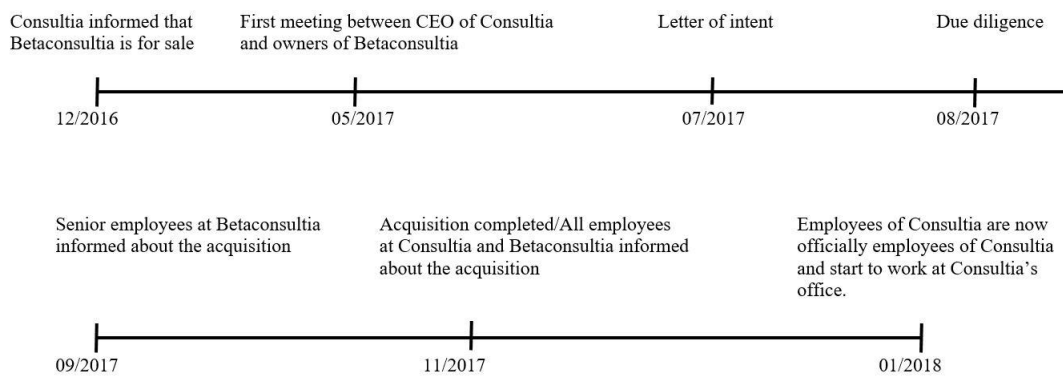


Figure 2: Timeline of the acquisition process

Prior to acquisition – From the perspective of Betaconsultia

One of the owners of Betaconsultia, who had the majority of shares in the company, was reaching the age of retirement and thought that it was time for him/her to step aside and let someone else take her/his share of the company. The owners were considering three choices: To let the other owner of the company have full shares of the company, to invite one or more of the employees to buy her/his shares or to sell her/his shares externally. The first choice was ruled out as the other owner did not want to run the company alone. Eventually, the second owner did not want to run the company at all and wanted to sell her/his shares too, so the choice was made to sell the company externally.

The owners did not communicate their intentions to sell the company to any of the employees until they put the company up for sale and had companies interested in buying it. There were several companies interested, companies of different size, with varying organizational cultures and who offered different amount of money for the company. The owners had meetings with several companies in order to familiarize themselves with their organizational cultures, what they could offer to the employees etc. At the end the choice fell on Consultia.

“We thought that Consultia was the one company that resembled our company the most when it comes to how they, as a company, regarded and treated their employees and also their view on the art of architecture. And soon enough we got a good relationship with Consultia.”

(Owner, Betaconsultia)

The decision to sell and who to sell to was made exclusively by the two owners. They explained that it is a very difficult thing to discuss with the employees prior to selling. They had thoughts about selling for a long time but to sell externally was not something that they had planned, it just turned out that way. Since they did not have a hundred percent sure plan to decide what they would do with the company, the owners thought that it was unnecessary for them to proclaim to all employees about the potential selling of the company.

“It is hard to anticipate what the reactions will be and also you cannot communicate to your employees about something that you are not even sure will happen.” (Owner, Betaconsultia)

But even if the intentions of the owners were not expressed explicitly by them, the employees were aware that something had to happen because one of the owners had to retire soon. There were also other factors that gave hints to the employees that something was about to happen. One employees tell about some events that made him/her suspicious:

“You could understand that something was about to happen when the owners were having lots of meetings. And another thing was that we had acquired a new office just next to ours in order to expand, but nothing was happening for a long time.” (Employee, Betaconsultia)

Even though the decision to sell and who to sell to was made by the two owners without any input from the employees, they wanted to emphasize that they did not just go after who paid the most. They conducted a real work studying the potential acquirers and it was important for them that their employees would be in good hands. One of the owners tells:

“There were those who offered more money and there were those who offered less money, but money was never the important factor for us, the organizational culture was. In fact, the organizational culture of the acquiring company was the deciding factor for us. We wanted to sell to someone who had the same values, same view on human resources. And I think that Consultia wanted the same. As it turns out, we wanted them and they wanted us.” (Owner, Betaconsultia)

Prior to acquisition – From the perspective of Consultia

Since Consultia is a big international company they have the ambition to grow and expand, just like their competitors. The management of Consultia was informed by a business broker that Betaconsultia was for sale and they got a little bit interested in the company. Initially, only the CEO of Consultia was interested and tried to convince the other managers that they should have a meeting with the owners of Betaconsultia and find out what type of organization it was and how much potential it had. At first, the managers at Consultia were doubtful and not so interested in this acquisition and started to question whether it was a good idea or not. One of the managers involved in the acquisition explains:

“My initial reaction when the CEO told me about buying a company was: Why? Do we really need to buy a whole company? We are already too many. And then I also thought that Betaconsultia is a nice small company and everything, but they are doing exactly the same thing as we do, if we really are going to acquire, should we not acquire a company that does something different from what we are doing? Should we not try to expand our range instead?” (Manager 1, Consultia)

But her worries turned out to be for nothing according to her. After having a meeting with the management from Betaconsultia, her opinion shifted from reluctant to really looking forward to this acquisition. She thought that these two companies had very similar organizational cultures. And now afterwards she thinks that this cultural fit between these two companies was one of the main reasons that this acquisition went so well.

