



UNIVERSITY OF GOTHENBURG

SCHOOL OF BUSINESS, ECONOMICS AND LAW

“You will not be successful if you tell a Brazilian: now you will need to become a German”

A case study of to what extent a company’s corporate culture implementation strategies can assist in the integration process of a recently acquired company.

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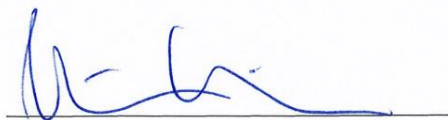
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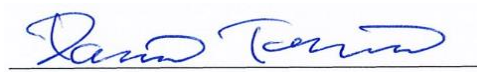
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Thank you!

Gothenburg, 2022-06-01

A handwritten signature in blue ink, appearing to read 'Victoria Nilsson', written over a horizontal line.

Victoria Nilsson

A handwritten signature in blue ink, appearing to read 'David Törnered', written over a horizontal line.

David Törnered

ABSTRACT

When integrating a cross-border acquisition many features of the acquiring company will commonly be implemented into the acquired company, one being corporate culture. Historically it has been shown that differing organisational cultures could be detrimental to the success of the acquisition. The thesis' aim has been to investigate to what extent an acquiring foreign company's corporate culture implementation strategies has assisted in the integration process of a recently acquired company. The research has been conducted as a qualitative case study with a total of 23 respondents. Three in-depth semi-structured interviews were conducted with managers that are all working with M&A and integration at different levels throughout a hierarchical organisational structure. A structured interview of 20 employees within the acquired foreign firm also occurred. The empirical data was analysed through an analytical framework of recognised and applicable theories. The gathered data showed inconsistencies in the strategies perceived by the practitioners, but the supposed strategy communicated towards the acquired company's management also allowed for local adaptation. This, however, ultimately seems to have been the goal of the strategy. The strategy implementation resulted in a somewhat smooth acculturation into the acquiring company as confirmed by the structured interview. The conclusion of the thesis indicated that a corporate culture implementation strategy extensively can assist in the integration process, if the strategy is formulated in an adaptive and efficient manner. Lastly, the practical implementations were in line with the conclusion, and the theoretical implementations included propositions to the development of existing theories.

Key terms: Change Management, Corporate Culture, Integration Strategy, Mergers and Acquisitions

DEFINITIONS

<i>Abbreviation or term</i>	<i>Definition</i>
Acquiree	the company subject of the M&A by another organisation
Acquirer	the company conducting M&A of another organisation
Acculturation	assimilation to another culture
Change management	helping parties through organisational change
Corporate culture	those beliefs and behaviours that determine and affect how a company's employees behave within different business settings
Cross-border	involvement in multiple countries
FDI	foreign direct investment
Integration	the combination of two things
KPI	key performance indicator
M&A	mergers and acquisitions
MNC	multinational corporation
Organisational culture	see <i>corporate culture</i>

Figure 1: Defined abbreviations and other definitions of terms used in this thesis.

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1. INTRODUCTION

1.1 Background

Globalisation is a phenomenon that has been accelerating the minimisation of borders and boundaries of markets for the past decades (Dicken, 2015). The extensive exchange of, for example: goods, services, and information, facilitates the ongoing process of increased interaction and integration worldwide. This global process has led to an expansion of the interconnectedness of the world, through corporate organisations. The growing interdependence between national economies and a broad convergence of its citizens' beliefs and culture, is a driving force in corporations adapting their value-chains to better fit the globe-wide market (Cavusgil et al., 2020). However, corporations actively taking part in business across multiple markets is not a recent development. For instance, East India Company, founded in 1600, took part in global trade routes (Encyclopaedia Britannica, 2021). This shows that global trade as a phenomenon is not a new theoretical concept, but it has been greatly enlarged in the past decades.

The globalisation processes and the increased global trade broaden the reach of firms if they choose to internationalise. Cavusgil et al. (2020) presents various ways of entering markets, mostly depending on which flexibility, control and risk the company decides to have. The internationalisation plan should thus be aligned with the firm's practices and business plan. As an example, Cavusgil et al. (2020) outline different tactics in which organisations can utilise *foreign direct investments* (FDI) to further expand their spread across markets. This research is studying Swedish based multinational corporations, therefore FDI trends for Sweden are used as indicators of the internationalisation of Swedish firms and its international actors. Statistics Sweden, the Swedish government agency that compiles official statistics, presents data regarding both the inflow and outflow of Sweden's foreign direct investments. The agency defines at least an ownership of ten percent of the voting rights of a company as direct investments (Statistics Sweden, n.d.). In the agency's latest compilation "W1 World Total excl. Sweden" which includes data from 2008 to 2020, a linear upwards trend is shown in both the amount of Swedish direct investment abroad and Foreign direct investment in Sweden (Statistics Sweden, 2021). The data provides support for a continuously increasing internationalised Sweden in terms of

FDI, which may provide an indication of the importance of M&As. Kang and Johanson (2000) also summarised that cross-border M&As share of total FDI has increased rapidly. The reasoning behind a FDI is, as described, likely dependent on the goals and requirements made by the acquiring company. However, Denison et al. (2011) concludes that cross-border acquisitions give increased opportunities to expand businesses into new markets or to make use of globalisation.

A common way for firms entering new markets is through cross-border M&As. However, what has not been mentioned is that humans are what to a large extent makes up the organisations. When any firm decides to conduct M&A of an entire firm that includes people, many changes will likely take place, which causes a response for the individual. When groups of individuals collaborate, complex schematics regarding mannerisms and group norms will often be formed (Yuki & Brewer, 2013). When an entire organisation is acquired, these established notions and norms will likely follow along, and other organisational strategies will come into play. Kavanagh and Ashkanasy (2006) describe how these organisational strategies are formulated to address the strengths of the acquiring company. The authors also state that cross-border acquisitions are a part of the operational strategies for corporations. However, sometimes an M&A is met by resilience from the employees, for example in the case of Amazon's acquisition of Whole Foods (Gelfand et al., 2018). In the article, the authors describe how the corporate culture of the companies was not compatible, resulting in a culture clash. They summarise their article when saying that this specific business case cannot be evaluated yet, but they recommend more culture integration. The possibility of an organisational strategy regarding the consolidation of organisational cultures is what leads into the problem discussion.

1.2 Problem Discussion

The importance of a strong corporate culture is indicated by multiple researchers. Among those is Pascal (1985) who argues that, although a strong corporate culture can aid the management of multiple subsidiaries, the occurrence of a too strong corporate culture can hinder the execution of daily tasks for the employees. Hence the necessity for corporations to manage their corporate culture to be strong enough to provide the benefits outlined by researchers such as Schein and

Schein (2017), but ample enough to mitigate the challenges of a rigid culture described by Pascal (1985).

For MNCs, international acquisitions could possibly be an integral part of an internationalisation strategy, and thus the importance of integrating the acquisition into the corporate culture is vital for the future success of the union (Gelfand et al., 2018). The challenges that an acquiring MNC faces are, among other challenges, the willingness of the employees of the acquired subsidiary to change. Schweizer (2005) discusses the challenges faced by managers during the mergers of two subsidiaries as the parent companies decide to merge. It is the subsidiaries non-involvement in the decision-making process of the merger and the subsequent integration process which is described as a determining factor in the inclination for the employees of the subsidiary to merge and integrate with each other. The challenge of the merger described by Schweizer (2005) could be argued to be applicable in the situation of an acquisition as well. This as the lack of employee influence in the process of acquisition by a larger firm is reflected by Risberg (2001). Risberg (2001) further discusses the reason for the differing interpretations and experience of a lack of influence to be closely related to the position of the individual in the organisation and the flow of information during the pre-acquisition process.

Risberg (2001) furthers the discussion to address the implications of national culture in the acculturation process. Risberg (2001) states that international acquisitions between largely differing national cultures are the most successful in the acculturation process as they prelude the imminent degree of transition in corporate culture. This readiness, or lack of readiness, is a factor that an acquiring firm should consider when forming a strategy for corporate culture implementation, in addition to the suitability of their existing corporate culture to the strategy.

As the discussion of culture being a factor of success for an acquisition has been addressed by multiple researchers, the prevalence of so-called guides and handbooks is noticeable. These guides and handbooks do however provide a varying picture of the strategies recommended. O'Donovan (2008) is one of these alleged handbooks. In the handbook, O'Donovan (2008) describes the extensive corporate culture change programme executed during a five-year timeline by HSBC. This is a representation of the implications and strategies used by O'Donovan in the process of large-scale corporate change, as the author recalls the strategies and design process of

the programme. The extensive research of the role of corporate culture in acquisitions is somewhat distant from the practitioner's reality. Therefore, the development of strategies is not necessarily deeply founded in theory. Instead, authors such as Marks and Mirvis (2020) suggest a managerial structure which allows the practitioners to develop an appropriate strategy as the progression of the integration proceeds. The practitioner's reality of utilisation of strategy is rarely as frequent in theories as the implications thereof are more prominent.

The convergence of the theoretical recommendations and the practitioner's reality when utilising strategies of corporate culture implementation has limited research. It is the discrepancy in theoretical strategies and the practitioner's reality of utilising said strategies which has resulted in the research question. Theory is intended to provide an explanation of reality, and thus the recommendations of theoretical implementation could be seen as a given. With theory extensively describing acculturation of acquisitions as detrimental to the success thereof, the strategies regarding this level of integration could be argued to be of the utmost importance for establishing the success of the acquisition. However, the lack of clear theoretical guidelines and differing recommendations for strategy formulation could lead the practitioner to depart from the strategy. It is the utilisation of a corporate culture implementation strategy, the guidance that it provides, and possible necessities in facilitating the implementation of corporate culture, which is researched in this thesis.

1.3 Purpose

The purpose of this thesis is to research the utility of corporate culture implementation strategies of a Swedish multinational corporation in the integration process of an acquired foreign firm. By conducting this research, we will contribute to the research in the field of internationalisation and go more in-depth into cultural integration strategies when acquiring corporations. Our aim is to capture which corporate culture strategy has been attempted to be communicated throughout the larger organisation, the interpretation of these attempts throughout the different levels of the top-down management team, and any perceived acculturation among employees in the previously autonomous foreign firm. Simultaneously investigated the same employees' perception of the acquiring firm's goals and values, and if these align with their perception of their original firm's.

By doing so, we will measure the extent of how the strategy has aided the integration process between the two organisations.

1.4 Research Question

“To what extent could the acquiring foreign company’s corporate culture implementation strategies assist in the integration process of a recently acquired company?”

1.5 Delimitations

The boundaries set for the thesis is to multinational corporations using cross-border acquisitions as part of their internationalisation strategy. Because of the thesis’ time aspects, we decided to delimit ourselves to a case study of one company. When looking for the company to partner with, our search criterion was for a firm with a communicated strategy of integrating new acquisitions into the company group. This decision was taken to filter away any multinational corporations which may have completed an acquisition of a foreign organisation in the given timespan, but with no other connection to its subsidiary other than the ownership situation. The timespan chosen was somewhat arbitrary, with the paperwork being finalised at any time in the five years prior to the covid-19 pandemic. This was done with the intention of seeking an optimal balance between providing the partnered company with useful up to date information while also giving them circa three years to work on the integration process. In delimitation of the case study itself, because of time aspects, one key person on each managerial level complying to the group’s M&A-strategy will be interviewed, in addition to a sample of those individuals being directly influenced by the acculturation strategies.

