



UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

Master degree Project in Management

**Observing the utilization of middle management during an ongoing
acquisition.**

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Master degree project

Graduate School

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Abstract

This article focuses on the ambiguity of an ongoing acquisition and examines the utilization of middle management functionalities during the process. Utilizing a case study where the empirical findings regarding middle management roles proved that the focus should be expanded from the managers themselves towards the functionalities middle management instead incorporates. We identified three main factors which function as enablers for sensemaking in the ambiguous process of acquisition. These factors include a dynamic CEO, a business system, and a senior advisor. These factors are intertwined and complement each other and enable sensemaking during the ambiguous process of acquisition. These factors were in turn connected and analyzed using a sensemaking framework. This study suggests that human middle managers are not essential in an acquisition process, but instead focus should be shifted towards the functionalities middle management incorporates. Thus, this study sheds light and fills the literature gap on the process of acquisition indifference to post-acquisition which is covered in most literature. Moreover, this study scrutinizes the meaning of middle management in ambiguous situations and adds to the literature on ongoing acquisition processes.

Keywords:

Middle management, Sensemaking, Ongoing, Acquisition, Ambiguous, Management Functionalities

Introduction

The prospect of getting a company to expand into new markets and increase profitability is something that organizations are continuously striving for. Instead of solely relying on organic growth, one way to achieve this is by acquiring another organization (Cartwright & Cooper, 1993). The reasons for acquisitions are many, however, there are three main reasons that organizations are acquired by another organization according to Napier (1989). The reasons include; capital allocation, gaining more technical knowledge and expertise, and expanding into new markets. The allocation of capital is linked to the possible financial profits that an acquisition could yield. Technical knowledge and expertise could involve desirable specialists and patents that the acquiring company needs access to. Napier (1989) exemplifies market expansion as acquiring access to a specific location to penetrate a specific market section (Brueller, Carmeli & Drori, 2014). However, the complete success of achieving stated objectives in acquisitions is rarely achieved (Weber & Tarba, 2012). An analysis of 200 major European M&As by the global management consulting company Hay group in 2007 found that senior business leaders believe that only 9 percent were completely successful in achieving stated goals in the acquisition process (Weber & Tarba, 2012). Therefore, Acquisitions are one of the most difficult organizational changes that employers may face during their professional careers (Chung, Du, & Choi, 2014).

An important aspect when it comes to organizational change as in acquisitions is the importance of functioning middle management in the acquiring company (Hope, 2010). Rouleau & Balogun (2011) defines the role of middle managers as lacking the formal role authority held by their seniors to act strategically. Furthermore, they need to influence upwards, horizontal, and

downwards (Rouleau & Balogun, 2011). Besides, Rouleau (2005) states that middle managers are closer to external stakeholders than top management, and Riege & Zulpo (2007) describes middle managers as knowledge facilitators rather than knowledge creators between lower employees and top management. The role of middle management during a change process has not gained much attention when compared to that of top management (Huy, 2001). This even though Mair & Thurner (2008) argue that middle managers should also be considered a key force when it comes to organizational performance. The role of middle managers during planned change has typically been downplayed in comparison to that of top management (Huy, 2001; Nadolsk & Barkema 2014), and scholars call for more studies that focus on the way middle management shapes change (Balogun & Johnson, 2004; Toegel, Levy & Jonsen, 2021).

There are however exceptions, Meyer (2006) studied the dynamics of middle managers in post-merger processes as a potentially disruptive force of achieving success in an acquisition. Meyer (2006) states that the disruptive force is caused by unsuccessful execution of strategy caused by middle managers, these managers are often resistant to the chosen strategic direction or not informed adequately of the strategic intent. Furthermore, Meyer (2006) emphasizes that literature on middle managers should extend the focus from not only exploring the tensions between the top and middle management but also observe how diverse groups of middle managers influence the operationalization of strategies. The article depicts the merger case of a Nordic bank as destructive because of the divergent operations of middle managers. The divergent operations conducted by the middle managers were not in line with the strategic intent of senior management, the strategic operational approach was not communicated well enough by the senior management which resulted in negative effects on performance. The article depicts the intervention and strategic management of middle managers; however, the author suggests that further research should be conducted to explore the tensions between the top and middle management. The reason for this suggestion lies in that there are few empirical studies on the influence of middle managers in mergers and acquisitions (Meyer, 2006). Previous research on the subject mainly covers post-acquisition processes and consequences (e.g., Meyer, 2006; Vuori, Vuori, To, & Huy, 2018; Cartwright & Cooper, 1993; Schwerdtfeger & Weber, 2015; Monin, Noorderhaven, Vaara & Kroon, 2013). There is therefore a research gap considering the role of the middle management during the process of acquisition (Meyer, 2006; Balogun & Johnson, 2004).

Based on the ambiguity regarding the role of middle managers in acquisitions, this study aims to expand the understanding of the utilization of middle management and to identify the functionalities of middle management during an ongoing acquisition process. Furthermore, there were no human middle managers appointed during the acquisition. The absence of middle managers was discovered during the data collection in the empirical section of the study. This in turn led to a shift of focus, from middle management roles towards the functionalities that middle management instead incorporates. The functionalities are defined as knowledge facilitators and conduits of change that influence organizations upwards, horizontal, and downwards (Rouleau & Balogun, 2011; Rouleau, 2005; Riege & Zulpo, 2007).

The research will be conducted through three research phases and by answering the following research question:

How are middle management functionalities utilized during an acquisition process?

Theoretical Framework

Sensemaking has been used in this case study to analyze and explore an ambiguous and complex change through observing individuals and groups (Paull, Boudville & Sitlington, 2013). Sensemaking is a concept rooted in organizational theory and can be used to further understand the actions performed by actors in an organization (Weick, 2005). Weick (2005) states that analysis with sensemaking can provide an understanding that a small action might have a substantial impact on the organization. Browning and Mcnamee (2012) further emphasize Weick's (2005) statements and used them to explore leaders in temporary situations such as acquisitions. With this in mind, the article by Paull, Boudville & Sitlington, (2013) further elaborates that sensemaking is promising as an interpretation tool for analysis in qualitative research.

Weick (2005) provides a definition of sensemaking as follows: "The ongoing retrospective development of plausible images that rationalize what people are doing". Odden & Russ (2019) provides a more recent elaboration on the definition of sensemaking by Weick (2005) and states that "Sensemaking is a dynamic process of building an explanation in order to resolve a gap or inconsistency in knowledge".

Sensemaking is consistent with seven properties according to Weick (1995). These seven properties are; Enactment, Plausibility, Identity, Ongoing, Retrospective, Cues, and Social. These seven properties are intertwined and form a process for reflective activities.

Weick (1995) further emphasize each of the properties as follows:

1: Retrospective - Sensemaking includes the process of reflection after a situation has passed. It includes everything that has been observed, learned, and changed since the situation occurred. The time since the sensemaking situation occurred affects the sensemaking and implies that there is no objective truth to the situation.

2: Ongoing - Sensemaking is a constantly ongoing process that never starts or ends. Furthermore, the sensemaking of a situation will change during this process due to new elements being incorporated continuously. The process of sensemaking towards a situation alters the behavior and in terms affects action, reaction, and perception.

3: Social - Sensemaking could be argued to be a highly individual process, however, it is actually a social process where the collective social context impacts the sensemaking. Actions, behavior, and thoughts of other individuals affect the sensemaking process by either being physically present or not.