This manager also thinks that it would have been much more difficult if Betaconsultia had more people than they had. This would have probably led to a battle between the employees from these two companies about whose culture should be dominant, she says (Manager 1, Consultia). But in this case, the increase was only around twenty five percent, so there is no battle now, but then again, the cultures of these two companies are very similar so there is not so much to fight about (Manager 1, Consultia).

Another manager who also was involved in this acquisition process tells that they have a nice and employer friendly organizational culture at Consultia, where for example every employee is given the opportunity to buy shares in the company (Manager 2, Consultia). He says that they do not want other people to come in and try to change their culture, therefore it was important for Consultia that the company they acquire had similar organizational culture. One of the employees at Consultia also says that they knew that their culture had to be dominant so the people from the acquired company would have to adopt to their culture at Consultia.

But even though they think that their culture should be the dominant one even after the acquisition, they still think that it is valuable to let Betaconsultia to come with ideas for development and effectivization. If the ideas are helpful, they are gladly willing to embrace these.

“We are developing our way of working, developing new tools and methods to conduct our work at Consultia, so we are still in a development phase. It can sound strange that a company that is still trying to find its form acquires another company, but I think that it is a good thing that Betaconsultia was acquired before everything was perfect at Consultia. We can now ask them (Betaconsultia) how they used to work, what kind of methods and tools they used. We wanted to find out if there are things that we could learn from them and embrace them to Consultia instead of just making them to adopt to our way of doing work.” (Manager 1, Consultia)

Since management of both companies acknowledged that cultural fit was very important they arranged an after-work at Consultia’s office and then a Christmas party at Betaconsultia’s office before the people from Betaconsultia actually started to work at Consultia. Managers from Consultia also wanted to speed up the process of the physical movement of the employees from their old office to Consultia’s office. There was a reason behind this, which the manager at Consultia explains:

“It did not take much time between when Betaconsultia got acquired and when the employees moved and started to work at Consultia. This was actually a strategic move from our side. If it had gone more time in between there, it would have probably resulted in them (Betaconsultia) becoming a subsidiary to us and not really knowing what was about to happen and get tired of it and leave the company on their own. For that reason, we wanted to have them here as

soon as possible and we also had a Christmas party together with them at their office. And when they started to work here it was a more relaxed transition because everyone knew each other already.” (Manager 1, Consultia

There were also organizational reasons which required a solution in form of a recruitment or acquisition at Consultia. One of the employees at Consultia who has been working there for many years explains that the group of architectures was becoming too big and it was too much for one manager to handle, so they split the group into three smaller teams with a new team leader in each team. But one of these team leaders was also the team manager who was responsible for all three teams together. People in the other two teams were unhappy because they thought that the team who had the team manager was getting more information than them (Employee, Consultia). So, the current situation with the team leaders made that the acquisition process was received well by the employees at Consultia. When Betaconsultia was acquired, one of the preconditions was that one of the owners from Betaconsultia would work as a team leader (CEO, Consultia).

The negotiations with employees at Betaconsultia

As soon as it was clear that Betaconsultia would be acquired by Consultia, the managers from Consultia came and presented themselves to the employees of Betaconsultia. They also found out that there were some employees who played more prominent role in the organization and it was important to persuade them to follow with the acquisition.

“When we agreed with Betaconsultia that we would acquire them, we found out that there were a few “key persons” in the organization, those who had been working there a long time. It was very important for us that these people would agree to be acquired by us and work for us. Even the owners said that these people are very important for a successful acquisition, if we can convince them to follow then the others would also follow.” (Manager 2, Consultia)

Consultia requested to have individual meetings with these key people. These key people also got to know about the acquisition a little bit earlier than the other employees. When all employees at Betaconsultia were informed about the acquisition, the manager from Consultia had individual meetings with almost every single one of them, informing about the company a little more but also finding more about them as individuals and answering their questions. One of the employees at Betaconsultia says that they, the managers from Consultia, were trying to sell in their company by showing what benefits they would have if they worked at Consultia instead of Betaconsultia. S/he says that Consultia wanted to make sure that it would not be worse in any means to work for them and that they would match everything that of Betaconsultia. S/he then gives an example:

“The office of Betaconsultia was in the city centre and the public transportation was good and it was not too long to travel to work for me. But since the office of Consultia is outside the city centre on the other side of the river, it meant longer travel times for me. And Consultia compensated for this by letting me work from home when it is necessary for me.” (Employee, Betaconsultia)

The management at Consultia state that it is very important for them that the people they acquire feel that they are welcome and that they see them as individuals and not as tools for

production and results. The CEO of Consultia gives his view on communication with people that are about to be acquired:

“It is important to find out what the people at the company that is being acquired think about being acquired. You have to approach them correctly by taking into consideration several different aspects. For example, you have to approach a company from Gothenburg differently than a company from Kiruna. The important thing is that you try to know the people, try to get to them and connect with them. You have to be credible yourself and believe in the people. How you communicate and how you approach them has to be adopted to these specific people.” (CEO, Consultia)

According to the managers at both Consultia and Betaconsultia, the key people at Betaconsultia seemed to be very positive about the acquisition, which was also confirmed by themselves. One of the employees at Betaconsultia who was one of these key persons remembers the events:

“They (The owners of Betaconsultia) had a meeting with us seniors first, we who had been working there for many years. We also got to meet Consultia’s managers before everyone else. I assume that they (The owners of Betaconsultia) wanted to know what we thought and to be sure that we were onboard on this. I do not know how they would have acted if we did not have this positive attitude towards this acquisition, it probably would not have even mattered, but either way, it felt nice to be asked about it.” (Employee, Betaconsultia)

The fact that these key people were positive to the idea of acquisition affected the other employees into also being positive about it. But initially, not everyone was excited about the news. Several of the employees at Betaconsultia who had not been working there for a long time described their initial reaction to the news about the acquisition as a shock. One employee from Betaconsultia who had not been living in Sweden for too long says that s/he felt like Betaconsultia was the perfect company and s/he felt secure working there, but all of the sudden, this security was taken away from him/her (Employee, Betaconsultia).

Another employee expresses disappointment that some of the employees knew about the acquisition before the others:

“I think it would have been respectful towards us if they (The owners of Betaconsultia) asked everyone and not just some few people. But they did it this way and that made me confused.” (Employee, Betaconsultia)

One employee also expresses disappointment over not getting an individual meeting with a manager from Consultia. The employee says that s/he had a meeting with the managers but other people from Betaconsultia were also present at that meeting. S/he would have preferred to talk individually so that s/he could ask questions that s/he maybe did not want to ask in front of the other people from Betaconsultia. Despite this, s/he decided to follow with the acquisition since s/he had nothing to lose. One advantage to follow with the acquisition was also that the employees got to bring their years of experience with them. This will for example secure them in case of layoffs when usually the latest recruits are fired first by following the employment protection Act (LAS) of Sweden (CEO, Consultia).

The negotiations with employees at Consultia

The employees at Consultia were not informed about the intentions of the management to acquire a company. But everyone knew that the company has been growing in the last few years and they were aware that more people would have to be recruited in order for them to grow. One of the employees at Consultia gives his/her opinion on the acquisition:

“Since Consultia is growing in different parts of the organization, of course even our department should grow. When I heard that we would get ten more people to work with us I was very excited because then we would not have to work that much.” (Employee, Consultia)

The employees at Consultia also expressed their appreciation for the events that had been arranged by the management in order to let them familiarize themselves with the new co-workers.

One of the senior employees at Consultia says that they had discussions about expanding and wanting more people in their department because there was much work to do and people were stressed and tired. S/he says that they suggested that with more people it would be easier to distribute the projects so that the workload per employee would be reduced (Employee, Consultia).

The employees at Consultia did not distinguish between wanting to recruit more people or wanting to acquire a whole company. But according to the manager 1, people at her team, when she used to be the team leader, used to express reluctance towards the idea of acquiring new companies. Therefore, she was worried that the intention to grow would result in the opposite because of people quitting. Therefore, she tried to see the process as a large recruitment, rather than an acquisition:

“After meeting with people from Betaconsultia I realized that this was actually like a big recruitment for us, even though it is an acquisition. And that is actually what I communicated my group at Consultia, that this was a big recruitment and not an acquisition of another company. The reason for this was that I did not want to scare them, they were worried about the trend where big consultancy firms buy out smaller architecture companies. They remembered how it was a few years ago when there were only 22-23 of them but now they were 45 before the acquisition of Betaconsultia and they were about to get 10 more. In my team, they had this fear of growing (becoming more people).” (Manager 1, Consultia)

Despite the worries of the manager, none of the current employees quit after the acquisition.