2. THEORETICAL FRAMEWORK

2.1 Corporate Culture

Schein and Schein (2017) extend upon and develop the widely cited *Organizational Culture and Leadership*, published by one of the researchers in 1985. In the updated version, Schein and Schein attempt to provide both clarity and guidance for researchers in the concept of culture and its effects on organisational performance. The term culture is said to be both complex and abstract, but in its essence, it is defined as: “*what a group has learned in solving its problems of external adaptation and internal integration.*” (Schein & Schein, 2017: 120). The definition stems on the basis that culture is a learned phenomenon by the group in the same way personality and character are a learned phenomenon by individuals. This indicates that the culture is learned through what Schein and Schein (2017) describes as *accumulated shared learning*; a group’s culture is a shared product of the beliefs, values, and behavioural norms which the group has assumed to be basic underlying assumptions. (Schein & Schein, 2017). If management is successful in their internal integration, and aligned with external factors, they could succeed in affecting the accumulated shared learning, that is: culture. Cambridge Dictionary (n.d.) further defines corporate culture as “*the beliefs and ideas that a company has and the way in which they affect how it does business and how its employees behave [...]*”. The latter definition is a more general one which may be more widely used outside of the academic sphere. We must also establish that culture is likely heterogenous throughout an organisation (Bijlsma-Frankema, 2001; Schein & Schein, 2017). This is depicted in how Schein and Schein (2017) describe the way growing organisations create subgroups with subcultures and Bijlsma-Frankema (2001) discusses corporate cultures in plural.

2.2 Integration

2.2.1 Term Application

The term "integration" is commonly referred to both in literature and as a general buzzword. When discussing business in particular, the word is often used in different contexts which invites confusion. This has led scholars to write entire publications and thereby try to give a clarification

of the term. For example, Gullede (2006) writes that the word often has multiple and misunderstood meanings. For technical papers such as research, the term must be provided with context (Gullede, 2006). In the context of organisational integration, Larsson and Finkelstein (1999: 6) provides the definition “*the degree of interaction and coordination between the two firms*” that are involved in an M&A-process. Researchers also frequently recognise the importance of integration in post-M&A performance (Bauer & Matzler, 2014; Birkinshaw et al., 2000; Denison et al., 2011; Larsson & Lubatkin, 2001; Nahavandi & Malekzadeh, 1988; Voth, 2020). The definition of culture by Schein and Schein (2017) lies upon what a group has learned when solving the problem of internal *integration* and external adaptation, showing the importance of the integrational aspects.

2.2.2 Integrational Difficulties

There have been numerous problems previously identified by scholars in connection to the integration process, for example Birkinshaw et al. (2000). Birkinshaw et al. (2000) divides the post-acquisition integration process into the two phases: *task integration* and *human integration*, and states that the latter can only be successful in fostering value creation when built upon the former. If operational synergies and thereby task integration is achieved, it will result in an adequate limited interaction between the acquiring firm and its acquired company (Birkinshaw et al., 2000). Further, Birkinshaw et al. (2000) describes that after the initial phase of the integration process is completed, the human integration process should build upon the effects of the task integration and create a positive attitude towards the integration among employees. If human integration is successful, it will lead to acculturation and mutual respect, but it is also “[...] *critical to the overall success of the acquisition.*” (Birkinshaw et al., 2000).

Another example of problems regarding the integration process is presented by Schein and Schein (2017). The authors go into extensive detail about external adaptation which are associated with developing a shared understanding of the mission and goals of the group and the means of attaining them. Schein and Schein (2017) also discuss the problems of external adaptation in obtaining a consensus on how to measure a group's goal fulfilment and appropriate corrective strategies if the fulfilment is insufficient. Further, Schein and Schein (2017) describe the problems of internal integration, these being difficulties in creating a common language,

establishing trust and openness, defining the group's boundaries, developing a consensus of the authorial aspects, formulating reasonable rewards and punishments, and developing ways for the group to explain the unexplainable. The problems of both task and human integration as described by Birkinshaw et al. (2000), combined with the external adaptation and internal integration presented by Schein and Schein (2017), point to the many difficulties a group will need to overcome together following an acquisition.

2.3 Cultural Integration

2.3.1 Term Application

Many studies have been conducted regarding the implementation of post-M&A culture integration, for instance Voth (2020). Voth (2020) states five *synergistic success factors* which help capture the company's value and help management in the integration process: strategy, leadership, communication, culture, and speed. Regarding the fourth factor *culture*, Voth (2020)'s research suggests that: “[...] *careful cultural integration between the acquiring and target firms is instrumental to PMI [post-merger integration] success [...].*” (Voth, 2020: 393). Voth (2020) further describes that the success of the integration also relies upon the management of upcoming cultural change, and that the acquirers have a systematic way of managing cultural integration. As given in the citation, it is critical for the integration process that management is successful in managing the acculturation following an acquisition. This aligns with Nahavandi and Malekzadeh (1988) which discusses the role adaptation and acculturation play in the outcome of an integration process following a merger.

2.3.2 Cultural Integrational Difficulties

There are also various studies that have been conducted regarding problems that may arise in the culture implementation. For instance, Schneider (1988) states that if management tries to implement a corporate culture that clashes with the national culture of a subsidiary its acceptance may be hindered. Similarly, Denison et al. (2011) discuss the challenges of dealing with differences between national and organisational culture when conducting cultural integration in cross-border M&A. This contrasts with the research by Risberg (2001) who finds that when the

national cultures of the parties are highly contrasted, the acquired management is more prepared to accept change. Thus, the cultural integration will be more successful with highly differing cultures (Risberg, 2001). Denison et al. (2011) points to culture assessment and integration being crucial components, and by failing to comprehend these, a poor cultural fit might limit the M&A's success. Another example is shown through Nahavandi and Malekzadeh (1988) which states that the degree of congruence between the acquiring firm and the acquired organisation's preferred methods of acculturation will affect the disruptive stress that may arise, which in turn will either hinder or facilitate the integration.

Another factor which may inhibit cultural integration following M&As is cultural fit; Bijlsma-Frankema (2001) identifies cultural fit as being a key factor for either a successful or failed M&A cultural integration. This aligns with Bauer and Matzler (2014), who formulate a model for M&A success; the success factor for M&As is a function of "*strategic complementarity, cultural fit, and the degree of integration*" (Bauer & Matzler, 2014: 269). Both articles discuss the importance of having similar culture in the acculturation of an acquired corporation. The model presented by Bauer and Matzler (2014) is closely linked to the definition of culture presented by Schein and Schein (2017), partly defining culture as a group's solution to internal integration, but also that "*Strategy Is Part of Culture*" (Schein & Schein, 2017: 123). In context, Schein and Schein (2017) states that the shared assumptions of the organisation's identity are an important element of its corporate culture, which will directly limit the strategies available to the organisation.

Moreover, Bijlsma-Frankema (2001) concludes that acculturation within a firm is advanced through mutual trust; the mutual trust between an acquirer and acquiree is "*built by shared goals, by dialogue, by looking for shared norms, monitoring and handling deviance.*" (Bijlsma-Frankema, 2001: 192). The findings presented in the citation links to the conclusion given by Stahl et al. (2011) regarding what a firm's management can do to develop trust in acquired organisations. Stahl et al. (2011) found that the speed of integration and the quality of the communication with acquired employees will influence the level of trust in the same acquired organisation. By attempting to speed up the integration process more positive trust dynamics are generated (Stahl et al., 2011). The researchers also found that by having an integration approach that builds trust through proper incentives and not imposing the acquiring firm's corporate

culture on the acquired employees led to a more satisfactory trust being established. Stahl et al. (2011) emphasised that the perceived benefits of employees, acquirer multiculturalism, and the quality of communication seems to be major factors affecting the trust level between the two firms. An acquirer's ability to foster a business environment of mutual respect and trust directly contributes to the success of the post-acquisition integration (Stahl et al., 2011). Lastly, managers and employees involved in M&A intuitively understand that trust matters (Stahl et al., 2011).

2.4 Formulation of an Integration Strategy

For a merger to be successful, it must be initiated by a post-acquisition integration (Larsson & Finkelstein, 1999). In connection to this, Denison et al. (2011) states that integration seems to be of equal importance for both domestic and cross-border M&As when evaluating its success. Finally, Larsson and Lubatkin (2001) highlights the importance of integrating low-level employees to achieve acculturation after M&A. It is argued that acculturation is best achieved by allowing the participation of jointly social activities, for example introduction programs, training programs, as well as celebrations and similar socialisation rituals (Larsson & Lubatkin, 2001).

Looking further into Voth (2020)'s theory, the remaining four synergistic factors in addition to culture are: *strategy*, *leadership*, *communication*, and *speed*. Voth (2020) states that the context and impetus of the merger should be the main consideration in its *strategy* formulation. When implementing said strategy, the *leadership* should be adaptive, engaged, in line with the company's vision and held accountable (Voth, 2020). Further, Voth (2020) states that if the described leadership is combined with consistent *communication* towards all stakeholders, confidence and trust will be instilled. Lastly, the *speed* aspect should be taken into consideration through the balance of integration depth and quality on one hand, and the cost of time on the other (Voth, 2020). All five described factors, including culture, are said to be synergistic and important for the post-merger integration, and will contribute to integrational success (Voth, 2020).

Marks and Mirvis (2000) discuss the benefits of developing a transition structure when two firms fuse together. The transition structure is described as a setting in which the two parties can test synergies and identify any dissonance that might have been missed or unidentified in the earlier

phase of due diligence. The scholars describe the process as a time to build relationships between the organisations to facilitate a smooth integration between the organisations on all levels of management as well as on-the-floor workers. The building of relationships, which has been discussed previously in this chapter, is deemed essential in the successful integration. Marks and Mirvis (2000) profess that the establishment of trust is vital as it is needed for underlying information on weaknesses and details which may not have been obtainable in the prior due diligence. The establishment of trust is aided by the establishment of a transition management (Marks & Mirvis, 2000). This management is described as a part of the transitional structures argued for, and consists of a senior leadership, along with coordinators, and transition teams. The formation of these sub-structures is determined by the organisation. The transition work itself is highly centred around the selection of transition team members and leaders, because having the right people leading the transition is vital to its success (Marks & Mirvis, 2000). In the case of an acquisition the combination of the transition team should include “[...] *the ongoing leadership of the lead company with the addition of a few senior executives from the acquiree*” (Marks & Mirvis, 2000: 38). This team has the function of defining goals, planning the strategies for obtaining stated goals, as well as clarifying critical success factors for the integration among other tasks included in the transition phase (Marks & Mirvis, 2000).

As the transition teams have formulated strategies and the means of measuring the success thereof, the nucleus of the transition structure is defined by Marks and Mirvis (2000) as task forces. These task forces, consisting of managers and others in similar positions, take the rough plans, goals, and ambitions of the transition team and refine them to be applicable in the real-life scenario. These individuals are identified as highly talented professionals who have great insight into both organisations. They are also often perceived to have extensive interpersonal skills, and are attuned to the sensitivities such as ego, personal needs, and other anxieties which the individuals being integrated may express. These personal skills are defined as determinants in optimising the efficiency and quality of integrating using the transition management structure (Marks & Mirvis, 2000).

Expanding further upon the impact management can have on its organisation, Smollan and Sayers (2009) illustrates the relationship between corporate culture, organisational change, and employees' emotions. If employees' values correspond to that of the organisation, their reaction

to the change will be more positive (Smollan & Sayers, 2009). This aligns with Schein and Schein (2017) which states that group members' perception of a culture influences their behaviour and emotional response. Smollan and Sayers (2009) stated that cultural change often antagonises intense emotional reactions. However, if these emotions are respectfully acknowledged, those people producing the emotional response will become more engaged with the change itself (Smollan & Sayers, 2009). Finally, Smollan and Sayers (2009) states that employees' attitude towards existing culture at the workplace, either positive or negative, will influence their perception of the cultural change.