4: Enactment - The reality of the world is created and sustained by those who live in it. The enactment through actions and being present creates reality from nothingness. By acting, one creates the materials that become the opportunities but also the restraints that one faces. There is not a singular created reality in which people exist, but instead, the reality is constructed by those who live it.

5: Cues - By identifying and extracting cues in complex events and situations, facilitation of sensemaking is made possible. Different people and different events enable sensemaking by enactment.

6: Plausibility - To be able to comprehend reality using sensemaking, plausibility is utilized since there is no objective truth to a situation or event. Cues are identified and extracted to provide a sense of plausibility to a situation and are acted upon as long as there is a possible action.

7: Identity - Depending on the individual's self-perception, sensemaking will alter depending on the individual. Thus, different outcomes of sensemaking will occur in the sensemaking process depending on self-perception and identification of the individuals themselves.

Sensegiving has been used in this case study to explore the influencing factors of the acquisition process. Furthermore, sensemaking and sensegiving as concepts are both interrelated and used to explore the complex change of acquisition (Gioia and Chittipeddi 1991). As further emphasized by Kraft, Sparr, & Peus, (2018), sensegiving is a crucial leadership activity during organizational change such as acquisitions by affecting employees' sensemaking. Leaders utilize sensegiving in relevant ways by considering the employee's sensemaking needs and utilizing sensegiving strategies that stimulate this shift (Foldy, Goldman, & Ospina, 2008).

Sensegiving is about influencing the outcomes, communicating thoughts about change to others, and gaining support (Gioia and Chittipeddi, 1991). This is, in turn, interrelated with sensemaking and concerns the creation of understanding the change. Gioia and Chittipeddi (1991) continue to emphasize sensegiving as an influencing process to make others understand change.

Rouleau (2005) describes the relationship of sensegiving and sensemaking as follows:

“sensemaking and sensegiving are two sides of the same coin”

Sensegiving can be described as an influencing process of attempting to influence the sensemaking and meaning construction of others in a preferred direction of organization reality (Gioia & Chittipeddi, 1991). Therefore, sensegiving differs from sensemaking, in that the individual who is trying to mediate sense is attempting to influence other people to perceive and interpret situations and actions in a certain way (Søderberg, 2003). Vuori (2011) elaborates further on the concept of sensegiving introduced by Gioia and Chittipeddi (1991), emphasizing collective and coordinated action as important in strategy implementation. Collective and

coordinated action can be linked to communication between actors (Dunford & Jones, 2000; Snell, 2002; Kezar, 2013).

According to Kim (2018), two-way symmetrical communication and transparent communication are strong and positive factors for sensemaking and sensegiving in ambiguous situations. Furthermore, in ambiguous situations, employees fail to construct meaning as to what the management intends when the management fails to listen to and interpret the employee's needs and concerns. Furthermore, this can be explained due to the lack of information due to failure in communication. In ambiguous situations, employees seek to fulfill their need for information through informal communication rather than formal communication instruments, as individuals tend to rely more on their own networks regarding information.

The framework of sensemaking has previously been used to analyze post-acquisitions. Monin et al., (2013) used sensemaking to investigate organizational justice and equality post-acquisition. The acquisition is a form of restructuring according to Barkema & Schijven (2010) and in order to understand how restructuring works in practice, recognition of organizational restructuring requires an accompanying cognitive re-orientation (Balogun, 2007). When restructuring is performed, middle managers edit the senior management's instructions and designs through their own interpretations. This process of cognitive re-orientation focus on the sensemaking of individuals (Balogun, 2007). Furthermore, sensemaking can help understand how actions are coordinated and connected (Balogun, 2007). The state of cognitive re-orientation shapes the outcome of the restructuring but is often neglected by senior management. Fractured sensemaking is the fragmented state of cognitive re-orientation by individuals (Balogun, 2007). To clarify, fractured sensemaking is considered the misinterpretation of information between individuals and the editing of the instructions. Furthermore, prolonged fractured sensemaking creates uncertainty for subordinates in how things are to be done in both current situations and in the future. Furthermore, since acquisitions are considered a restructuring event according to Barkema & Schijven, (2010), there will likely be a phase of fragmented sensemaking among the individuals involved. In order for a successful re-orientation, the phase of fragmented sensemaking needs to be as short as possible to avoid divergent operations from middle managers (Meyer, 2006; Balogun, 2007). In order to shorten the fragmented sensemaking, Balogun (2007) suggests that focus should be on forming the structural plan from the lower levels and not on the executive level. It is of importance that the structural design is not overlooked and that equal attention is given within business units and across business unit roles, responsibilities, and relationships (Balogun, 2007). The sensemaking of middle managers has a significant impact on the imposed structural plan and the work in practice. Middle managers are not only change recipients and conduits of change, efforts are therefore needed to engage them in the intent of the restructuring design, otherwise divergent actions may occur (Meyer, 2006; Balogun, 2007). To be able to align recipients and simultaneously conduits, senior managers have been argued to bring themselves closer to the employees by being present and involved where sensemaking is occurring and thus creating more shared sensemaking opportunities (Balogun, 2007). When introducing new organizational units from existing ones, members of each unit have to evolve and adapt to their new independent goals and simultaneously co-evolve externally with the new units. Furthermore, co-evolving requires the units to bridge the

sensemaking fault lines between each other, this is called dual sensemaking (Balogun, 2007). One way to facilitate a restructuring process could be to utilize explicit transition managers to provide continuity through design and implementation as well as resolve internal issues (Balogun, 2007). In order to understand middle managers, Balogun (2007) states that one should highlight sensemaking to understand how actions are coordinated and connected. Moreover, it is of importance to acknowledge both informal and formal social processes that affect middle managers, these social processes could affect the degree of control the senior management has over the middle managers and the organization during a reorientation (Balogun, 2007). Furthermore, Burgelman (1983) elaborates on the social processes, that middle managers are social and humans in nature.

Sensemaking is a framework that should prove useful in investigating the role of middle management during an acquisition process (Monin et al., 2013). The role of middle management has been discussed by Balogun (2007) and is further explored using sensemaking as a framework by Rouleau & Balogun, (2011). Furthermore, the framework was used to show critical interlinked discursive activities to the accomplishment of middle manager sensemaking through; “performing the conversation” and “setting the scene” (Rouleau & Balogun, 2011). Meyer (2006) elaborates further on the role of middle managers in regard to acquisition processes. Meyer (2006) emphasizes that there is a need for case studies that depict the ongoing processes during the acquisitions with a focus on the role of middle managers. How middle managers make sense of the process during an acquisition could affect how the entire acquisition will transpire (Rouleau & Balogun, 2011; Meyer, 2006; Weick, 1993). According to Weber & Tarba (2012), research on the low complete success rate of acquisitions could therefore be influenced by the importance of middle managers. There is, therefore, an opportunity for gap-filling research regarding the role of middle managers during acquisitions using sensemaking as a framework.

Methodology

The Setting

The main reason for the selection of the company to study was that it was currently undergoing an acquisition. This provided accessibility during the stages of the acquisition and therefore allowed for research to be conducted during the process. This approach facilitated understanding of the process and the utilization of middle management functionalities during an acquisition.