After acquisition – stabilization of the merger

Based on the opinion of the sample of employees from Consultia in this study, it seems that acquiring Betaconsultia was a good decision. One employee says that it feels like they, the people from Betaconsultia, have the same way of thinking as them. Some of the employees from Betaconsultia think that the organizational climate is very similar to what they had at Betaconsultia, even though Consultia is a much larger organization.

Another employee from Betaconsultia says that the owners of Betaconsultia explained the reason for choosing Consultia, and that it seems like they did the right choice. S/he tells:

“We were told that Consultia had the same organizational culture as we had. That it is a flat organization, that there are no rules for how to dress or act to fit into a profile. And even the economic aspects, they do not report the numbers per individual, but rather per team. This shows that they are not trying to evaluate how profitable you are in terms of money and I like that they do it this way.” (Employee, Betaconsultia”)

But some others do not like the economic evaluation at all. Even if it is not reported on individual level, they still think that there is maybe too much focus on the economic aspects. They tell that at Betaconsultia there was someone who had the responsibility for the economic part and the economy was not something that you discussed with everyone at the office. But at Consultia s/he says, they are often informing about how they are doing in monetary terms.

The two previous owners of Betaconsultia do not have any expressed remarks about the work conducted or the organizational culture at Consultia, they think that the impression they had before starting to work there is now confirmed. But not every employee from Betaconsultia seem to be happy with the acquisition so far. One of the employees expresses her/his view on how it is compared to how it was described before s/he started to work at Consultia:

“They cannot have the same organizational culture, there is a big difference between a small and a big office. At Betaconsultia we were very close, we were like a family. I remember that they presented Consultia also as a big family, but it is not the same thing. It is also understandable because they are two different organizations. It has nothing to do with Consultia, but I prefer small companies” (Employee, Betaconsultia)

S/he continues by saying that s/he feel a little bit excluded from his/her team and s/he barely speaks with his/her team leader. S/he would have preferred a little bit more communication from the management at Consultia, at least in the initial phase when they started to work there. The lack of communication with the new employees from Betaconsultia is also acknowledged by the manager 1 who was responsible for planning the acquisition. She expresses that she would have wished to be able to communicate more with the new ones, to ask them more frequently how they were doing and how they were feeling. But unfortunately, she says, she has not been able to do this to the extent she wanted because of her many other tasks at the company.

Another employee from Betaconsultia is on the same track regarding big companies. S/he says that when s/he first applied for jobs, s/he was searching for small companies. S/he thinks that at larger organizations there are too many wills and that the end result is a compromise between all these wills. That is why s/he was a little bit worried about working in a big organization. But at the same time, s/he says, it felt really exciting to be able to work with big projects and to have a greater variety of projects to choose from. But s/he is ambivalent about staying at Consultia.

“It is hard to tell if I will remain here or not, it depends on what the future unfolds and if I will enjoy the projects I get in the future, because I haven't felt committed to the projects I have got so far. If I do not feel any excitement at the job, I will probably leave.” (Employee, Betaconsultia)

Whether they like their new assignments and projects or not, all employees from Betaconsultia seem to agree upon that the acquisition process itself was well structured and well organized. Many of the employees state that they really liked that everything was ready and set up for their arrival. It made them feel welcome already from the first day. One employee who had been new to Betaconsultia tells about his/her experience of how Consultia managed the transition process:

“I was feeling really well and secure at Betaconsultia and when I found out that the company was being sold I was worried that I would lose my job and I got really nervous. But the really good thing with Consultia was that they accepted my much faster than Betaconsultia. And it never appeared to my once that I am new here.” (Employee, Betaconsultia)

Whether people feel comfortable or not does also depend on who you ask from the group of employees from Betaconsultia. But since the acquisition is only four-five months old, people from Betaconsultia seem to still feel more comfortable with each other and usually end up having breakfast and lunch together. One employee explains:

“It is not as if we try to keep to ourselves or that we are not being included, but it is the natural thing to happen, people usually prefer to sit and talk to their colleagues they know well, that is how humans work.” (Employee, Betaconsultia)

Also depending on who you ask, there seem to be different opinions about whether the way of communicating with each other is the same or not as in Betaconsultia. One person from Betaconsultia claim that at Betaconsultia you could just take two steps and talk quickly to your co-worker. But now, because they are sitting in an open landscape office and because people usually do not even sit at their place because of their errands elsewhere, s/he says that it feels like they have to schedule a meeting, take the computer and pen with them, book a free room etc. every time they want to talk about something quick. According to him/her, it feels like the daily work has become slower compared to how it was at Betaconsultia.

Another employee from Betaconsultia on the other hand expresses that there is no noticeable difference between how it was before and how it is now (Employee, Betaconsultia).