When it comes to aiding individuals through change, many scholars have discussed the term change management. Kavanagh and Ashkanasy (2006) states the impact change management and leadership can have on the organisational culture and individual acceptance of change during a merger. Their findings indicate that communication and a transparent change process is an important aspect when helping the organisation's individuals through change. Relating to this, Belias and Koustelios (2014: 460) states that *"to change or to manage corporate culture one has to be able to define and therefore pinpoint exactly what is one is trying to change"*, and only then will change management be effective for organisational culture change. The provided examples are identifiers that a firm's corporate culture can be influenced by management. This also aligns with Schein and Schein (2017)'s extensive description of how culture can be transmitted through an organisation.

2.5 Analytical Framework

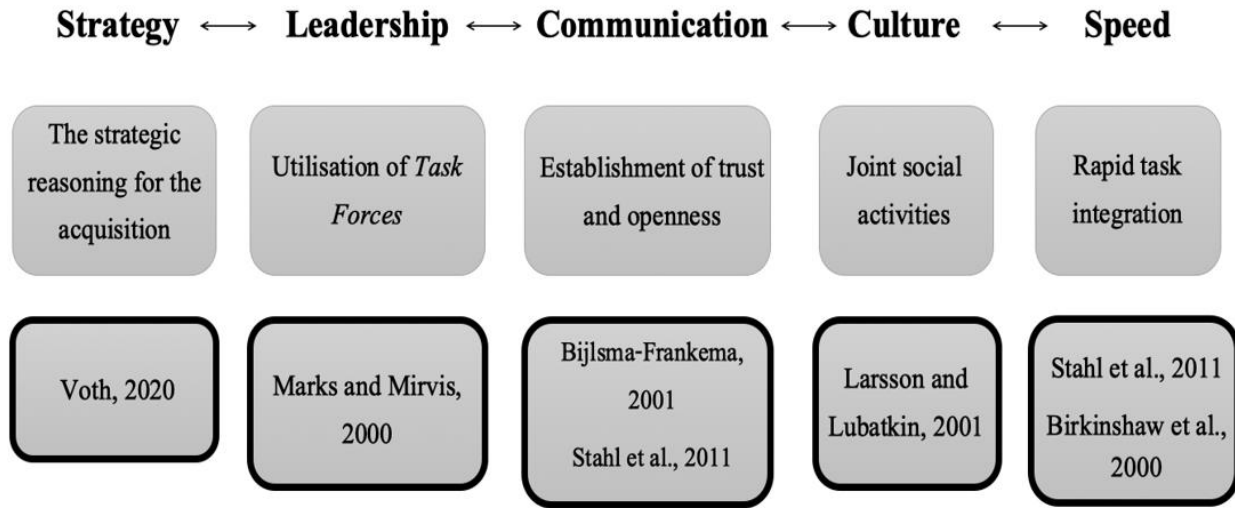


Figure 2: An analytical framework based upon the five synergistic success factors provided by Voth (2020) and the other scholars' theories which compliments and extends upon the five factors.

The analytical framework presented in Figure 2 is an adaptation of the theory presented by Voth (2020) aimed at analysing the strategic implications of cultural integration in each step of the framework. The translation of each of the *five synergistic success factors* and the application of relevant theories can be seen. These steps and theoretical applications will guide the analysis.

The initial analysis will address the strategic acquisition conducted by the case company. Voth (2020) states that for the acquisition and following integration to be successful the strategy must be formulated with regards to the impetus behind the acquisition. The second point of the analysis is the leadership factor. In this factor, the utilisation of task forces presented by Marks and Mirvis (2000) as providing reliable and appropriate leadership will be analysed. The third factor is communication, which is analysed using the criteria established by Bijlsma-Frankema (2001) and Stahl et al. (2011). The requirements for establishing trust as well as the indicators of openness will be addressed. The penultimate factor being the main indicator of success in the aspiration to answer the research question, culture. This will be analysed using the indicators of social activities presented by Larsson and Lubatkin (2001). The final factor being speed will be analysed using the theories regarding rapid task integration by Birkinshaw et al. (2000) and Stahl et al. (2011).

3. METHODOLOGY

3.1 Research Approach

3.1.1 Abductive Approach

When conducting research, the approach taken is defined by Bell et al. (2019) as the stance on the relationship between theory and research findings. The authors go on to describe the two most prominent research approaches to be inductive research and deductive research. These two approaches to research are described as deductive research being based in pre-existing theory and a hypothesis is deduced from the information in these theories. This hypothesis is then tested with a strategy which is also in close connection with the theories supporting the research. Hence, deductive research is a popular mode of research as it allows for an analysis of previous research before the commencement of the study. The strong connection to existing research and theories is what differentiates the deductive approach from the inductive approach. The inductive approach is not founded in pre-existing research but has its foundation in the research observations. Observations are made prior to the formulation of theory and the research aims to find patterns in the observations made. Both the deductive and inductive approaches are subject to criticism, deductive can be deemed as having restrictions when it comes to the limitations of theory-testing. The inductive approach is liable to criticism regarding the potential shortcomings of the data necessary to formulate reliable theories (Bell et al., 2019).

Although these two are the main research approaches, they can be combined, and a middle ground can be found. This middle of the way approach is called abductive research. The abductive approach allows researchers to further investigate existing theories and is aimed to develop the connection between theory and the empirical observations made during research. This abductive approach gives way for the duality of interpreting data gathered and theory-testing. This research approach is commonly used when broad research on the subject exists, and further or more narrow research can be conducted (Bell et al., 2019).

The research in this study was conducted to investigate the correlation between the use of a steady strategy to successfully integrate the people of an acquisition into the new owner's

corporate culture. We have consulted various existing theories connected to, or adjacent to, the subject. As the research in this thesis was somewhat guided by existing theories, and thus has not aimed to research an uncharted field but has looked to investigate the accuracy of the theoretical truths with the practitioner's reality, an abductive study approach has been deemed the most appropriate. The abductive approach has allowed us to construct our research on the bases of multiple theories regarding different features of the process we have investigated.

3.1.2 Case Study

Yin (2018) explains that the nature of the research question is what should guide the choice of appropriate mode of conducting research. Yin (2018) goes on to highlight the usefulness of a case study when researching the “how” or the “why” a phenomenon occurs. Bell et al. (2019) mentioned how case studies often are aimed at providing the researcher with the information and data needed to conduct an intensive analysis of the topic of the case study. The in-depth knowledge of a situation which both Bell et al. (2019) and Yin (2018) describes are what the research in this thesis has aimed to find. With the general framework of a case study, the research could be designed using a wide array of data collecting. This as a case study simply looks at researching a phenomenon in a specific setting (Bell et al., 2019; Yin, 2018). Case studies are described as looking into a limited situation, this can be defined using various parameters such as geographical boundaries, specific points in time, or a specific organisation (Bell et al., 2019). In the research conducted for this thesis the specific parameters in place allowed for targeted research of a specific event. Even though this event took place spanning multiple years, the definition of the limitation and the suitedness of the research was well applicable to the definition of a case study.

Although case studies allow the researchers to target a specific event to obtain deep information and data on a distinct topic, the design is not flawless. Case studies are often faced with the question of whether the results will be able to be generalised. As case studies are characterised by their specific nature in research limitations, the generalisation of research findings could be difficult to motivate (Bell et al., 2019). Yin (2018) on the other hand found that the role of existing theories plays a large role when looking to generalise from a case study. Yin (2018) argues that the role of combining and cross-referencing existing theories with the specific

information found in the case in question could allow for the results from the case study to be generalised. Yin (2018) in this case also highlights the importance of differing between the case and the results of the case. The two are separate as the results are analysed and discussed and thus could be generalised enough to allow for generalisation. The four design tests for validity for this specific study are presented in the *Research Ethics* subchapter. The specific nature of the case in combination with the desire for a deeper understanding of a specific topic leaves this design to be deemed the most appropriate.

3.1.3 Systematic Combining

The research has been set up as a case study because of the nature of the themes being researched. “*A case study is therefore an effort to contribute to policy and decision making [...]*” (Schramm, 1971: 6). Following the systematic combining presented by Dubois and Gadde (2002), the combination of an abductive case study suited the aim of the research best. Systematic combining sees the continuous evolution of theory application and is described as the “[...] *process of combining efforts with the ultimate objective of matching theory and reality*” (Dubois & Gadde, 2002: 556). The evolving matching as research surpasses leans into allowing for theories to be applied and matched at hand as the phenomenon and patterns emerge. It is the balance between the theoretical world, and the real-life world. Dubois and Gadde (2002) go on to describe how the adaptive nature of systematic combining gives way for the study to be revised and shift perspective as the observations and data is being collected and patterns are appearing. We have during the data gathering process continued to develop the applicable theories and have somewhat deviated from the original presumptions of the research. Dubois and Gadde (2002) compare the continuous evolution of the case study as a tool. An analogy between the data gathered and puzzle pieces is made. Where the first pieces will not provide the entire picture, and pieces might not fit straight away. But as the study develops, more and more pieces will find their place and the image will emerge. This describes the process during the data collection of this research and aligns with the progression of the applications of theories.

3.1.4 Qualitative Approach

The quantification of culture has been done previously, perhaps most notably by Hofstede (1980). This attempt to conceptualise culture has been met with criticism by, among others, Signorini et al. (2009) for the oversimplification of culture. Due to the pronounced difficulty in measuring culture, this thesis has not aimed to define culture in any way. It has solely looked at the implications of acculturation in corporate settings. To accurately reiterate the experiences of the acculturation process during integration, a qualitative approach has been applied. The qualitative method has allowed for the respondents to freely provide their recollections and experiences. Patel and Davidson (2019) describe how a qualitative approach is intended to identify the respondent's interpretation and perception of a process or an event. This approach to data collection is according to Yin (2018) commonly encountered when conducting case studies. As this thesis looks at identifying the efficiency and the implications of a shift in culture following an acquisition the qualitative approach was applied to the data gathering and analysis.

3.2 Research Design

3.2.1 Top-Down Multi-Level Structure

To study the relevant areas needed to address the research question, a top-down approach is applied. This is in alignment with the structure of governance within VBG Group. Hence the following structure has been applied to the research design.

To fully allow the practitioners to freely provide a complete description of the processes they utilise and their outcome, a multi-level qualitative research approach has been applied. This design was applied in a four-tier approach, with three tiers having a semi-structured interview, and the bottom tier being a structured interview. The four-tier approach was designed to provide rich data on the different levels of organisational application of the integration process. The tiers are shown in Figure 3. The top-down structure of the interviews and the research design is closely connected to the internal structure of the corporate group. As VBG Group manages its divisions, the autonomy of the divisions means that they operate in a style similar to being a corporate group themselves. Each division under VBG Group has its own subsidiaries and it is the integration of one of these that the research in this thesis studies. The tiers we will be

interviewing are the group's management, the division's management, the acquired company's management, and acquired company's employees, with the hierarchical structure being presented in Figure 3.