The company in this study is hereafter referred to as Company B, it is a family-owned business that has grown organically since its establishment almost 60 years ago. Company B is located in western Sweden and provides a wide range of products within the paper and plastic industry (plastic shopping bags and wrapping paper). Over time, the company has grown slowly and steadily both financially and operationally. After enjoying a fruitful 2000s, the company moved its operations to a larger warehouse in 2010. The target market is mainly smaller compartment stores in the western, middle, and southern parts of Sweden as well as in Denmark and Norway. The company currently has approximately 70 employees and utilizes factories in Italy and Denmark. The company also has a small store attached to the organization that sells office equipment.

The acquiring company in the case study, which will be referred to as Company A, is located in Northern Sweden and was founded in the 2000s. It employs over 100 people and is also operating in the plastic and paper industry. In early 2020, Company A approached Company B with an acquisition proposal. This was during a quite turbulent time for Company B, with a possible shift in management since one of the senior partners of the company was looking to transition into retirement. After about a 6-month negotiation, the acquisition deal was signed.

Design of the study

The unique possibility of following an ongoing acquisition process has been utilized in this study and the continuous collection of data has therefore impacted the focus of the study, from focusing on the role of middle managers towards the functionalities of middle management. In order to facilitate understanding of the utilization of middle management during an acquisition process, a qualitative method of a case study has been conducted (Flyvbjerg, 2006). Furthermore, qualitative research is useful to deepen the understanding of the human experience (Silverman, 2017). The study has mainly focused on the company being acquired since this company's management structure has been affected to a higher degree than the acquiring company. Furthermore, according to Flyvbjerg (2006), a case study approach should provide an efficient form of understanding since the research has been conducted in the context of the organization. Moreover, by focusing on a single case study, interactions by management within the process are easier to identify (Silverman, 2017). To grasp and understand the potential interactions of middle management over time, interviews have been conducted in three different phases during the acquisition. These three phases consist of; *intention*, *implementation* and *saturation* of the acquisition. Identification of middle management functionalities and tools has been conducted through the use of definitions on middle management functionalities presented in the introduction of this study. The aim is to present the functionalities and utilization of middle management during an acquisition process. Interviews and document analysis have been used to get a thorough picture of the utilization of middle management in the observed company. Since most literature covers post-acquisitions, there is an ambiguity of when the interviews should be conducted most optimally to be able to answer our research question. However, to identify key aspects during the acquisition process, we have chosen to divide the interviews and the presentation of this data using the three previously stated phases. The first phase covers the initial interviews regarding the intention of the acquisition at the start of the acquisition process. This phase has functioned as a debriefing session regarding the acquisition with interviewees present in the process. Thus, the interviewees were invited to the interviews to narrate their professional trajectory with reference to the restructuring in the form of the acquisition process. Furthermore, the initial interviews have involved information regarding the acquisition and the interviewee's current professional trajectory in this process, and their opinions on how the process will impact this trajectory. Furthermore, close contact has been upheld with the interviewees during the entire process, and this approach has also facilitated the understanding of when to initiate phase two.

Phase two has included additional interviews with the interviewees, around halfway through the communicated time-span of the acquisition by the managers. This phase has covered the implementation of intended changes in the company. Furthermore, the potential impact the

implementations had on employees, managers' functionalities and the professional trajectory has been monitored. Since there was a possibility that issues or new interesting aspects arose during the process of the acquisition, we have utilized saturation to be flexible and leave additional time for the collection of data between the phases as long as it brings relevant information to the study.

Phase three has included additional personal interviews with a focus on the results of the implementation phase as well as how the employees' professional trajectory has been affected during the process. Furthermore, interviews have been conducted with more than one manager at a time to utilize the benefit of the snowball effect as storytelling encouragement enables deeper reflection with the help of others using the same activities they were involved in (Rouleau & Balogun, 2011). This has been conducted by having all the senior managers of Company B present at two interviews.

Data collection

In total 29 interviews have been conducted continuously during the acquisition process, with 10 persons, (see figure 1). The interviews have ranged between 45 minutes and 75 minutes and included both formal and informal dialogue with various respondents throughout Company B and the senior management of Company A. Furthermore, several interviews have been held with the same respondents during the process, in order to facilitate the understanding of the process. We choose to only interview the senior management at Company A since they are the only ones that are engaged in the acquisition process at Company B. This information regarding the exclusive involvement of the senior management in the acquisition process was implied in the first contact with the companies. Additionally, email and phone calls have been utilized between the interview sessions which in term has provided knowledge on when to initiate the next interview. The interviews were formed to capture the current intentions, implementations, and understandings that the respondents were experiencing. This data was later used to compare the respondents' answers during the ambiguous process, and questions were also elaborated towards the respondents based on previous answers.

Role	Number of interviews	Research Phase 1	Research Phase 2	Research Phase 3
Ceo of Company A	3	1	1	1
Senior Advisor	7	3	2	2
Operations Manager at Company A	2	1		1
Web Administrator at Company B	2	1		1
Senior Management at Company B	7	2	3	2
Employee at Company B	5	2	2	1
IT-employee at Company B	3	1	1	1
Total	29	11	9	9

Table 1. Number of interviews

When investigating this subject, we have relied on primary source data with interviews (see table 1). All interviews have been anonymized to rule out any ethical issues and to facilitate truthful answers from the interviewees. As stated in the design of the study, the research has been divided into three phases over a time-span of six months. Since we are looking at the acquisition process as it unfolds, little attention has been given to the time before and after the completion of the acquisition process. All three phases have included open-ended semi-structured interviews of the participants. The reason for the open-ended semi-structured interviews is to provide flexibility when the participants are answering questions about their roles and interactions during the ongoing acquisition. Furthermore, this interview structure will avoid steering the interview and get the most natural answers from the interviewees (Kvale, 2008). Additionally, Silverman (2017) states that interviews will provide a profound understanding of the actions and behaviors of the interviewees. Furthermore, we were granted access to documents, however, this data supplement did not provide us with stable and relevant information regarding the utilization of the middle management. This can be explained by the fact that the acquisition is an ambiguous

situation with constant alterations of document data. Moreover, these documents were skimmed and analyzed to withdraw relevant information but no information or data could be used in the case study (Bowen, 2009).

The first phase of interviews has provided an outline of the structures for the interviews. Since the interviews have been semi-structured, some amendments were possible after the first phase of interviews. The first phase also provided us with information on if there was a need for additional interviews with, for example, lower-level employees to get a more complete understanding of the utilization of the middle management functionalities. After the first phase of interviews, the answers were transcribed and then coded for recurring themes (Ose, 2016). This process of transcribing the interviews right after they had taken place ensured the best transcribing quality instead of transcribing all interviews at the end of the study (Silverman, 2017). Phase two interviews were still kept open-ended and semi-structured like the previous phase but with regards to previous answers. As with phase one interviews, transcription commenced right after the interviews. The third and final interview phase followed the same theme as the first two but with one alteration. Two interviews were conducted with more than one participant at the same time to facilitate the snowball effect (Rouleau & Balogun, 2011). Depending on the status of the acquisition regarding the completion rate, the final interviews have focused on the process so far and possible future outcomes after the timeframe has come to an end. The data collection was concluded when we as researchers identified that there was a saturation effect without new intended changes nor implementation to the process of acquisition.