Communication between each other is not the only thing that the employees have different views about. One employee tells for example that at Betaconsultia s/he had to learn lots of other things that were not directly related to her/his work. Even if s/he did not ask to learn, s/he was actively encouraged to learn, or sometimes *had* to do these other things too. But at Consultia s/he feel like s/he has to stick to the one thing that s/he is good at. S/he can learn these other things even at Consultia if s/he wants to, but here s/he has to take the initiative. Another employee from Betaconsultia prefers the exact opposite. S/he tells that s/he had other things besides her/his main job and now when s/he started to work at Consultia s/he feel relaxed and can concentrate on doing the things s/he is good at and likes to do.

Analytical discussion

In this part of the paper, the empirical findings will be discussed and analysed. The acquisition process will be seen as a four-moment process of translation from the actor network theory as it is described by Callon (1986). By looking through the lens of ANT it will

here be illustrated how the acquisition process was unfolding and what factors that were contributing to the successful acquisition process.

The acquisition – a translation process

Problematization

Before the intentions of the management were revealed to the employees at Betaconsultia and to other companies potentially interested in acquiring this small architecture firm, the everyday work at Betaconsultia and at Consultia was, as Latour (1987) and Czarniawska & Joerges (1996) says, black - boxed. Their way of conducting work, their way of communicating with each other was institutionalized and taken for granted (Latour, 1987, 2005). At Betaconsultia, people had the feeling that something was about to happen because one of the owners was reaching the age when s/he would have to retire. But they were not worried until it actually happened that the decision was made to sell the company to an external actor.

When the owners decided to sell, it was the starting point of the moment of problematization in the translation process where they made themselves the focal actors in that new network they had created (Callon, 1986). They defined the central problem which was of interest to several different actors: *Betaconsultia is being sold: So how do we get all the employees to follow with us to the new company?* This problem was of interest to the employees because they felt comfortable and safe working at Betaconsultia and now this was about to change and they had to decide what to do. By defining the problem, the owners created a network, a network where actors interested in merging with another company would enter.

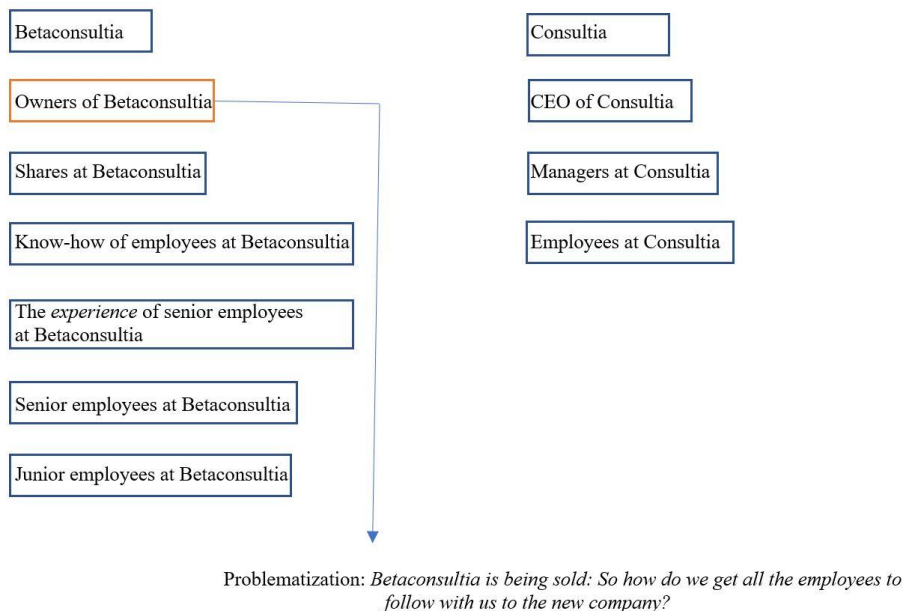


Figure 3: Problematization by the focal actor

The problem defined by the owners was also of interest to other actors such as the competitors who were interested in acquiring this company. In order to be a part of this network, the competitors had to go through the owners, thus the owners made themselves the obligatory

passage point (Callon, 1986). And if the employees wanted to retain their working years when starting another job, they would also have to go through the owners of Betaconsultia.

During the problematization moment in this case, several actors can be identified. There are both human and non-human actors present in this network and they have to be given the same roles in this network (Callon, 1986; Law, 1992). The first non-human actor in this case is the company Betaconsultia. The company has its own identity. The identity of this actor has also a big impact on attracting other actors into this network. One aspect of its identity is the financial state of the company. If it is not shown that the company is doing well financially then the other actors are less likely to enter this network, as claimed by the CEO of Consultia.