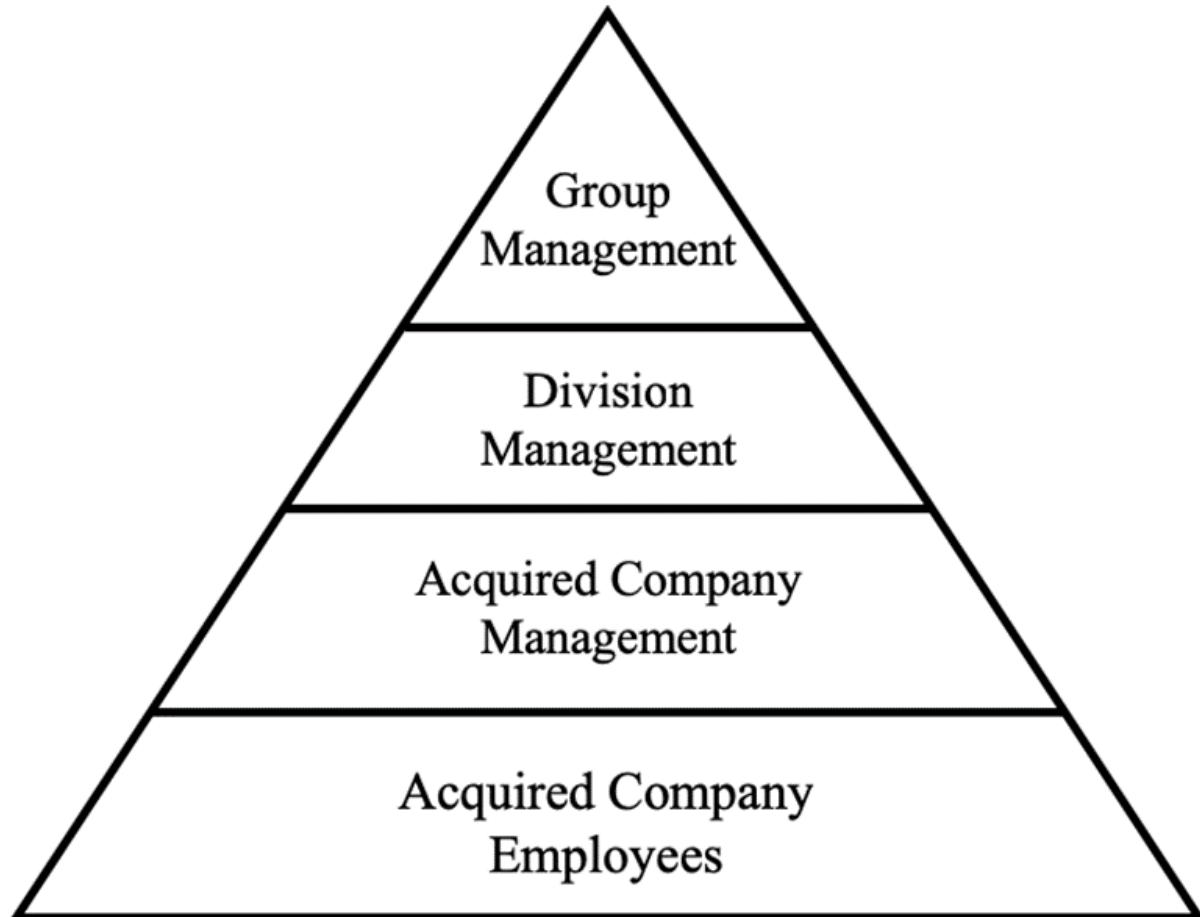


Figure 3: The different hierarchical structures of the case company which make up the interview tiers.

3.2.2 Qualitative Interview Design

A semi-structured interview was conducted with the top three tiers of the pyramid in Figure 3. The semi-structured interviews of the group management and the acquired company management were designed to ask the interviewee to, in their own words and experiences, provide information and data. This type of interview has been described to allow the interviewee to freely answer a question with the information that they deem relevant and thus provide the researchers with a high quality of data relevant to the experiences of the practitioner being

interviewed (Bell et al., 2019). With information which the practitioner finds relevant to their work, conclusions, and discussions on the relevance of existing theories can be executed.

The final tier was subject to a structured interview. The traits of a structured interview include the limit of a researcher to ask the formulated questions and not ask for additional clarity (Bell et al., 2019). This has been applied as a written interview where the subjects were asked to provide responses to open-ended questions in their own words. The qualitative approach of the structured interview thus has allowed each respondent to provide as extensive or limited information as they deem necessary.

Regarding sampling, Bell et al. (2019) presents purposive sampling as a method commonly used in case studies. This sampling allows researchers to identify key individuals for the research as the investigations proceed. When conducting this research purposive sampling in combination with snowball sampling has been applied. Snowball sampling is in turn described by Bell et al. (2019) as the means of contacting one group or individual and utilising their knowledge of others to bring to the sample. This has been done as the initial contact for sampling was with Bo Hedberg, after an initial discussion the second and third tier interviewees were identified and were contacted by Hedberg initially. Sampling for the broad fourth tier was conducted with higher regards to the individual respondent's anonymity. This section of data-gathering required a random sample to be representative of the population. The sample has a total of 20 participants. This is due to the nature of the study as well as the total population size. The total population is characterised by having been working at the subsidiary for a period before the Brazilian subsidiary was acquired by VBG, who also stayed at the company until present day. Their positions within the firm were less relevant, but the sample needed to be representative of the ratios of office workers, commonly called white collar workers, and production floor workers, commonly referred to as blue collar workers. This has been ensured by the General Manager of Henfel who has distributed the structured interview.

The tiers illustrated in Figure 3 are the compilation of our data collection. The top tier represents the acquiring corporate groups management. In this study, one relevant individual from the corporate group who has been an active part in the case being studied has been interviewed. The corporate group itself consists only of seven employees, and therefore the decision to only

interview one individual can be justified due to the nature of his role and the lesser involvement of others in the case being researched. The interview was conducted as a semi-structured interview guided by the interview guide provided in Appendix A, to accomplish a high level of quality in the data gathered. At this level, information regarding the acquisition process, and the strategies when incorporating the newly acquired firm, as well as the rate of satisfaction in the assimilation of the acquisition was gathered.

The second tier consists of the division manager responsible for integrating new acquisitions into the broader context of the corporate group. The semi-structured interview guide used in the interview of this individual is provided in Appendix A. This individual has broad experience in integrating intercultural corporations into the larger organisation. The information provided at this level provides insights on the overall strategies in place for the integration of a newly acquired subsidiary and the specific strategies put into place for the individual case being studied in this thesis. This interview also aimed at discussing the managerial perception of implementation of said strategies.

The third tier consists of a key person of the acquired firm's management. This individual has had a significant role in applying the strategy developed on the tier-level above. The significance of their experiences is in the practitioners' application of theory. The semi structured interview conducted was aimed at providing insight in the realistic application and involvement of theory in practice. This interview was guided by the framework presented in Appendix B. Using the semi structured approach once again allowed for the interviewee to highlight their experiences and bring forth the information which they found most relevant.

The final tier provided the broad data. This tier consists of employees at the acquired firm who have experiences working in the firm prior to the shift in ownership and have stayed throughout the integration process and the years following. The data provided by the subjects of the integration process was collected to validate or invalidate the efficiency of the strategy expressed by the tiers presented above. This data has been collected via a qualitative structured interview, the interview is provided in Appendix C. The interview contained open-ended questions and has been translated to the workers native Portuguese, as is provided in Appendix C2. The translation was conducted to allow the subjects to express their answers truthfully and representatively

without experiencing a language barrier, however, this might create room for interpretation and language differences. To minimise this, the translations have been done and checked by multiple native bilingual Portuguese and English speakers. The structured interview has gathered information on the workers' experiences of change as well as their perception of VBG and Ringfeder as owners and the culture that they are implementing. In Figure 4, the different interview tiers are presented in more detail.

TIER	EMPLOYEE OF	ROLE	NAME	LENGTH OF INTERVIEW	INTERVIEW TYPE
1	VBG Group	Senior Vice President Business Development	Bo Hedberg	1 hr 37 min	Microsoft Teams
2	Ringfeder	CEO	Thomas Moka	1 hr 10 min	Microsoft Teams
3	Henfel	General Manager	Carlos Rohrig	1 hr 37 min	Microsoft Teams
4	Henfel	Various	X1 – X20	Not applicable	Structured Written Interview

Figure 4: Interview respondents presented through their role and company association, as well as allotted time and mode of interview.

3.2.3 Approach to the Qualitative Data Collected

As the semi-structured interviews were conducted, diligent notetaking was conducted in addition to the recording of the interviews. The combination of both of our notes in addition to the

recordings were the foundation for the empirical data chapter. This allowed for application and discussion of the data presented by the interviewee to ensure the accurate representation of information in this thesis, and further a well-rounded and valid analysis of the responses.

The translations of the structured interview were meticulously compared to each other to filter any subjective translations before concentration and analysis. The filtered translations were coded and concentrated to provide the information expressed in the empirical data chapter. The coding was conducted on each response to each question before being compiled to provide the broad general opinions and experiences of the fourth-tier employees.

3.3 Research Ethics

3.3.1. Ethics Framework

As the research conducted for this thesis handles the explicit experiences and opinions of individuals within an organisation, the ethics surrounding the collection of data as well as the use of the data needs to be held to high standards. When designing the study, the Swedish Research Council was used as a guide in the handling of sensitive information and the modes of data collection. They describe four guiding principles for researchers to take into consideration to conduct the ethical pursuit of research, these being *reliability*, *honesty*, *respect*, and *accountability* (Swedish Research Council, 2019). Reliability refers to ensuring the quality of the research. This has been handled in the design of the study, as well as in the analysis of the data and the utilisation of prior research and applicable theories. The second principle which researchers must consider is the *honesty* in informing those affected by the research and data gathering of the implications thereof. This honesty has been addressed with regards to the procedure of data gathering. Respect is defined broadly as the respect for all matters and individuals surrounding the study. This includes the participants in the study as well as the societies that they are a part of, and other colleagues in the field. The final principle is accountability. Swedish Research Council (2019) defines accountability as “*accountability for research from idea to publication, for management and organisation, for education, supervision and mentorship, and for their wider consequences*”. This has been addressed in the research in this thesis as ensuring that the work produced fully and undoubtedly is produced by those named

as authors of this thesis. The accountability has been withheld throughout the duration of the research and has been solemnly ensured with the submission of this thesis and the research presented.

3.3.2. Transparency

The level of trust between researcher and subject is of high importance in the gathering of qualitative data as the individual providing the data may not feel safe divulging information and personal opinions if they potentially fear of being reprimanded. This gives researchers an utmost responsibility to protect the individuals participating in the study from harm (Swedish Research Council, 2017). Hence when conducting the research, the aim of the study, as well as the handling of the data was described and validated before the commencement of each interview. In the case of the structured interview, the information of the intent of the study as well as the reason for the data collection was described. Before each interview the subject was explicitly asked if they wished to be anonymous and asked if they were comfortable with the interview being recorded. In each case the subject of the interview gave their explicit approval to both conditions. The subjects of the interviews could at any time request anonymity and accommodations would be made to ensure full discretion. When conducting the structured interview, the anonymity of the subjects was provided as no personal data was gathered. The subjects were free to provide any information they were comfortable with, and no information regarding the specific work-obligations of the individual was gathered. The subjects were ensured that their responses would not be shared with their management or anyone else within or beyond their organisation. This was done to avoid any falsification of data and allow for complete truthfulness of the information provided.

With the complete anonymity of the structured interview respondents, the possibility of researcher bias was somewhat limited. This potential limitation was addressed during the semi-structured interviews as both co-authors to this thesis were present at all interviews. The interviews were also recorded to limit the interpretation bias.

Due to the nature of the subject being researched, a definition of corporate culture has been provided to the interviewee subjects. The definition used has been the more simple and common Cambridge Dictionary (n.d.) definition of: “*the beliefs and ideas that a company has and the way*

in which they affect how it does business and how its employees behave [...]". This was prepared and provided on request during the semi-structured interviews. It was also translated and provided in the structured interview sent to the employees at the acquired Henkel. This definition was provided in the structured interview as allowing for a uniform definition to be the underlying foundation for each of the respondents. The baseline education for the employees at Henkel can also not be assumed, and therefore, by providing a definition, we aim to allow all the respondents to provide their honest interpretation and experiences.