The interviews have been conducted through the use of Zoom which is a digital meeting tool. This is due to the ongoing Covid-19 pandemic that has limited the possibility of face-to-face interactions. We also recorded the interviews for a deeper analysis after the interviews were concluded. Knowing that the interviews were recorded, we were able to take small field notes during the interviews that helped us get an even deeper understanding of the interviewee according to Silverman (2017). We would also have preferred to perform observations of the participants but with regards to the current situation with Covid-19, however, this has not been possible. This has not hindered the data collection process and understanding, Silverman (2017) also states that using mixed methods can be convoluted and sometimes even hinder the understanding of data.

Data analysis

As stated by Silverman (2017) the use of a framework to understand reality facilitates comprehension for the reader. This in turn shaped the way the methodology was utilized to present the results of the study. Utilizing a sensemaking framework was appropriate since the data was collected continuously through three different phases. Since sensemaking is ongoing and processual itself, it is beneficial to utilize this approach to understand the context of the ongoing acquisition. Furthermore, sensemaking has a retrospective property which is why three phases were utilized and interviews were conducted throughout these phases to fully engage and understand the retrospective of each phase (Weick, 1995). Why three phases were chosen is because the amount provides the possibility for a deeper understanding of each phase without

being diluted nor being too concentrated. Furthermore, sensemaking is argued by Hernes (2008) to be prominent when analyzing an ongoing process as in this case, an acquisition.

Since there were large amounts of data received from the semi-structured interviews, the interviews were transcribed, coded, and categorized into concepts to facilitate analysis (Ose, 2016; Erlingsson & Brysiewicz, 2017). Ose (2016) emphasizes that the use of Excel is an efficient way to structure data from interviews, and this tool has therefore been utilized to make color-coding possible in this case study. 152 lines of codes were identified and withdrawn from the material. In order to facilitate a better understanding of the entire process, the lines of codes were color-coded to find a common theme among the codes. The coding was then placed in first-order categories, for example, “new work structures”, ”roles”, ”implementations” and “communication chain”. The first-order categories were utilized to create second-order categories. The Second-order categories included; *senior advisor*, *business system*, and *dynamic CEO*. These categories became the basis for the analysis. Furthermore, the first and second categories were used to facilitate the structuring of the three research phases. This type of coding method has been inspired by Gioia methodology (Gioia, Corley & Hamilton, 2013).

The continuous comparison of material from interviews during the acquisition process will allow us to discover the utilization in regards to functionalities of the middle management during the process. The field material collected in the study will be organized and examined using the framework of sensemaking which will allow us to identify functionalities that surface as organizations address uncertain or ambiguous situations. Furthermore, by using sensemaking as a framework the aim is to be able to grasp how utilization of middle management may be utilized in ambiguous situations as an acquisition implies (Weick, 2005).

Risks and Limitations

The risks and limitations of this study were primarily the current global pandemic Covid-19. The acquisition process could be affected in several aspects such as time-span, which would impact the timeframe for the research itself. Furthermore, the pandemic could affect the accessibility in regard to interviews and meetings. However, the accessibility was facilitated by utilizing digital tools for interviews and proved to be an advantage in the form of accessibility to fit the participants’ schedules. Moreover, digital tools proved to be sometimes difficult when the respondents did not have any prior experience with these tools. Furthermore, smaller technical issues were a problem when conducting the interviews, however, this could be minimized with a thorough inspection of the digital tools before the interviews. It could be argued that the process of acquisition has a longer time-span than our study, however, we consider that the time-span of the research was sufficient enough to analyze the potential utilization of middle managers during the acquisition in terms of company size and the time schedule given by the company. Moreover, it would be interesting to conduct the study on a larger company to examine if other conclusions can be drawn. Furthermore, since the information regarding the acquisition might be considered sensitive, participants might not be willing to answer truthfully due to the possibility of losing competitiveness in the market. We were aware of this risk during the research and thus anonymized both the company and the subjects that were interviewed.

Ethical considerations

According to Arifin and Roshaidai (2018), the protection of human subjects through ethical principles is of value in any qualitative study. Therefore, we have chosen to follow ethical principles guidelines which have been produced through a considerate process of discussion with participants, colleagues, and the use of literature on the subject. A presentation on these guidelines will follow below.

Consent and participation

In order for the participants to fully understand and grasp the study, an information sheet has been sent out beforehand on what the study will focus on and what information may be disclosed regarding the acquisition process and the participants included. The information sheet has been carefully revised to cover any considerations that the participants could have. When the information sheet has been approved by written confirmation by the participants, verbal consent was given as a second confirmation of participation before the meeting with the participants. In addition to the formal confirmation and consent of participation, continuous open communication has been utilized to ensure that no alterations without consent have occurred during the process. Furthermore, the participants could at any time choose to withdraw their consent of participation.

Anonymity and confidentiality

Anonymity has been utilized throughout the study to ensure the protection of the participants as well as the companies themselves. Furthermore, action has been taken to avoid any identification of the companies (i.e using pseudonyms for participants and the company names). Proper safeguarding environments were ensured in the interview sessions by having close contact with the participants before the interviews started and confirming that the interviews could be conducted in safe environments without interruptions and external influences.

Recordings and data protection

To facilitate the transcription of data, recordings of the interviews were conducted. To ensure the safety of the recordings and any data collected during the interviews, the data was stored on an encrypted hard drive which was password protected and only accessible by the researchers themselves. Moreover, the data files have been deleted when the study was concluded as well as the transcription material. This in term made it impossible for unauthorized access.

Linguistic barriers and digital safety

To ensure no information is misinterpreted, the interviews have been conducted in the native language of the participants. Furthermore, confirmation questions in regards to participants' answers were used to ensure that the information was presented as intended. It could be argued that it is difficult for participants to disclose sensitive information through digital meetings, however, to ensure the participants of a safe environment, an educational meeting was conducted to participants regarding the safety of the digital meeting tool beforehand.

Empirical findings

Prerequisites to the research phases

During the time span of this study, six months of studying the acquisition had passed and the empirical findings during this time will be presented using the three phases presented above. These phases will be presented from the researchers' perspective and include the intentions of the acquisition as well as the implementation. Furthermore, by conducting several interviews during the time span of the acquisition, the study provides insight into the process of acquisition and how the functionalities of middle management are utilized during the acquisition process. Initially, the intentions of the acquisition process by company A's management during the early stages of the acquisition will be presented. Thereafter, the implementations of the intended changes of the acquisition will be covered. Lastly, the last phase will provide insight into the saturated stages of the acquisition.

Research phase 1: Pre-implementation phase

The main reason for the acquisition initiative was in this case the opportunity for Company A to expand into new markets. The basis of this acquisition was made through careful monitoring of companies in the same industry and the creation of a list of possible and interesting companies to acquire. The CEO of Company A mentions the thought process behind the initiative as follows:

“We had made a list with possible acquisitions and Company B was on top of the list. We first met Company B during a conference in Stockholm in January of 2020. After that initial meeting, we came to the understanding that a possible acquisition was susceptible due to the CEO of Company B wanting to retire in the near future. This was a great opportunity for us since we were looking for ways to expand our operations on the west coast of Sweden” (CEO of Company A)

As intended, the acquisition could be realized with mutual interest *“This was a timely matter for me and the company because I was considering retirement”* (CEO Company B). The CEO:s of both companies signed the agreements on the first of June 2020. However, the process of acquisition is not completed at the signing according to the CEO of Company A who states:

“An acquisition of a company will take a long time. We acquired a company in Finland a few years back and that acquisition was finalized after almost 5 years. My understanding of a complete acquisition is when everyone is in consensus and has the same thought process. This can take years to achieve fully.” (CEO of Company A)