Another aspect of the identity of Betaconsultia is its organizational culture. As the literature suggest, when one organization acquires another organization and when two organizations merge, it is reasonable to expect a conflict between the cultures of these organizations (Savovic, 2017). The culture of the organization is a key factor affecting the integration process of mergers and acquisitions and thereby the success of it (Lodorfos & Boateng, 2006; Schraeder & Self, 2003). Therefore, how the culture is at Betaconsultia will also have an effect on whether other actors want to enter this network or not. The CEO and managers at Consultia claimed that the main reason they wanted to acquire Betaconsultia, that is to enter this network, was because it had culture which resembled their own.

The company Consultia was another non-human actor that was identified by the focal actors in this network. The actor Consultia was chosen to enter the network by the focal actors and it was in Consultia's interest to be part of this network since they had intentions of growing (CEO, Consultia). Just like the actor Betaconsultia, even Consultia had an identity which determined whether it would be invited to enter the network or not. For the owners of Betaconsultia it was important that their employees would feel comfortable working in the new organization and therefore the financial and economic aspects of Consultia's identity were important for them.

The human actors in this network were the owners of Betaconsultia, senior employees at Betaconsultia, junior employees at Betaconsultia, The CEO of Consultia, the managers at Consultia and the employees at Consultia. The reason that the owners at Betaconsultia were able to make themselves the focal actors of the network was because they possessed the shares in the company. Thus, the shares are also a non-human actor in this network. The shares are the reason for power asymmetry in the network giving the owners the power to speak on behalf of the other actors in the network (Callon, 1986). It also gave them the power to decide who to invite to the network and who to exclude. The owners of Betaconsultia did not for example consult with the employees when they chose which company to sell to. According to the owners of Betaconsultia, it was realistically impossible to communicate such intentions before the deal was done. Their decision was in line with Bueno and Bowditch (1989) who claim that it actually might be risky to communicate with employees during mergers and acquisitions. Even if it was a strategic choice not to communicate, it still implies that they had more power in this network because of the amount of shares they had in the company which made it possible for them to make decisions on their own.

Analysing the power relation between the employees and the owners even more, one could claim that the reason that the owners had more power was because of the employees, or more

precisely because of their know-how. What gives value to the shares is actually the knowledge and skills of the employees and this is also what the acquirers intent was with the acquisition, namely to acquire the know-how of the employees so that it can be made use of in their own company. If there was no know-how associated with the employees, there would be no power attributed to the owners of Betaconsultia. The know-how can also therefore be seen as a non-human actor in this network. This is in line with the previous literature which suggests that actors are not effective and powerful by themselves, it is the network and the associations between these actors, both human and non-human, that yield the power and effectiveness in them (Pollack et.al (2012).

There is also another power asymmetry in this network caused by another non-human actor. The senior employees at Betaconsultia were informed about the acquisition before the junior employees, which implies that the employees were given different identities by the focal actors in the problematization phase. The reason for senior employees getting a different identity from the junior employees was that they had worked at the company much longer than the junior employees. Thus, the *experience* is another non-human actor that gave the senior employees a more prominent role in the network.

As it was unveiled through the interviews with the employees, the senior employees at Betaconsultia were not worried about their future and they were also excited about the acquisition. While the junior employees, on the other hand, were shocked and anxious about their future. According to some of the employees, the reason for their anxiety was uncertainty. This is in line with the literature which suggests that the stress for employees during mergers and acquisitions is due to the uncertainty about the future, rather than the changes themselves (Schweiger & DeNisi, 1991). But by having individual meetings with the worried employees the acquirer was able to remove these uncertainties in the acquisition process.

Interessement

In problematization phase the owners defined the problem which was of interest to the other actors. They also defined the identities of the actors within the network and the basis for power-structure was set by the interrelations between the actors in the network. The initial communication was made. Now the owners needed to convince the employees that it is beneficial for them to embrace their new identities and be part of the network (Callon, 1986). To achieve the strengthening of the associations between the actors and to support the structure of the network, various interessement devices can be used (Latour, 2005).

The process of translation advocates that ideas are translated in a specific context influenced by specific people, which means that ideas can be translated and interpreted differently depending on the actor's situational affections and personal characteristics (Czarniawska-Joerges & Sevón, 1996). Consultia took this into consideration, as the CEO stated. The *idea* in this case was that it would be beneficial for the employees at Betaconsultia to start working at Consultia. Therefore, in accordance with the literature, The CEO and managers at Consultia were attentive to the situations of the actors being acquired.

In a way, even the management at Consultia was now being the focal actor in the network. Once Consultia was selected by Betaconsultia, the management of Consultia had now more

active role in convincing other actors to be a part of the network. In order for the acquisition to be successful, the managers at Consultia needed to interest all actors in the network, including the employees at Consultia.