4. EMPIRICAL DATA

4.1 Introduction to the Case Organisation

VBG Group AB is a Swedish-based international industrial group listed on Nasdaq Stockholm with approximately 1700 employees operating in 17 countries. Founded in 1951, the group has a business concept which is “*built on acquisitions, long-term ownership and strategic governance of industrial companies in business-to-business commerce*” (VBG Group AB, 2022: 3). Their current 3.6 billion SEK revenue operation is divided into three fully owned divisions: Truck & Trailer Equipment, Mobile Climate Control and Ringfeder Power Transmission, with the latter being the one we are focusing on. Each of VBG’s brands in the respective division hold the leading market position in their niche. Examples of products are various truck couplings, springs, and industrial brakes (VBG Group AB, 2022).

The fully owned divisions of VBG Group are to a large extent acting as separate corporate groups with regards to their respective subsidiaries (VBG Group AB, 2022). However, any acquisitions are structurally made by VBG Group and thereafter placed in the governance of an existing or new division. The acquisition being researched is VBG’s purchase of the Brazilian company Henfel in 2015, which was placed under the German Ringfeder division. Thus, in practice Henfel is acting as a subsidiary of Ringfeder, although the ultimate parent company and acquiring company is VBG Group.

4.2 Interview with Bo Hedberg, SVP Business Development, VBG Group

4.2.1 Background and joint history of VBG Group and Bo Hedberg

The first interview was conducted with Bo Hedberg, senior vice president of business development at VBG Group. In his position, Hedberg is utmost responsible for the acquisitions made by VBG and the strategic planning of these M&As. When asking the general questions listed in Appendix A, Hedberg provided rich information as he has spent over 26 years with the company, of which 10 years in his current position. Hedberg describes how VBG Group specialises in niches. The original niche was an innovative truck coupling which today is the

market leader globally. However, the division we are investigating is not a part of the original core niche. The Power Transmission division was added to VBG Group through the acquisition of German Ringfeder decades ago and expanded with the South American acquisition of Henfel in 2015. The acquisition of Ringfeder was, in Hedberg's opinion, the single most important steppingstone that VBG had acquired. These types of acquisitions are a part of the growth plan that VBG has, with targets of 10 percent annual growth, half of which acquired.

To fulfil this annual target of five percent acquired growth, VBG has an acquisitional budget of around 200 million SEK. Hedberg explains how, when conducting acquisitions, VBG utilises two different types of acquisitions: *complementing growth* and *new business venture*.

Complementing growth is when VBG acquires a firm which fits into one of the three business divisions they currently have. These types of acquisitions are aimed at complementing the current product line on offer or used to expand into new markets. Usually, these corporations have 50-300 million SEK in turnover, Hedberg states and placed Henfel into this acquisition type. The other type of acquisition VBG conducts, the new business venture, is when they are acquiring a firm which fits into a whole new business area to diversify the product line and expand the group's total offer. These ventures have a turnover range of 600 million SEK to 2.5 billion SEK. These new business venture companies are required to have their entire pipeline in-house, as well as their R&D, production, marketing, sales, and more. Hedberg finishes the subject with that these acquisitions are required to be strong brands that are, or have the potential to soon be, market leading within their respective niche.

As a result of their approach, VBG has grown from being active in the Nordics, to being global market leaders in the span of 25 years. The process of conducting an acquisition varies, from having M&A brokers come knocking with anonymised offers, to VBG's management stating that a purchase in a specific field or market is needed. Once a short-list of companies has been created, VBG narrows it down to one company, and a letter of intent is written. After that, the due diligence process starts in which Hedberg describes a thorough total examination before a final decision is made. Hedberg goes into detail regarding the financial and business aspects of the possible acquisition, and an environmental audit is also completed. Prognoses are also being made, and tax and other juridical advisors are outsourced for their expertise and input regarding the possible acquisitions.

4.2.2 General Information on Acquisitions

In terms of employees at the group-level, VBG is a relatively small company with seven employees in the group's management. However, each of the three divisions is in practice its own group and handles subsidiaries in an appropriate manner. However, some features such as governance of anti-bribery is regulated and maintained by VBG centrally. Because of the divisions' autonomy, after a subsidiary is acquired the integration process is mostly handed over to the division's management. Hence Hedberg is not very involved in this process onwards. After the financial transaction is completed, Hedberg leaves the everyday M&A-work of this specific acquisition with the divisions' management and other group management personnel.

The integration process is not ruled on a group or division level, it is different in every situation and adapted as needed. The integration process is described as an intense process where many people from all over the group spend a significant amount of time at the acquired firm. VBG, or the division, invests both time and resources in getting to know the operations, employees, and culture of the acquired firm. This investment is a matter of longevity, one of the key words for VBG, Hedberg says. The integration process is allowed to take time, as VBG believes that the successful slow integration of a subsidiary contributes to the long-term success of the entire corporate group. Hedberg emphasises the value of longevity in the organisation and the need to conduct a proper investigation in the structure and functionality of the acquired firm before the initial integration actions. In addition to sending resources in the form of human capital to the acquired firm, VBG and its divisions conduct training and workshops for the local workers. These investments are as such, a part of the integration process into the corporate group.

4.2.3 The Acquisition of Henfel

During the questions regarding the specific acquisition of Henfel by VBG, and the following integration process, Hedberg has provided answers to the best of his knowledge. As previously mentioned, his involvement in the integration process is not an active role. His main tasks include the overseeing of finding the right object for upcoming acquisitions. Thus, the information provided by Hedberg is surface level on the information about the integration process, even though he was the overseer from VBG. The information on the process of due diligence and acquisition on the other hand is of high value as this is a process which Hedberg is

actively engaged in. His opinions and interpretations of the integration process are from his perspective and from the information that he has on hand in his position within VBG.

When discussing the phases of acquisitions, Hedberg describes how the initiating of the research process which resulted in the acquisition of Henfel was due to a gap in the market coverage of South America. He said that before the acquisition South America was “blank space on our world map” (B. Hedberg, personal communication, April 25th, 2022). The decision fell on finding a Brazilian firm to acquire, as Ringfeder had a sales representative in Brazil which caused issues of high taxation of products exported into the country. Navigating a new market can come with challenges of finding the appropriate channels and contacts to find the relevant information. To navigate the Brazilian market, Hedberg got in touch with an acquaintance who had experience of establishing subsidiaries within the country. This person helped Hedberg weed through the complicated judicial system of Brazil and compose a short-list of six to seven firms that could be VBG’s next acquisition. This list was first compared to VBG’s requirements of being market leaders in a specific niche, having a fully established production line, and so on. Afterwards it was compared to Ringfeder’s current knowledge in the market and one specific company stood out: Henfel.

Henfel was described as in a league of their own, according to Hedberg. Their production capabilities as well as their corporate values aligned with what VBG was looking for. The niche that Henfel fell into was also in line with the business model that VBG operates under.

Hedberg’s interpretation of the information received was that Henfel’s owner at the time, its founder, was preparing for retirement. Hedberg also felt that the founder wanted the firm to develop beyond what the person was able to provide. Hedberg also highlights a specific insight from the acquisition process, it being that it is never possible to begin a good conversation with the owner before you have become good friends. Therefore, because of the interest from both parties, dinners and other social meetings were held between Hedberg and the founder. Once the trust had started to be built, Hedberg understood the transition to be smooth. Hedberg goes on to describe how, because everything felt right, VBG felt comfortable paying a market premium for the corporation. The main points brought up when discussing the decision to purchase Henfel can be summarised as the firm giving the delegation a good impression and a firm belief in the long-term future of the company. There was a general expectation of negative growth in the

native Brazilian market at the time, but the long-term perspective of the acquisition was an important factor in the decision to go through with the acquisition of Henfel.

4.2.4 Integration of Henfel

As previously mentioned, Hedberg is not an active part in the integration process but provides insights on VBG's view on the process. After the purchase of Henfel, Hedberg describes how the responsibility of the firm falls on the business controller of the division under which the newly acquired firm will be operating, as well as the head of the division. In the case of Henfel this responsibility fell on Thomas Moka as the head of Ringfeder, and his business controller. Moka was a part of the VBG delegation during the visitation phase of due diligence and had spent a noteworthy amount of time with Hedberg on sight in Brazil before the acquisition was made. In the interview, Hedberg reminisces about how Moka spent a significant amount of time with the new Brazilian subsidiary and depicts that Moka "*almost lived at the acquisition*", to bring the acquired firm into the organisation Ringfeder/VBG (B. Hedberg, personal communication, April 25th, 2022). The belief is that changing people cannot be done remotely. Hedberg expresses that VBG is of the understanding that integration and organisational changes demand the presence at the same table with the affected parties. The interpersonal exchange is of utmost importance throughout the research process and through the completion of the integration process according to Hedberg.

The interpersonal exchange complements Hedberg's standpoint that each integration process is unique and adapted to the needs of the acquisitions in question. Although Hedberg has not been an active part in the integration process, he expresses the opinion that Henfel is completely integrated into the VBG Group. This, according to Hedberg, is characterised by the ability to produce Ringfeder's products on sight at the Brazilian production facility. Hedberg also discusses the positive trend of Henfel's financial results over the past few years. The integration process itself took, according to Hedberg, approximately one and a half to two years. The most time-consuming part of bringing the subsidiary into the corporate group is the routines of reporting, Hedberg says. As smaller privately owned firms generally do not have the same requirements on monthly financial statements or public annual reports, it may take some getting used to, Hedberg states. Another administrative feature which might not be used in the smaller

acquired firms is the use of KPIs. As VBG is a larger corporate group with multiple subsidiaries, the different divisions use KPIs internally to measure the development of the markets. The use of these and the following results are what Hedberg is using as his foundation when declaring that Henfel is fully integrated into VBG.

After the acquisition papers have been signed, the assignment of the operational work, including integration, is handed over to the division, in this case Ringfeder. The divisions are autonomously conducting the governance and in the development of the acquired companies, while Hedberg focuses on other things. However, Hedberg remains in close touch with the head of the divisions, in this case Thomas Moka, if they would like to discuss anything, and Hedberg is also, for example, joining Moka in an official visit to Henfel in May 2022, six to seven years after the acquisition.

4.3 Interview with Thomas Moka, CEO, Ringfeder

4.3.1 Background of Thomas Moka, VBG Group, and Ringfeder

Thomas Moka began his career at VBG Group in 2004 as a general manager under the Truck and Trailer division. Moka was brought in when VBG saw a need to reorganise Ringfeder to improve the efficiency of the company. VBG was during this time considering selling Ringfeder due to the mismatch within the VBG Group organisation. Moka was given the task to reorganise and restructure the subsidiary and with his efforts the company was brought back to a successful level and the organisation was kept as an integral part of VBG Group. This experience, and the successful integration of multiple acquisitions allows for Moka to provide us with insights in the general strategies when integrating acquisitions as well as the specific tactics during the integration of Henfel. Today, as Hedberg mentioned, the divisions run largely on an independent level as their own corporate groups within the larger VBG Group. Thomas Moka is CEO of Ringfeder Power Transmissions and thus can provide the insights into the governance and strategies which Hedberg was not able to in his interview.

4.3.2 General Information on Acquisitions

When answering questions regarding the general internationalisation and acquisition strategies of VBG and Ringfeder, Moka discloses the willingness for Ringfeder to start and run their own subsidiaries within a new market. Moka gives Ringfeder's subsidiary in China as an example. Ringfeder never intended to enter the Chinese market to build production plants, the aim and intention of the subsidiary was to have an insourced sales team that could provide and distribute the needs of the market. Moka places emphasis on the ability for Ringfeder and VBG to centrally control these subsidiaries and thus the model of FDI expansion suits them best.