When conducting the interview with the CEO of Company A, the CEO emphasized the importance of consensus which he describes as a collective state of mind incorporating the same mindset regarding the future. After the signing, it was clear that changes had to be made in a gradual manner towards the desired assimilation of the two organizations as pointed out by the CEO of Company A. The desired end state is that the two companies shall be indistinguishable

and be identified internally as one with everyone in consensus. The CEO of Company A elaborates on this as follows:

“We wanted Company B to conduct business as usual for the first months. This means that I would not interfere with the day-to-day operations and just let them continue with their work. The last quarter of the calendar year is the busiest for our industry and I did not want to interrupt the workflow of Company B by bringing in new things for them to learn.” (CEO of Company A)

The intended end state of the acquisition of Company B is to implement the same work structure and mindset of Company A. Moreover, the management of Company A emphasizes that this has to be done cautiously in small steps. It is of importance to include long-time employees of the acquired company and not leave anyone behind to be able to achieve consensus and the same mindset in the companies. Furthermore, this is implemented by promoting the long-time employees towards senior management roles and having a close relationship between the senior management in both companies. A noticeable intended action by Company A is that they promote employees towards senior management roles and in that sense divide the responsibilities of Company B towards several senior management positions. These actions provide a gap in middle management positions in Company B and the senior management of Company B instead answer directly to the CEO of Company A.

Company A currently has a structure of middle management positions with middle managers as team leaders. These team leaders have personnel responsibilities, oversee daily operations and functionalities as knowledge facilitators between senior management and the employees. However, the role of the team leaders in Company A is not intended to be implemented in Company B as of now. To brief and indoctrinate the newly appointed senior management of Company B, the operations manager and CEO of Company A will take turns by traveling to the site of Company B and be present to the senior management and the employees. The operations manager illustrates the importance of their presence as follows:

“We have learned from our previous acquisitions that in order to achieve the best possible outcome we need to be very involved in the process and do not rush anything. This means to be responsive to whatever questions that the acquiring employees might have.” (Operations manager, Company A)

New role structures are not just intended for the management structure but there are intentions to implement new coordination and structure in the acquired company. This is conducted by introducing and controlling the roles of the employees to not be fluctuating but instead focus and specialize on a specific area of operations. Previously before the acquisition, the roles of the employees were somewhat unclear and the employees conducted work where it was needed. An example of this working behavior is that an employee with the role of administration sometimes had to work with loading inventory. The CEO of Company A argues for the intentions of implementation as:

“Even though the business should be conducted, as usual, preparations are made in the same manner as in previous acquisitions by our company, where our business system is incorporated into the acquired company so that its daily operations can easily be monitored by me as well as structuring clearer roles for the employees to keep them at what they do best.” (CEO of Company A)

An employee describes the anticipations of the acquisition implementations as follows:

“When I first heard about the acquisition, I was excited. There was a need for a fresh new start with an organization with visions and goals for the future. I liked the idea of being a part of something larger and that I should now focus on what my role refers to and not do a little bit of everything.” (Web Administrator, Company B)

Moreover, with the intention to alter the role structure in the acquired company, the CEO of Company A also mentions that the poor IT maturity of Company B has to be addressed. The CEO of Company A continues by emphasizing that the business system currently utilized by Company B has to be changed to synchronize with Company A. This synchronization would enable the senior management to oversee operations without being present which also provides the means to sustain operations without having middle managers on-site as team leaders in Company B. Furthermore, the poor IT-maturity in Company B could be linked to the organizational structure it has held over the years, with employees having the responsibilities that IT-systems have in IT-advanced companies.

In order to facilitate insight into operations of Company B, the intention of the implementation of the new IT system was needed according to the CEO of Company A. Previously an employee had his own system for purchasing products for Company B, he knew when to order products and how many without utilizing any IT-system. This way of conducting product purchases for the company did however complicate the transition towards the assimilation of Company B. The operations manager for Company A who has been involved in previous acquisitions on the behalf of Company A is concerned but excited about the new acquisition of Company B. However, the difference from this acquisition to former acquisitions is that Company B has a physical store in their operations which now needs to be incorporated into Company A. The employees at the physical store and the employees working with inventory did not have strict roles but instead conducted their work more fluctuating and did a little bit of everything where it was needed. The operations manager emphasize on the need for stricter role structures as follows:

“One of the main issues with the inventory of Company B was that there was one employee that had all the information in his head. This had obvious complications since there was little or no way of controlling the inventory purchases. The idea was to build a warehouse management system like the one at Company A. We wanted the workers of the warehouse to work in the exact same way as we did. This

meant that the employees would focus on the inventory and nothing else.”(Operations manager, Company A).

The previous CEO for company B, who is now a senior advisor still has employee responsibility but also functions as a mediator between the old and the new organizational structure. The CEO for Company B will therefore now be referred to as the Senior Advisor. The senior advisor has several close meetings with the CEO for Company A regarding new implications and changes in the organizational structure of Company B. These meetings between the senior advisor and the CEO of Company A functions as a facilitating passage point because of the organizational knowledge that the senior advisor possesses in regards to Company B. The senior advisor inhabits a temporary facilitating functionality for the acquisition process towards consensus between the two organizations. Furthermore, this facilitating functionality fills the gap of a middle management passage point. The senior advisor explains his responsibilities as follows:

“I was asked to stay with the company for one year to facilitate a smoother transition and to convey information from Company A to the employees at Company B, I have become a senior advisor but also a temporary middle manager who still holds managing responsibility towards both employees but also external stakeholders, such as bank contacts, customers, etc.” (Senior Advisor)

The previous management structure of Company B was not organized, and the employees had broad responsibilities in different areas of the company. The CEO of Company B functioned as a manager without a middle management functionality assisting him, the employees instead inhabited this functionality by working in several areas which required attention. Moreover, this complicated the management functionality when the acquisition was signed. The CEO of company A, therefore, assigned employees of Company B who had been in the company the longest. These employees had no prior management role experience, however, the CEO for Company A, therefore, chose to appoint several employees to senior managers in different areas to minimize the risks of disruptive behavior. The CEO further explains the reasoning behind this decision as:

“The main reason for choosing these employees for the promotion is because I had to give them something, since they have been in the company for so long, even though they didn't have any prior managerial experience. I chose to assign several areas of responsibility and that each one reports directly to me.” (CEO of Company A)

We can therefore as researchers summarize the first research phase with gradual intended steps towards assimilation. A major step needed to be implemented during the acquisition process is to construct a sustainable management structure through stricter role structures. Furthermore, this process will be facilitated by introducing a new IT system. As researchers, we can see that roles are already being adapted to fit a new organizational structure and to fit into an update of IT systems to enhance and improve the efficiency of business performance by aligning to Company A's systems as well as enabling operations without middle management in Company B. These

role adaptations will primarily focus on the employees of Company B to keep them from doing everything, towards more specialized roles which in term facilitates coordination and control for Company A.