Both owners of Betaconsultia and managers of Consultia were using communication as interestment device (Callon, 1996). The owners of Betaconsultia were for example explaining to their employees that it would be beneficial for them to work in a bigger company which would provide them with greater stability than they had at Betaconsultia. The managers of Consultia in their turn, were convincing their own employees that growth was necessary and that it would be beneficial for them to have more co-workers and to have a new team leader in order to regain power symmetry between the different teams. The employees at Consultia were interested because they had been unhappy about the power asymmetry since one of the team leaders was also the team manager responsible for all three groups and assumingly received information before the other groups.

To interest the employees at Betaconsultia required a little bit more work. The junior employees were more sceptical, but the senior employees were positive to the acquisition. The senior employees were thus functioning as the interestment device for the focal actors. When the senior employees talked positively about the acquisition it gave a sense of calm and excitement about the acquisition to the junior employees (Manager 1, Consultia).

In order to strengthen the associations between the actors (Akrich & Latour ,1992), parties and after-works were used as interestment devices. These showed to be very useful as they “broke the ice” between the actors and they got to familiarize with each other’s cultures.

Enrolment

In the interestment phase negotiations are done and arguments are used with the aim to convince the actors that it is beneficial for them to accept the identities assigned to them. If the interestment is successful then it leads to enrolment, meaning that actors within the network accept the roles that were assigned to them (Callon, 1986). It is also important that the interests of all actors involved are met. In case of mergers and acquisition, this is an especially vital step in the translation process. Since literature suggests that up to 86 percent of mergers and acquisitions fail (Schorg et. al., 2004), there is a big risk that some of the actors will refuse to be enrolled and become dissidents (Callon, 1986). In this case, where all the employees are free to do what they want, there is not much the focal actors can do in order to make the actors to stay within the network and be enrolled. If they want, both senior and junior employees at both companies are able to become dissidents (ibid) and leave the network because the industry of architecture, which they are working within, is calling for architectures and the competition for the workforce is really high (CEO, Consultia).

In this case of acquisition, all the actors involved seem to have been interested by the focal actors and thereby enrolled into the network. A big part in the reason that the actors become enrolled seem to be that the managers of Consultia, that is the new focal actor in the network, have been very convincing and also been able to align the interests of all the actors involved.

Mobilization

In the enrolment phase all the actors in the network were interested and consequently also enrolled into the network. But the question now is, as the translation model suggests (Callon, 1986), whether the focal actors now managed to represent the other actor in the network or not. Have they been able to mobilize the actors? One could say that they have successfully been able to do so based on the fact that every single employee, both from Consultia and Betaconsultia, are still working and remaining at Consultia. The management at Consultia, which is the new focal actor of the network, is now the spokespersons for the whole network.

The integration process itself seems to have been very successful. But there needs to be made a distinction between the process of acquisition and the process of integration. The latter takes much more time according to the literature (Buono et. al. 1985; Stybel, 1986; Nikandrou et. al., 2000). Managing the acquisition process well is essential for the subsequent integration, but even if it is claimed by the employees that it was handled well and even if there is a feeling of cohesion between the members of the two recently merged companies due to the integration efforts at the early stage of the acquisition, it is no guarantee for cohesion in the future (Buono et.al., 1985). It has now been almost a half year since the acquisition of Betaconsultia was made and people seem to still be working at Consultia and being productive.

The process of acquisition was described as success by both employees and managers from both companies. But when asked about the events that took place prior to the acquisition, some employees from Betaconsultia showed signs of disenchantment. One employee who did not get to have a personal meeting with the management at Consultia was very disappointed and felt like s/he still had some unanswered questions. When asked about his/her future at Consultia s/he was not so sure. But s/he is still there and working. Another employee who did not get to work with projects that interested him/her was also unsure about their future at Consultia. This shows that there have been tendencies for dissidence in the network, but no one has left yet. Even if the majority of the new employees at Consultia seem to feel comfortable and enjoy working there, this shows that the mobilization phase can be just the shine of it, that it looks normal on the surface but you have to analyse deeper in order to be fully sure that you have achieved mobilization. As Callon (1986) stated, translation is never finished, but rather it is an ongoing process.

Bergstöm and Diedrich (2011) suggest that if you, as the key person in the translation process, want to reduce the risk of destabilization of the network, you should re-problematize already at the enrolment phase if someone/something refuses to be enrolled. They suggest that if some actors do not get enrolled, then the focal actor should change their negotiation tactics and try to create new roles that would be interesting for those who were not enrolled (ibid). But as the results of this study show, re-problematization may actually be required for some actors even after mobilization. Communicating with employees after the acquisition is complete might play an important role to retain the success status of the acquisition.

Conclusion and implications

The purpose of this research paper has been to study how the process of a successful acquisition unfolds and what factors that contribute to the success of an acquisition. By conducting a case study and by analysing it through the lens of actor network theory and the translation model, findings of this paper suggest that a successful acquisition process can be described through the four steps of translation.