When asked about the acquisition process, Moka compliments the information provided by Hedberg. Moka describes his role at Ringfeder to be much narrower in terms of the possible acquisitions of Ringfeder as compared to Hedberg's broader one. Where Hedberg can look at different types of acquisitions, including acquisitions of entirely new divisions, Moka sees his role in the general acquisition process as one where his gaze is narrowed down to firms which may fit into the Ringfeder Power Train divisional limitations. Moka describes the three main reasons why an acquisition might take place in the eyes of Ringfeder: the first reason being that a possible acquisition would complement and expand the product portfolio of Ringfeder. Thus, the products must be different from what already exists within Ringfeder's product portfolio but must be classified as the same field of product. Moka gives an example of this by showing an image of a drive train, shown in Figure 5. Where the orange and blue sections are on offer from the Ringfeder organisation but were not part of the original product portfolio. The ability to provide these products have come with acquisitions throughout the years. The second reason Ringfeder may wish to make a new acquisition is due to the possibility of acquiring an additional, or enlarging a present, customer base. This is done when acquiring a competitor or another actor within the market. The third type of acquisition according to Moka is the international tactical acquisition. This type of acquisition aims largely to avoid trade barriers and possibly get closer to the market and customers.

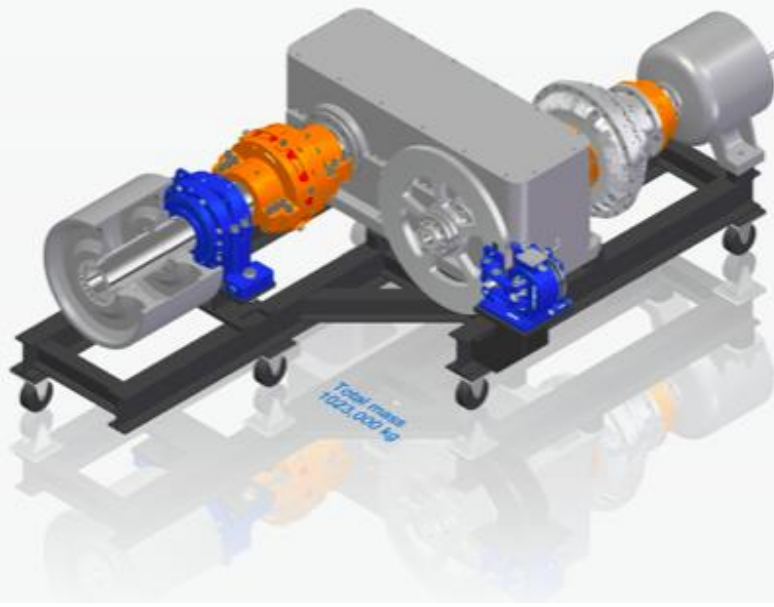


Figure 5: An image of a Ringfeder drivetrain. Image provided and usage granted by Moka.

Moka further describes the acquisition process as a process which looks the same in many different companies. When making the deal public Moka is of the opinion that the reasoning and the justification of the acquisition comes down to the fit of the portfolios. Although this is something that Moka describes as important to VBG and Ringfeder as well, he allows the definition of a suitable portfolio to expand to the image of the firm being acquired. When customers were questioning the legitimacy of VBG/Ringfeder and their operations, an acquisition of a company with a strong brand identity as a production company was made. Moka goes on to discuss how the brand of a firm and its product is an important factor when acquiring firms. This is in line with the information provided by Hedberg earlier. Another feature of the acquisition requirements that both Hedberg and Moka described was the so-called *fit* of the firm into the organisation. This was described by both men as how well the potential new organisation was in relatively close alignment with the operations and mentality of VBG and in turn, Ringfeder. For VBG Group, the brand image and identity are important, thus the outsourcing of production will not take place. Ringfeder also only looks at acquiring privately owned firms to bring into the divisional group.

4.3.3 Acquisition of Henfel

In the case of the acquisition of Henfel, Moka describes how the firm was a strategic acquisition matching the requirements of each of the three reasons for acquisition depicted earlier. Moka also described how the process took place. This description was similar with the description provided by Hedberg earlier, but the details did differ some. Moka describes the strategic importance of Brazil as the largest extraction region in South America. The choice to enter South America was motivated by the lack of an own organisation in the market. The only presence VBG and Ringfeder had was a lone sales representative, Carlos Rohrig. The interview with Rohrig will be depicted in the next subchapter. But this lack of representation indicated a loss of a potential market in VBG's overall market reach. Moka goes on to emphasise the importance for the individual hired by VBG to do the recognition to physically visit each of the firms listed by Moka and how an email would not suffice. It was after this initial recognition that Moka and Hedberg began their visits to ten short-listed firms in Brazil. During these visits, Moka describes that the goal is to evaluate the entire firm. This in the sense that the fit of the company must be aligned with Ringfeder and VBG. At this stage the corporate culture is probed by the two visitors, Moka and Hedberg. The culture of the company must not be too different to the Ringfeder culture. Although Moka does acknowledge that the national culture and its presence in the corporate culture will never be erased or altered, the so-called fit must be present.

Both Moka and Hedberg have described how the visits to the firms in Brazil left them both with only one "feeling right": Henfel. The importance of socialising with the management and the owner is in line with Hedberg's mention of the presence at the same table. The importance of interpersonal relationships in business is only stressed further in the interview with Moka. The result of the relationship building with the then owner of Henfel, Mr. Cassiano, was that eventually, an intent-to-sell was signed, and the dire work of due diligence began. Once this process was complete, the final signing was commenced and Hedberg handed over completely to Moka.

4.3.4 Integration Process and the Integration of Henfel

Moka describes how the subsidiaries within Ringfeder are seen to have limited autonomy. This due to the desire to integrate and include them into the global operations of the company. Moka

depicts how managers will often be a part of the Ringfeder organisation, and thus have extensive insight into the corporate culture, routines, and product portfolio. This integration process is described by Moka to be a time-consuming undertaking. The operations are divided into five steps but are adapted to each unique acquisition. These steps are:

1. Prepare the organisation for change
2. Craft a vision and a plan for change
3. Implement
4. Embed the changes within company culture and practices
5. Review the progress, analyse, and repeat

When preparing an organisation for change, Moka points out the importance of making sure that every person feels involved. That the entire organisation must sense that they have a bearing say and that they are of importance in the process. The need for communication and making sure that the people who will experience the change understand the process, what is being done and why. Moka places special emphasis on the need for the acquired firms' employees to understand the why. Moka retells how he "*practically lived at Henfel*" to get to know the people and let them get to know him (T. Moka, personal communication, May 9th, 2022). Once again, just as in the process leading up to an acquisition, Moka diligently expresses the need for physical presence at the acquired firm. This preparation of people is essential as Moka describes that people usually are scared, critical of the new leadership, and somewhat in denial of the impending change. In the case of Henfel, it was at this stage determined that a change in the supply chain needed to be made. Creating a more efficient production-line as well as changing working hours and implementing new machinery. This extensive change, expanding to changing multiple aspects of the firm, is typical for the acquisitions made by VBG Group, and Moka has multiple experiences of implementing such change within the Ringfeder division. The technological change, as well as the change in tasks, contributes to the definition of culture change. Moka expresses that cultural change is not solely the way individuals interact, it is also the culture of how things are done when it comes to the administrative parts as well. Moka's point of view is that the reporting is just as important of a process in integrating culture as any other change being made. But preparing the members of staff and ensuring that they are in understanding of why things are changing is an utmost important first step.

The second step, crafting the vision and the plan for the change process, is a step which Moka places significance on the importance of the understanding of change. To achieve commitment to the process, the understanding and acceptance of the course of change is vital. According to Moka the communication between new owners, the employees, and the employees' internal organisation is key in the success of the overall integration. This is seen especially in the relatively slow process which is the third step: implementation. The implementation process is speculated by Moka to take three to five years, and the slow and steady pace is lined with communication between the individuals present at the acquired firm and those placed with the new owners. Moka emphasises the gradual implementation, along with the reflection that "*You will not be successful if you tell a Brazilian: now you will need to become a German*" (T. Moka, personal communication, May 9th, 2022). Moka describes how in the case of Henfel, the ability for the previous owner, Mr. Cassiano, to stay with the company for the first two years of VBG and Ringfeder as new owners greatly aided the integration process. The support from the previous owner provided a sense of security for the employees as the organisation was run in a family-business style. During the integration phase, Moka also acknowledges the importance of identifying the key figures. Particularly anyone who understands the local national culture, or the organisational culture within the acquired firm, as well as the culture within VBG Group. When acquiring Henfel, Carlos Rohrig was identified as a key individual. His previous experience working in the Ringfeder division and his Brazilian nationality and the time that he spent working for Ringfeder in Brazil before the acquisition of Henfel made him the ideal candidate to be VBG and Ringfeder's representative during the integration. Mr. Cassiano received a similar role due to the trust that the employees of Henfel felt towards him. Moka describes how at this stage certain personal conflicts were brought to light.

Embedding the changes within company culture and the fourth phase of the integration process has its own cycle of establishment. This cycle is a briefer process but is of importance in the sustainability of the changes being made according to Moka. The first step is the planning of embedment. This includes having a deeper understanding of the existing culture and finding the areas where the group would be most susceptible to influence. The second step is the setting into practice the plan established in the first step. Subsequently the third step is to check the changes and the effect of the modifications made. This comes relatively early in the process and is followed by a step of acting on the results of the audit of the changes. The significance of

checking the changes and the implications of the changes so frequently allows for the implementation to take place in a seemingly smooth and concealed manner. By acting on the brief analysis of the implementation thus far, any missteps of ways of conducting the change more efficiently can be identified and changed swiftly. The final step in the embedment phase is the repeat of the process. This allows for the embedment to be implemented to a deep level of the corporate culture and efficiently establish the new features within the existing culture.

The conflicts mentioned earlier were identified and the situation was analysed in the fifth phase, review and analyse. This phase took place around the time when the former owner, Cassiano, was leaving the company after the two-year transition period. During this phase the Henfel corporate structure was revised, and the analysis needed for phase five to start was conducted. Any features that were found to cause friction were analysed and responses to change them in a pain-free way were speculated on. The fifth phase depicts a repeat of the five-step process with the idea being that the integration process will be seen as an ongoing improvement to the entire organisation, according to Moka.

When asked if he considers Henfel integrated into the Ringfeder division of VBG Group, Moka states that he considers them integrated, but that the work is not completed. Moka continues by saying that any organisation is alive and ever changing, emphasising the importance it never becomes static. This constant development within an organisation needs constant communication and constant work from management. Moka states management is most often the sector which communicates with the division and its leadership, and the establishment of clear communication is therefore one of the features Moka directly tries to establish following an acquisition. Moka adds to this by saying that management both develops the corporate culture further and keeps the organisation from becoming complacent, which is why it must be built upon a good foundation of communication.

Since VBG Group only acquires privately owned companies, Moka describes a common occurrence of a disconnect in the IT-infrastructure and that the investment and implementation of new software and hardware is necessary. Not purely for the reason of using the same systems when reporting and ordering within the VBG Group, but also to facilitate the ease of communication between the Ringfeder divisional management and the local management.

During the interview, Moka mentioned multiple workers and administrative personnel by name. This indicates a high level of integration and a well-rounded interpretation of the structure of the local firm. Moka's ability to name individuals could be a result of his time spent at Henfel during the early stages of integration, no matter the cause of this ability to recognise individuals, Moka shows an ability to be personal with the employees. This is one of the features which came up repeatedly during the interview. The ability to recognise the individual and make sure that they feel seen and important plays into the shared ownership that Moka deems necessary for a successful integration.