Research phase 2: Implementation phase

After the hectic last quarter of 2020, it was now time for Company B to implement the intended changes into Company A. This was conducted by adopting the new IT system and only working according to the new role structure. One part of this implementation is Company A's business system that was introduced to the employees of Company B. This system is called Microsoft NAV and is the same system that all of Company A's acquired companies utilize and will provide the means of centralized steering. NAV will provide the company with more information on daily operations but will also automate some previous manual labor. The system provides indications of when to refill certain assortments, keep track of orders and details on the company resources. These functionalities of NAV provide information that previously only certain employees could formulate. Furthermore, these functionalities allow an overview for both employees and the senior management with knowledge of operations that would otherwise demand human interactions. The CEO of Company A elaborates on the motive behind the implementation of NAV as follows:

“The companies should not be seen as separate, they should be considered as one company. One large part of this is the usage of the same business system as all other companies in the group. If we can get everyone working in the same system (NAV) we can centralize some decisions. This can be for example product selection for future purchases and having the same inventory for both Company A and B. NAV also provides me with more information regarding business decisions that are needed to undertake. The system also helps me keep everything in check. With the help of NAV, I can sit in Company A's location and keep track of the order progress in Company B's location in the blink of an eye.” (CEO of Company A).

In late December of 2020, the staff of Company B received an email from the CEO of Company A with a very brief introduction to NAV. An employee at Company B stated the following regarding the first impression:

“The first email regarding NAV was quite informal. It was just an ordinary email with brief information about the system, the upcoming workshops, and that NAV would be replacing the old system in the future. You could also try NAV on your own with a link provided in the email. My first impression of NAV was that it was very similar to the interface of Microsoft Outlook. It was quite complicated without any help so I was looking forward to the upcoming workshops.” (Employee at Company B)

The CEO of Company A provides workshops and meetings with IT personnel to facilitate this change as smoothly as possible. The workshops include sessions where the employees can ask

questions and also practice using the new system. The CEO of Company A further explains the process of the implementation of NAV accordingly:

“A deadline has been set for the employees to exclusively use the new system NAV instead of the older system. Education of the new system is provided to employees and management of Company B between the first of February and the first of March. This period of adaptation and learning towards the new system will be facilitated by having IT personnel from Company A traveling to Company B for educational purposes.” (CEO of Company A).

In this phase of implementation, the CEO of Company A and the operations manager of Company A starts to visit Company B every other week to educate the new senior management of Company B on the practicalities of how operations should be conducted at Company B according to Company A’s standards. Furthermore, the visits to Company B provides insight into how the work is currently conducted and what changes need to be made to align Company B towards Company A. The operations manager exemplifies the need for physical presence at Company B as follows:

“During my visit to Company B, I received information only obtainable by being on-site that NAV could not provide, this information was a safety issue at the physical store of Company B that was easily solvable when I identified the issue on-site”. (Operations Manager, Company A)

To ensure that the employees understand their new role structures and that they understand the mindset in regards to the work standards of Company A, personal meetings are being held by the CEO of Company A on-site at Company B. These meetings are introductions on the new way of working and are not something that will be offered continuously. Apart from the personal staff meetings, Thursday meetings are being conducted by the senior management from Company A and B where operational strategies and implications are discussed and implemented. Before the Thursday meeting, information is being conveyed from senior management from Company A towards senior management of Company B, the senior advisor is the conduit between the two organizations. These results of the meetings between the CEO of Company A and the senior advisor are communicated to the employees after the meetings through different channels. The senior advisor shares his thoughts of this communication as follows:

“The CEO of Company A contacts me and we discuss potential implications and results of decisions concerning Company B because I know the employees and how we work.” (Senior Advisor).

The primary channel of communication in regards to the decisions from the Thursday meetings is distributed to the employees through email and directly by face-to-face communication. However, questions brought up by the employees are distributed back to the senior management of Company A when the senior management is on-site at Company B. Moreover, since questions regarding day-to-day work and strategic implications regarding the acquisition are posed when

the senior management is on-site, the employees lack a way of direct communication unless the management is on-site. Since the new senior management of Company B are previous long-term employees, this management has a similar need for the employees to be educated in how Company A wants to proceed in operations. The operations manager mentions the importance of having a senior management presence as follows:

*“It is sometimes important to lead by visual example than with words as a leader.”
(Operations manager, Company A)*

The changes implied by the acquisition are significant and questions regarding the acquisition process are often asked by the employees. However, the answers to these questions provided by the senior management of Company A are given to the specific employee who asked the question and not conveyed to the rest of the employees through formal channels. Therefore, the employee who has been given answers must instead convey that information to other employees who are in need of that specific information. Similarly to the previous situation for Company B when an employee had the product purchase information in his head, and that employees had to wait for him to be at work to be able to proceed with purchase questions. The operations manager emphasize on the demand for answers from the employees during the process of acquisition as follows:

“I can barely stick my head out from my office and not get bombarded with questions when I am on-site at Company B.” (Operations Manager, Company A)

The new IT system NAV does facilitate communication, however, it does not function as a communication tool in regards to work behavior and does not provide visuals in how work is actually being conducted. There are other aspects of work that are not incorporated and presented by the system. NAV can be used as a basis for decision making but some aspects are not fully captured by the IT system. Aspects such as two-way communication and visions for the future are not portrayed by the system to the employees. It is apparent that the educational part of learning the new IT system for the employees requires close support and time. An IT employee at Company B describes the adaptation and unfamiliarity to the new IT system NAV as follows:

“It took me 3 hours to finish an order when it usually takes 10 minutes. Simple things such as copying an order number from one product and pasting it into the order sheet is not possible in NAV. It is quite frustrating to work in NAV but I am becoming more and more comfortable with the system each day” (IT-Employee at Company B)

The CEO of Company A understands the difficulties of adapting to the new business system and emphasizes on the long-term positive effects of using NAV as follows:

“A business system change will be tough for everyone involved. It can be even harder for a company like Company B that has been utilizing the same system for almost ten years. They are so comfortable working in that system that a change into

an entirely new interface will take time. They will hate it for 3 months but then love it for the rest of their lives. With the help of NAV, we now have an employee at Company A that is in charge of inventory management. With the help of NAV, she can predict buying and selling patterns for the future. There is no guessing since NAV provides us with the decision support that we need” (CEO of Company A)

We can summarize research phase two as a depiction of the initial acquisition implementations for Company B. Furthermore, these implementations are conducted through a presence at Company B by the senior management consistent with the CEO and the operations manager from Company A. Instead of implementing a middle manager from Company A as a conduit for the changes at Company B, the senior management of Company A fills this functionality by being on-site and educating the employees of Company B as well as the newly appointed senior management of Company B. The IT-system NAV facilitates decision making but lacks in other areas which require a human presence. Furthermore, it is noticeable that the CEO of Company A takes on several roles in this implementation phase of the acquisition.

Research phase 3: The saturation phase

During research phase one and two, the intention was for the senior advisor who was the previous CEO of Company B to exit the company. However, during phase three it is apparent that the senior advisor will continue his role in the company for an extended period of time which is currently not specified. The collaboration with the senior advisor as a conduit between the companies has become essential in the acquisition process and is therefore extended. Furthermore, the implementation phase of research phase two has become extended with the CEO of Company A and the operations manager expected to continuously visit the site of Company B. The senior advisor exemplifies the need for his continuous presence as follows:

“During a discussion with the Operation Managers regarding work schedule, there was an issue regarding a day off in May. This issue needed to be resolved and conveyed to the employees and he asked me to resolve the issue and deliver that information to everyone involved.” (Senior Advisor)

The IT system NAV is now exclusively used in Company B and employees are indoctrinated in the usage of NAV. Moreover, what can be derived from the current phase three is that the implementation research phase is extended, with the CEO of Company A adapting into several roles using NAV and the senior advisor as conduits to be present at both Company A & B as well as being on-site at Company B. Moreover, NAV currently provides data for both the employees and the management of the companies in regards to financial performance and facilitates daily operations. However, employees emphasize that there is a need for management from Company A to be present at all times due to the large changes the acquisition implies which opens up questions from the employees on a day-to-day basis. However, even though the management is not on site every day to oversee the acquisition processes, utilizing NAV and the senior advisor, the acquisition process is being conducted according to plan. The Thursday meetings are continuously being utilized to inform the senior management of Company B of relevant information that is afterward mediated to the employees by word of mouth. The web

administrator elaborates on the implementation of NAV and on the needed presence of senior management as follows:

“The CEO of Company A has been really accommodating during the process. He really takes time and listens to whatever you have to say. The IT system NAV is like a superhero to me now. It makes my daily work so much easier. The only downside is that management is only on-site for such a short time period. It would be nice to have someone here all the time to ask questions that concern the acquisition process.” (Web Admin at Company B).