A successful acquisition process starts by the problematization by the owners. They make themselves the obligatory passage point of a new network where some actors are invited to be part of and others are excluded. In the case presented in this study, the owners problematized the situation when the company was being sold and they needed all their employees to follow with them to the new company. The owners decided by themselves which actors to invite to be part of the network and which actors to exclude. This power was obtained by the owners because of the associations between the actors, both human and non-human, in the network. Since the focal actors invited only these actors who potentially had an interest in being in the network, the focal actors were thus able to align the interests of all the actors involved in the network.

One implication of this study is that the role of the focal actor is not fixed to one actor or a group of actors. As the results of this study shows, the owners of the acquired company were the initial focal actors who managed to formulate a problem that was of interest to several other actors. But when the company Consultia was chosen to be a part of the network by the focal actors, the management at Consultia gained the status as the new focal actors. To retain their place in the network, it was more important for the management at Consultia that the interests of all the actors in the network were aligned. The new actors were then able to align the interests of all the actors in the network and thereby enrol and mobilize them. When the mobilization was achieved, the acquisition process was claimed to be successful.

By analysing the case with ANT and through the translation model, several factors contributing to the success of the acquisition were also identified. The first factor which was a major contributor to the success of the acquisition was that the interests of the actors involved were very similar, which means that these two merging companies had very similar organizational cultures and consequently even all the employees from both companies had a match. But simply having similar organizational cultures does not mean that it will be acknowledged by the employees, this has to be communicated and shown. As stated in this case study, the managers of the acquiring company had individual meetings with almost all the new employees and they also arranged events to let the people from both companies to get to know each other. In this way it was shown to all the actors involved that both companies had similar organizational cultures.

Another contributor to the success was that there was no resistance in the acquisition process, contrary to what it is often claimed in the literature (Bijlsma-Frankema, 1997). But there were some signs of discontentment from the employees of the acquired company due to the fact that they did not get the amount of communication they desired. This shows that even if the network seems stable, some actors might have unresolved issues and that their interests in fact were not aligned but they were still mobilized in the network, potentially giving just a shine of

success. This indicates that communication is very important even after the acquisition is finished and that the focal actors need, as suggested by the literature (Bergstöm and Diedrich, 2011), to identify if there is a need for re-problematization for these actors in order to reduce the risk of destabilization of the network in the future.

Two other factors, that are related to each other, could also be identified as important contributors to the success of the acquisition. The speed of the acquisition process played an important role as the results of this study show. The fact that it only took two months between when the acquisition deal was completed and when the employees started to work at the acquirer's office indicates that a fast process contributes to the success of the acquisition. To make the transition go fast was also a strategic move from the acquirer's side, which shows that they had an integration plan. Having an integration plan is thus also identified as an important factor leading to the success of the acquisition.

One last implication of this study is that the success of an acquisition process can depend on the local context and the legislation in the acquiring company's country. As it was identified through the translation model, it was in the interest of the employees from the acquired company to follow with the owners to the new company since this would enable them to retain the years of working experience they had due to the employment protection act (LAS) of Sweden. Thus, the results of this study show that the employees had something to win by being acquired due to the legislation in Sweden, and if this was not the case the results might have been different.

To conclude, this study makes a contribution to the literature on actor-network theory and successful M&As. More specifically, results of this study contribute to the literature on the determinants of mergers and acquisitions success and this study also contributes to the actor-network-theory and the model of translation by adding an understanding of a successful acquisition process as a process of translation where actors are enrolled and mobilized. Another contribution to the translation model is that the results of this study show that the status as the focal actor is not fixed to some specific actor/actors, but rather the role is flexible and other actors in the network can become the new focal actors.

Limitations and future research

One possible limitation of this study is related to the time aspect of the acquisition. How long time after the acquisition one chooses to investigate the effects of the acquisition is important according to the literature (Buono et. al. 1985; Stybel, 1986; Nikandrou et. al., 2000). Lots of researchers argue that the time frame one chooses to examine the post-acquisition effects is of importance because different reactions are expected from employees in the early phase of the acquisition and five years later (Nikandrou et. al. 2000). Stybel (1986) claims that, depending on the level of hostility/friendliness, five to ten years are needed of the members of the acquired company to resolve their bitterness and feel as a part of the new company. Thus, even if it in this case study is claimed that the acquisition was successful, this status might change in a few years if some of the acquired people quit at the company.

Since this study only analyses the initial phase after the acquisition, analysing similar cases with a longer time frame would be interesting as they might give different results as claimed by the literature (Buono et. al. 1985; Stybel, 1986; Nikandrou et. al., 2000).

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