When asked about his own opinion on the level of integration and the experiences belonging that the employees of Henfel feel toward VBG Group and the Ringfeder division, Moka says that he is under the impression that Henfel is fully integrated into Ringfeder. But keeping with the idea that an organisation is a living organism, the ever-changing of the multifaceted organisation means that the integration work will never be completed. Moka also says that the level of perceived belonging to the larger Ringfeder, and even larger VBG Group, probably differs depending on the role of the person asked at Henfel. Moka is under the impression that on the managerial level: the top management, being Carlos Rohrig, would state that they feel fully a part of Ringfeder, a five out of five on a scale. The management and administration Moka speculated would feel "*integrated and happy*" and provide a four or a five on a one to five scale. Moka does express that the shop floor workers do not experience as large of an influence from VBG and Ringfeder and thus would provide a lower score of three to four. Moka does interpret the shop floor situation as that the workers are aware of the new owners, they feel secure in their jobs, both long term job security and physical job safety. Moka explains that the German and Swedish influences when it comes to routines and safety regulations are most likely the largest change that the workers have experienced, and it is this that their interpretation of VBG Group and the Ringfeder division is founded upon.

4.4 Interview with Carlos Rohrig, General Manager of Sales and R&D, Henfel

4.4.1 Background of Carlos Rohrig, VBG Group, Ringfeder, and Henfel

Carlos Rohrig began his career in VBG Group in 2008 when the company he was working for was purchased by VBG. This gives him additional insight into the experience of being integrated into the corporate group. Rohrig thus, along with his background as a child of Brazilian parents, being born and raised in Germany, and having gone through the integration process himself as well as having spent a significant amount of time within the company, was chosen to be an integral part of the new management in Henfel. Rohrig's insight and understanding of the VBG organisation and specifically the Ringfeder operations allowed him to be Ringfeder's voice and the spokesperson for the VBG Group when the German delegation was not onsite. Hedberg expressed during his interview that Rohrig had been identified early as a key person for the organisation, and Rohrig educated himself through an Executive Program in Industrial Management at KTH Royal Institute of Technology in Stockholm, paid by VBG Group. Additionally, relevant to this thesis is Rohrig's background in international business management. Rohrig's subject for his bachelor's thesis was the interference of culture between German and Brazilian businesses. This provides Rohrig with a relevant foundation of knowledge to advance the integration process and provide relevant information to the data collection of this thesis.

Today, Rohrig is the general manager of sales and R&D. Rohrig describes his role as being people oriented. The managing of people, daily psychology, and mitigating the differences between cultures and interpersonal relationships are described as side effects of his role. Although Rohrig also describes his main tasks as controlling the market, developing strategies, and implementing a way of working, both internally and with external parties, he emphasises the importance of interpersonal relationships in his work. When discussing the processes of acquisition and the general questions of how the acquisition of Henfel came to be, Rohrig has limited insight as his role at the time was representing Ringfeder in the South American market. Being based out of Brazil and having his background in both Brazilian and German cultures, Rohrig joined the acquisition as a market specialist. His role in the work leading up to the acquisition of Henfel was limited and thus his input on the process is not as rich as the interviews

of Hedberg and Moka. The information gathered from Rohrig will therefore mainly be highlighting the integration process from the point of view of the onsite management.

4.4.2 Initial Integration Process

Rohrig does express that the impression that he received when it was time for the integration to take place was that the employees felt in some way ambushed. Rohrig reasons that this was due to the non-disclosure agreements signed prior to the acquisition. Hence the employees were unaware of the intent to sell. Rohrig retells that the former owner, Cassiano, had disclosed the agreement as a joint venture, not as a full sale of the company, to the employees. This is speculated to have created some level of mistrust in the VBG and Ringfeder organisations. This contrasted with Rohrig's own personal view of the acquisition being a great opportunity for personal development as well as professional development. Rohrig further expresses that his interpretation was that the employees at Henfel were sceptical towards the possibility of change. This unfortunate state of mind has somewhat continued, as Rohrig witnesses that there are still instances to this day, when employees will reference the former owner, Cassiano, to express criticism of decisions being made by the management. As the memory of the former owner and the expressed dislike for change perseveres, Rohrig has adapted a people-first mentality in his work to integrate the organisation into the larger Ringfeder division.

Rohrig describes Henfel's corporate culture as a *people make the difference* mentality. This is discussed as Rohrig also perceives that the overall educational level is lower in Henfel compared to the rest of VBG Group. Rohrig means that by keeping the individual in mind, and providing opportunities for those who seek them, the organisation creates a strong incentive for its employees to stay with the firm. The idea that it is the people that make the company, and not the other way around is likened by the way Rohrig describes the differences between the Brazilian national culture and the German national culture. Rohrig's insights lead him to describe the German national culture centred in the Ringfeder organisation as a long-term orientation. The strategies and analysis of KPIs and reporting provides a more rigid and structured approach to the running of a company compared to the more relaxed Brazilian way. The Brazilian way of running a company is deemed as a more individualistic way. The contrast of these two differing

ways of managing a company leads to certain clashes. It is these clashes that Rohrig has witnessed and has been a part in mitigating.

4.4.3 Interaction Between Managerial Levels and Strategy Forming

Rohrig's role within the integration process has formally been developed over time, but his role as a representative for VBG and Ringfeder has been constant. Rohrig has the knowledge and experience in the different national cultures that split the Brazilian Henfel and the German-run Ringfeder division. When asked about the integration strategies, Rohrig estimates that 40 percent of the integration process was the integration and implementation of the routines regarding reporting. This includes implementing KPIs, a customer relationship management system, monthly reports, and so on, that were not set into practice previously. The remaining 60 percent of the integration process was, according to Rohrig, his own doing. Rohrig describes his primary task from Ringfeder was the joining of people. This is described as a strength from VBG and Ringfeder's side. The ability for Ringfeder to send their employees to Brazil to create relationships and integrate the organisation in a personal way. Rohrig expressed that to fully execute this task efficiently, he utilised the book *Leading Change* by Kotter. Further, Rohrig describes the need for ritualistic celebrations for the workers to gain their trust and their respect. The workers need to feel seen and Rohrig would arrange shop-floor barbeques and celebrations for Father's Day and such. Rohrig emphasises the need for local connection: "*you cannot send a German here and do it the German way*" (C. Rohrig, personal communication, May 2nd, 2022). This point of view was shared by Ringfeder and VBG Group as the individuals who were leant to Henfel to aid in the integration process were deemed open minded people who stayed for a longer period to properly train and assimilate with the local employees. Rohrig adds that the most important information was gathered during these informal meetings described. Spending time having dinners, taking Sunday morning walks, long car rides, was a major source of information-flow that is described to not take place during formal meetings.

Rohrig describes that, although he did not experience a strict integration strategy from Ringfeder, the divisional management did provide any support wished upon. When finding the individuals relevant to visit Henfel during the integration process, Rohrig perceived himself to have a large influence on who to bring over. He also experienced that the understanding from Ringfeder that

each integration process will be different and that the Brazilian process was unique, and changes needed to be made in due time was helpful. *“Adapting, adapting, adapting, and doing changes in the right timing”* was the leading mentality during the process (C. Rohrig, personal communication, May 2nd, 2022). With the general interpretation that the integration process had no strategy, Rohrig found that the ability to adapt the non-existent plan and find the most appropriate tactic in that moment and perform the changes slowly was the key to the successful integration. Rohrig goes on to describe that the requests that Ringfeder was making were placed from a macro-perspective: to take care of people, to grow and such. These broad definitions allowed Henfel, and Rohrig, to do things their own way. The details of the tactics and the strategies were up to the local management. But although seemingly left to their own devices, Rohrig expresses that there was constant support and encouragement from Ringfeder and especially Moka. Rohrig estimates that the distribution of strategy forming between the managerial levels was 60-40, with the majority being placed upon the local management.

Rohrig was not only a voice for Ringfeder in Brazil, but he was also a voice for Henfel towards Ringfeder. The duality allowed for Rohrig to adapt the changes and the structure for when each adaptation was to take place. The constant balance between the Brazilian acting on gut feelings and the German structural mannerisms was a large discussion and Rohrig’s impression was that due to the extensive experience of Ringfeder, they understood that each acquisition needed their own agenda. Rohrig found that the support and structure of the integration process came, not from being provided a straight-out strategy, but by being asked the right questions during the check-ins. These questions regarded the participation in training programmes, the state of the machinery, and the general state of the welfare of the employees. These were topics that provided Rohrig with the foundations of the intentions of Ringfeder’s integration and allowed for a dialogue to take place. Rohrig points out a need and determination for openness and honesty throughout the integration process. Both towards those affected by the changes at Henfel, and the new owners in VBG Group.

4.4.4 Level of Acculturation

Keeping the accountability for both ends of the integration, Rohrig has found that the largest changes in Henfel has been the shift in professionalism and teamwork. Bringing into play the

new ways of reporting and the opportunities that VBG Group has offered Henfel employees, the organisation has transformed from a small family-owned company which lacked in structure, into a company with routines and a clear framework. The opportunities for employees at Henfel to utilise grants, find funding and other ways to increase their competencies has been well welcomed by the local employees. Rohrig describes how many took English-classes funded by VBG and other types of development courses as was mentioned by Hedberg previously. The change in teamwork is described by Rohrig as the tendency for family-owned companies to be relatively closed off to internal communications when it comes to the opportunities for employees to voice their opinions. These changes in behaviour are estimated to have taken approximately three to four years.

Although Rohrig describes the changes in the passage above to have taken place during a three-to-four-year period, he does not consider Henfel fully integrated. His estimation is that the reporting is integrated, the KPIs and the systems are integrated. But the people are not entirely integrated. Rohrig sees that the continued work with integrating will be a continued focus on people first. Rohrig sees that he has the support from both VBG Group and Moka in finding the right modes in integrating people on a personal level. Rohrig attributes the personal ways of his processes as the reasons for the success of the integration so far.

4.5 Interviews with 20 Employees at Henfel

4.5.1 Introduction to the Respondents

The information provided in the interviews provide only the top three levels of the pyramid shown in Figure 3. The last tier in the four-tier structure consists of the employees at Henfel who took part in the shift of ownership and governance, and their responses might help in determining the efficiency of the strategies implemented during the integration of Henfel into VBG Group. Because the employees have been employed at the firm before the acquisition took place, they are able to provide insights on the implications of the adopted strategies. The sample group consists of 20 individuals who are employed at different departments within Henfel to allow for the entire organisation to be represented. The responses were completely anonymous, and the affiliation of each response is unknown when coding.

4.5.2. Responses Regarding Perception of Change, VBG Group and Ringfeder

When analysing the answers from the structured interview, a recurring theme in the answers was the newfound need for professionalism that came with the change in ownership. The respondents described the changes in their daily tasks and routines as consisting of a higher degree of professionalism necessary for recognition. An indication of a higher level of formalities and structure when regarding the daily tasks is present in multiple replies. This in addition to a clearer hierarchy, with departments receiving more autonomy and the reallocation of leadership and workers. This is in alignment with the structural changes described by Moka, but it also aligns with the further responses received from the structured interview.

Although multiple respondents emphasised the perceived values of VBG Group and Ringfeder to be people oriented and especially inclined to develop the employees, the answers also showed a perception that VBG and Ringfeder is a serious company with a strong long-term orientation. This long-term orientation is perceived to manifest in a firm organisational structure with a goal of financial growth. This financial objective is however only mentioned by two respondents but cannot be ignored. The prevalence of the impression of VBG as a serious company can be interpreted in many ways. When further looking at the answers in the structured interview, the seriousness described is manifested in the perception of the stricter hierarchy with clearer goals and quotas being communicated to all levels of the organisation. Multiple respondents, on different questions, respond that VBG Group is highly dedicated to developing the employees of Henfel. One respondent emphasised the personal opportunities that VBG has provided. The respondent is positive about the opportunity to learn English and states that they will hopefully be proficient enough within a year to confidently take part in all meetings which they are invited to and to fully understand the entire meeting without needing translation or feeling insecure of the language.