The new senior management of Company B is still not fully updated and adapted to the new company structure in regards to the acquisition, it will take time to reach the same mindset across both companies. It is therefore essential that the senior management of Company A is on-site to inform and educate the new management on-site at Company B. As mentioned in research phase one, an acquisition takes time and needs to be implemented slowly to be able to reach consensus, and this aspect involves a substantial implementation period. The chosen path for this acquisition process has been to fully involve the senior management of Company A in both major changes and small changes of practice. It has proven to be a functional strategy in this acquisition process to utilize conduits in the form of dynamic and active senior management on-site instead of implementing team leaders. The senior advisor and the senior management of Company B elaborate on the process of acquisition as follows:

“The process so far has been successful in my opinion. Of course, there were some challenges regarding the new stricter role structures and the adaptation for employees regarding the usage of NAV. Time is a factor in these sorts of changes since the employees get more comfortable over time” (Senior advisor and Senior Management at Company B)

The web administrator comments on the process of acquisition in a similar matter:

“There were some difficulties at the start of the process but now I have really settled into my role. With this new role structure, I can focus on what I am good at and continue to improve on that area alone. NAV was also a bit tricky in the beginning but when you get used to it, you realize how it can be utilized for even better results.” (Web Admin at Company B)

It is clear that the acquisition process has reached a point of saturation where large processual changes are no longer necessary for consensus but instead follows a continuous path where the senior management consists of the operational manager and the CEO of Company A utilize control and coordination by being on-site, utilizing NAV and Thursday meetings to convey information and ensuring consensus. Furthermore, the CEO of Company A now presents weekly performance emails to the entire company structure of Company A & B. Moreover, since we can see that there are no longer any intentions for large alterations during the acquisition process, research phase three is now concluded.

Analysis and discussion

The initial research focus of the case study was to analyze the role of middle management during an acquisition. However, the empirical findings provided insight in regards to the utilization of middle management functionalities rather than middle management itself. These insights shifted the research focus towards middle management functionalities rather than studying the role of middle managers during an acquisition process. To clarify, no middle managers were appointed in Company B during the process by Company A, however, the acquisition could proceed using functionalities similar to what middle managers could provide (Meyer 2006; Hope 2010; Rouleau 2005; Ryege & Zulpo 2007).

The empirical section was divided into three phases to facilitate understanding of how the process was conducted in steps of intention, implementation, and saturation. However, what can be summarized is that there are three main factors that are relevant throughout these phases and henceforth a shift of focus is conducted towards the factors instead of the three phases.

Several authors (Hope, 2010; Mair & Thurner 2008; Heyden, Fourné, Koene, Werkman, & Ansari 2017; Buick, Blackman, & Johnson 2018) emphasize that middle managers have a key role in implementing strategic change. Furthermore, Burgelman (1983) elaborates that middle managers are humans involved in facilitating understanding in ambiguous activities by being present in these processes. However, what can be derived from the empirical section is that the functionalities of middle managers can be identified in other factors than exclusively the social human role of middle managers. An example of this could be found in the functionalities that the business system NAV provides in terms of communication, control, and coordination. Moreover, the ambiguous situation of an ongoing acquisition requires that individuals are incorporated in the process, understand and make sense of the change occurring and what roles these individuals have. The business system NAV facilitates the process and the role understanding of the individuals who are part of the acquisition.

To facilitate sensemaking, implementation of stricter roles was conducted with narrow role descriptions indifference to the more flexible work environment before the acquisition process was initiated. As previously described by Weick (1995), sensemaking inhabits seven properties and these properties can be identified in the functionalities of middle management utilized in the acquisition process through three main factors.

The senior advisor

The senior advisor has proven crucial in the acquisition process and the relationship has been extended from the initial role of being included in the process for six months to an unspecified timespan to facilitate the process of acquisition. The senior advisor has become a conduit and translator for the CEO of Company A to engage in strategic decision making before it is mediated towards Company B. Therefore, one may argue that the senior advisor has the social role and enables enactment (Weick, 1995). The enactment that is being enabled can be described as the experience and knowledge the senior advisor inhabits of Company B and which he reflects and acts upon when the CEO of Company A wishes to implement changes. Furthermore, the

intentions of strategic change and the implementations of these changes are conducted through the senior advisor who acts upon these decisions and mediates them towards employees of Company B. Moreover, the senior advisor facilitates the ongoing sensemaking by being present and active in decision making during the process of acquisition, the property of sensemaking is also stated by Weick (1995) as being intertwined with the enactment in a sensemaking process. Since the senior advisor previously was the CEO of Company B, he holds retrospective knowledge of how to change implementations that have been received by the employees in previous years, this retrospective knowledge is utilized by the CEO of Company A and is taken into consideration when new changes are implemented during the acquisition process. Thus, the senior advisor becomes an enabler of sensemaking, and the importance of this factor became apparent throughout the process which in turn led to the prolongment of his presence at Company B. One may argue that the retrospective knowledge the senior advisor inhabits provides proactive possibilities of conducting changes during the process of acquisition. Furthermore, the senior advisor enables the identification and extraction of cues for the senior management which facilitates sensemaking and is intertwined with the retrospective knowledge the senior advisor possesses (Weick, 1995). Moreover, the senior advisor has the ability to influence and realize changes towards Company B through sensegiving, this is possible due to prior knowledge and familiarity with the employees of Company B (Gioia and Chittipeddi, 1991).

The business system NAV

The business system NAV has been significant during the acquisition process in terms of providing the means of centralized steering and provided the possibility for the senior management of Company A to oversee operations without being on-site at Company B. NAV has provided the means and data to facilitate identification and extraction of cues regarding what changes have to be done on a day-to-day basis during the process of acquisition (Weick, 1995). Furthermore, NAV was introduced to enable transparent and symmetrical communication throughout the companies which in term facilitates sensemaking and sensegiving (Kim, 2018). As Balogun (2007) suggests, the focus should be on forming a structural plan from all levels in the organization and not only on the executive level. NAV provides a structural plan on all the levels, however, it is foremost utilized during the acquisition as means for the senior management to oversee operations from a centralized location without the use of middle managers in between communication. This could prove problematic since equal attention is not given within all business units and across business unit roles. Furthermore, as Balogun (2007) states, it is of importance to align recipients of sensemaking through bringing senior managers closer to the employees by being present and involved where the sensemaking is occurring and thus creating more shared sensemaking opportunities and avoiding fractured sensemaking (Balogun, 2007; Barkema & Schijven, 2010). NAV provides the means of enactment throughout the companies since operational data is visible for all the employees in real-time to use and act upon. Therefore, NAV provides the means for shared sensemaking opportunities, as well as the means to influence employees to perceive situations and data in a certain way through sensegiving (Balogun, 2007; Söderberg, 2003). The property of social as stated by Weick (1995) is a highly individual factor and this could in term affect how employees interact and understand the information provided by NAV differently depending on their social individualism. This could

in turn complicate the sensemaking NAV is intended to provide. Furthermore, sensemaking can be argued to be facilitated through the use of NAV since users can access the data in retrospect to confirm actions and information (Weick, 1995). Moreover, this could imply that fractured sensemaking can be shortened (Balogun, 2007). Furthermore, NAV influences upwards, horizontal, and downwards (Rouleau & Balogun, 2011).

The dynamic CEO

The factor of having a dynamic CEO of Company A has proven imperative for the process of acquisition. The CEO of Company A is dynamic by being active and influencing on-site at Company B through the ambiguous changes occurring through the acquisition. The CEO manages to facilitate sensemaking by being present and social where sensemaking takes place (Balogun, 2007; Weick, 1995). Though the CEO is only physically present at Company B every other week, he can still oversee operations through utilizing the senior advisor who is on-site as well as NAV. The CEO sees the process of acquisition as an ongoing process and has therefore no specific time-span for completion (Weick, 1995). In regards to the property of retrospective, the CEO utilizes previous acquisitions conducted by Company A to facilitate decision making in the acquisition process of Company B. Furthermore, the retrospective of sensemaking could be argued to be complicated from the employees' point of view since the CEO is only present every other week, informal channels of communications are used when the CEO physically leaves the site of Company B. Informal communications are used in ambiguous situations as individuals tend to rely more on their own networks in regards to information (Kim, 2018). The CEO of Company A is present in the implementation of new changes in the acquisition, as in the implementation of NAV, the CEO of Company A is enacting workshops and presentations to facilitate sensemaking (Weick, 1995). Moreover, it is of importance according to the senior management of Company A to not just implement changes but to actually be present and act upon these. The CEO of Company A filters information and extracts cues using NAV which in term provides support for decision making (Weick, 1995). By being on-site at Company B, the CEO of Company A shortens the fractured sensemaking by utilizing direct communication and sensegiving, this in term ensures that there is no miscommunication by using middle managers (Balogun, 2007). It can be argued that the dynamic CEO of Company A is both a knowledge facilitator and knowledge creator. Thus, the CEO of Company A mitigates the potentially disruptive forces of middle managers and instead fills this middle management functionality himself (Meyer, 2006).

The interweaving of middle management functionalities

Middle managers are important and key factors when conducting ambiguous changes as in the process of acquisitions (Meyer 2006; Balugon & Johnson 2004; Hope 2010), However, with the three factors presented above, one may argue that the use of middle managers during the ambiguous process of acquisition is not necessary, but instead, the focus should be on the functionalities that the middle managers inhabit. Moreover, the three middle management functionalities could instead be argued to fulfill the same purpose and thus are enablers of sensemaking during the process of acquisition.

The three factors which inhibit the functionalities of middle managers and therefore could be argued to be substitutes are intertwined and all three are necessary during a functioning process of acquisition. This can be explained by the importance from the sensemaking perspective in which NAV facilitates communication but lacks the two-way communication needed for both sensegiving and sensemaking. The two-way communication is therefore possible using a dynamic CEO who is directly present to shorten the possible fractured sensemaking. The dynamic CEO provides the social aspect of sensemaking during the acquisition by visualizing the future of the company and explaining implementations towards the employees. Moreover, the senior advisor is a conduit and facilitator for knowledge towards both the needs of the employees and towards the external stakeholders. The senior advisor is utilized for decision-making as a complement to NAV when the CEO is not on-site or if there are decisions concerning operations that are not possible to identify for the CEO of Company A.

Middle managers are as previously mentioned conduits between top management and the lower end of the company, and can additionally be argued to function as conduits for sensemaking. Furthermore, as mentioned by Rouleau & Balogun (2011), middle managers influence upwards, horizontally, and downwards. Moreover, middle managers enable sensemaking by being present where the sensemaking is occurring (Balugon, 2007). The utilization of the three presented middle management functionalities complements and are dependent on each other and can therefore be translated as enabling sensemaking during the process of the acquisition.

It is possible to identify disruptive effects that are occurring during the process of acquisition. When the CEO of Company A is only present for a short period of time, one can argue that the fractured sensemaking has a shorter span when the CEO of Company A is on site. When the CEO of Company A departs the employee may not be able to grasp the full strategic intent as argued by Meyer (2006) and disruptive activities might occur until the CEO of Company A is present again. An example of not grasping the full strategic intent could be that employees revert back to their previous loose roles as before the process of acquisition that implied stricter role implementations. In other words, the span of fractured sensemaking increases when the CEO of Company A departs. This disruptive force is emphasized by the web administrator as problematic since there is a need for management from Company A to be present at Company B at all times.

However, by utilizing the other factors of NAV and the senior advisor, the disruptive effect of the departure of the CEO of Company A is mitigated. NAV enables the CEO of Company A to have continuous oversight of the operations, even though he is not on-site physically. Thus, with the oversight from NAV, the CEO of Company A can utilize the senior advisor to facilitate sensemaking through the decision-making and strategic intentions from off-site. Thus, the roles of the employees can be observed and kept strict from off-site by the complementary use of NAV and the senior advisor.

With the use of the three factors to enable sensemaking and mitigate disruptive activities, disruptive activities may still occur. An example of this can be the informal communication usage emphasized by Kim (2010) to occur between employees when the formal communication

by the CEO of Company A is not physically present. However, with the use of the three factors, these effects can be mitigated but not eradicated.

Conclusion

Middle managers in ambiguous situations such as during an ongoing acquisition could be argued to be a key force and essential for change according to existing literature. However, this study breaks down the concept of the role of *human* middle managers and shifts the focus towards the functionalities and utilization of this role in an ongoing acquisition using three main factors. These factors include a dynamic CEO, a business system, and a senior advisor. These factors are intertwined and complement each other and enable sensemaking during the ambiguous process of acquisition. Furthermore, the study identifies how these factors engage disruptive activities and provides a complement to previous studies that mainly focuses on the role of middle management in post-acquisition aspects. Criticism towards the notion of utilizing the middle managers as conduits for change is presented through identifying the functionalities of middle management and not the role itself. Meyer (2006) emphasizes that there is a need for case studies that depict the ongoing processes during the acquisitions with a focus on the role of middle managers. However, we argue that there is a need for case studies that instead depict the functionalities of middle management and how these functionalities may be utilized in different forms of acquisitions.

Future implications

Hopefully, our study has provided some clarity regarding utilization of the middle management functionalities during acquisitions, however, future studies are recommended to continue the exploration of the functionalities regarding middle management and if these functionalities alter in the post-acquisition process. Furthermore, the results of this case study could be dependent on demographic, geographic, and cultural factors which provide the possibility for the absence of middle managers to instead be utilized using the three main factors. Future studies should be conducted to study if there are other factors that could be utilized during an acquisition process and if other factors could be present which enables sensemaking during an acquisition. Moreover, it would be interesting to follow a post-acquisition process that utilizes the three factors instead of human middle managers and analyze if it is possible for long-term success according to senior management.

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