This perception of VBG's involvement in the employee's personal development is present in almost every response. This is also reflected in the perception by some respondents that VBG believes in Henfel. There is also an extensive perception amongst the respondents that VBG and Ringfeder have a high level of involvement in Henfel's operations, this as previously mentioned is partly manifested in the establishment and upholding of deadlines and performance indicators.

The increase in presence of VBG and Ringfeder in the Henfel organisation is not indicated to be a widely negative context, although certain wordings indicate that some individuals perceive VBG and Ringfeder's own corporate culture as more aggressive than the original Henfel culture.

4.5.3 Perception of Acculturation

When asked about the differences in perceived corporate culture from prior to the VBG/Ringfeder acquisition in 2015 to the present day, the depictions vary. Although there is a presence of individuals who express that there has been no tangible change in the organisational culture, others provide a broad and extensive picture of the differences. In line with the idea previously described the shift from a more familiar family-style culture to a more professional culture is once again illustrated. Although, when answering this question, it is not as prevalent as in the questions regarding the interpretation of VBG/Ringfeder's corporate culture. The broad description is that the changes made have been minor shifts in the manners in which people present themselves and the ownership and possibilities for personal development. This change from a family-style leadership to an individualistic sense of personal ownership of your own development is reflected in the descriptions of finding a higher sense of teamwork and professionalism. The company-wide goals of market presence and financial goals are goals that all respondents are aware of, and each respondent also expresses the sense of understanding of their own importance in achieving the broader goals of the company and the Ringfeder division.

When asked of the way the perceived changes to corporate culture were made, the most common reply was that the changes had been implemented slowly. With one respondent stating that they had not perceived any change until faced with the question. This was followed by the expression that changes are constantly happening, but that the changes have only refined the prior existing culture. Others discussed the change of top management from the older generation to the top management placed by Ringfeder as a significant facilitator of cultural change. Another mode which the employees of Henfel have perceived as a promoter of cultural change is the presence of management from Ringfeder in periods, and the various talks and training that Ringfeder and VBG Group provided Henfel with. Many respondents perceive the changes being slowly integrated, which is communicated as the changes being executed in a respectful manner with a high sense of responsibility for the entire organisation.

5. ANALYSIS

Through the analytic framework presented in Figure 2, the empirical data will be analysed.

5.1 Strategy

The first phase of the analytical framework describes the necessity for the acquirer to provide a solid foundation for the integration process to build upon. This foundation is built upon the explicit growth strategy of VBG Group, where the 10 percent growth goal is to be made up of equal parts organic and acquired growth. Hedberg also described during his interview how the acquisition of Henfel was a global strategic move. The search for an appropriate firm to acquire in South America is what led them the group to purchase Henfel. The strategic need for a subsidiary in the South America more generally and particularly the Brazilian market was the result of a gap in the market coverage of the region, as well as trade barriers challenging the import of products into the country. Hence the strategic acquisition of a suitable firm to integrate into the organisation and the Ringfeder division was necessary to expand the market presence for VBG Group. The ability to acquire a well-rounded firm which had the ability to produce the already existing product portfolio was deemed necessary to overcome the trade barriers hindering the effective entrance into the South American market.

Keeping the reasons for the acquisition in mind, the formulation of an integration strategy should according to Voth (2020) be formulated as to curate this reasoning. In the case of VBG/Ringfeder and Henfel, the strategic acquisition of the Brazilian subsidiary was motivated by the need to establish production within the market, among other factors. This need meant that the intention was for the acquired firm to produce Ringfeder's products in addition to their own. This intention meant that the strategy must be formulated in a manner to achieve this goal. However, the strategy provided by Moka does not explicitly state the goal, nor does it provide the means of reaching said goal. What can be deduced from the empirical data is that the relative informality of the strategy has been consistent throughout the integration process. As Rohrig explains how he did not experience any clear strategy for the corporate culture integration, indicators that the fluidity of the strategy does not lend into the idea that there was no strategy. Instead, the actions of Moka indicate that the task integration was of utmost importance. This is

motivated by the inclination for Moka and members of his team to spend a significant amount of time at Henfel following the acquisition. The haste to integrate the machinery, reporting systems, and KPIs signify a clear goal in the initial integration.

The lack of a clear strategy to be communicated imply that the factor of strategy has not been fulfilled. Although, the actions of Moka, his team, and later Rohrig, indicate that there was a clear goal and that the strategy for implementation and integration was to allow the practitioners to adapt and apply the most appropriate strategy in that specific situation. This “no-strategy”-strategy could be argued to not be an actual strategy. The argument of it not being an actual strategy would exclude the existence of the systematic approach presented by Moka as well as the theory presented by Marks and Mirvis (2000). These factors taken into consideration, we would argue that the formulation of the strategy was clearly founded in the intention to enter the South American, and particularly the Brazilian, markets. This market entry comes with certain obstacles, one being cultural differences. The goal of the strategy implemented in the second phase of integration, where Rohrig was provided freedom to act and implement the corporate culture as he deemed fit, can be interpreted as being aimed at providing an appropriate level of change. The appointment of Rohrig was a part of this strategy. Rohrig’s extensive knowledge of the national culture as well as the corporate cultures of both VBG Group and Ringfeder solidifies his position as a key figure. The freedom Rohrig was provided through the strategy gave way for the appropriate implementation of corporate culture.

5.2 Leadership

The second phase of the analytical framework is the leadership aspect, which is connected to the transformation structures theorised by Marks and Mirvis (2000). The structures depict the levels of leadership in addition to their main tasks and characteristics. The structure of the integration process when isolating the leadership aspect in the case of VBG Group, Ringfeder, and Henfel is established to not follow Marks and Mirvis (2000)’s structure to the full extent of the theory.

Although there is a clear hierarchical structure of the companies, for example the daily operational decisions and social integration strategies are developed on the lower tier of the company group. The usage of the structure as described by Marks and Mirvis (2000) would be to contain strictly separate tiers which each steer and formulate different levels of the integration

strategy, which only to a certain extent fulfilled by the case company. Moka and Rohrig both describe similar structures, but not Hedberg.

When expanding upon Marks and Mirvis (2000), VBG Group are the transition management since they are the individuals that delegate the integration to the respective division. The division's leader is in turn in charge of the transition team, in our case Moka and his associates. The transition team are the individuals and the group defining the goals, planning the broad strategies, and clarifying the success factors for this acquisition integration. This is in line with the transformation structures presented, and the members thereof are somewhat in line with the individuals described by the theory. As the transition team is made up of Moka and others in the Ringfeder leadership, information regarding the involvement of the existing leadership at the time of the acquisition of Henfel is missing. What is known of the involvement of the top management in the integration process is that they were a part of the task force assigned to perform the practical integration of Henfel. Although the tasks of the task force differed during the integration process, the underlying usage of the task force is to establish a clear hierarchical structure like the one seen within VBG Group which can be interpreted as consistent according to the replies from the structured interview.

The task forces described by Marks and Mirvis (2000) are displayed in two different formations in the case studied. The first being the task force charged with the assignment to oversee and execute the structural and physical changes needed to adapt Henfel into the Ringfeder division. This task force is not compliant with the transitional structures. The first task force consisted of the leadership from Ringfeder and certain individuals such as the former owner of Henfel. This is further described through the way Moka is said to have spent an extensive amount of time at Henfel directly after the acquisition. The task force was made up of the same individuals as the transition team in some sense defeats the purpose of having the separate structures. The necessity for the task force to be established leaders within the organisation allows for the adaptation of the goals presented by the transition team to be applicable to the firm being integrated. When Moka's own team both formulated the general strategy, the goals, and measurements of success and also implementing the strategy, there is a possibility for them to be somewhat rigid in keeping to the expressed plan than what is desired. The expressed experiences of the employees at Henfel, in combination with the semi-structured interviews, indicate that the experienced

rigidness of this first noncompliant-task force was not as stringent as the Marks and Mirvis (2000)'s theory might indicate. Instead, it was somewhat aligned with the ideas of leadership presented both by Marks and Mirvis (2000)'s theory as well as Voth (2020). Moka himself, as well as Rohrig, both expresses that the individuals that joined the structural transition task force were open minded individuals who possessed the interpersonal skills described as necessary, in addition to the specific task-skills that were changing within the organisation. The aligns with what is characterised by good leaders by Marks and Mirvis (2000) and Voth (2020). The leaders described were aligned with the leadership characteristics described by Voth (2020) and they were appropriately utilised in the transitional structures, but they were part of multiple levels of the transitional structures. The latter is not aligned with the theory used to analyse this factor.

The second task force is the one which Rohrig expresses is still in place to this day. Although both Hedberg and Moka describe that the integration is completed, Rohrig stated that the process is still underway. This second task force was made up to a larger extent of individuals who had established leadership positions within Henfel. Some of these individuals had procured their position due to the acquisition, among those Rohrig himself. This task force is described to a greater extent to be in line with the transitional structures. Rohrig states that he perceived that the strategy of corporate culture implementation to a large extent was for him to formulate and implement it himself. which is in line with the task force structure described by Marks and Mirvis (2000). The freedom to interpret and implement strategies and changes are in line with the task force structure presented by Marks and Mirvis (2000). At the launch of the task force, the goals were somewhat different to those of the previous task force. While the earlier task force was given the responsibility to integrate the processes and structures of Henfel to be alike to the rest of the Ringfeder division, the latter has a clearer aptitude to the perceived experiences, and thus the corporate culture implementation than the first one did. This latter task force was also a more appropriate task force according to Marks and Mirvis (2000) as the group was made up of managers who were identified as highly talented individuals with great interpersonal skills and extensive insight into both organisations. Rohrig's task force also has a greater correlation to the features of leadership described by Voth (2020): highly adaptive, engaged, aligned with the company's vision, and the ability to be held accountable by the metrics put into place by the transition team. Although Rohrig explicitly said that he did not interpret that the success of the integration was being measured, he did also say that during meetings the transition team would

ask questions with regards to the integration progress. This measurement was confirmed during the interview with Moka when he expressed the five-step integration process, in which a part of the final step is the review and analysis of the progress.

To summarise, the second task force can be considered a true task force while the first task force could be seen as a combination of a task force and a transition team. The factor of leadership is argued to be fulfilled to a large extent, but not necessarily fully accomplished.

5.3 Communication

When analysing the third factor for success of the integration process, the establishment of trust and openness will be evaluated. This is in line with the theory presented by Bijlsma-Frankema (2001) and Stahl et al. (2011). The heterogeneity of corporate culture within an organisation described by Bijlsma-Frankema (2001) and the acceptance thereof can be deduced from the replies in the interviews conducted. Bijlsma-Frankema (2001)'s description of trust being built upon dialogue and the shared goals and norms, indicates that communication is necessary for trust to form. This indicates that the line of open communication must be founded on trust. The indicator of trust as described by Stahl et al. (2011) is the experience of mutual respect established by the acquirer. The subject is discussed with Moka when he explained how the former owner stayed at Henfel during the initial integration phase and that this was a way to establish mutual respect. Due to the nature of Henfel having been a family-owned company prior to the acquisition, the respect for the owner was described by Rohrig to be a part of the existing culture, both national and corporate. This time allotment for adjustment allowed for the perception of Ringfeder to be a company which respects the individuals that make up the organisation. This has been confirmed as a largely successful strategy as all but one of the respondents to the structured interview expressed some form of experienced respect by Ringfeder and VBG. This reflected further in the proclaimed agreement with the goals of Ringfeder, and the acceptance of the announced new norms regarding features such as safety routines. This indicates to some extent the fulfilment of the criteria expressed by Bijlsma-Frankema (2001).

There was an expressed need for both open communication and respect be established by the newly appointed management. For example, both Rohrig and Moka expresses the necessity to get to know the employees on a personal level. This was backed up by Hedberg, but his experience was limited to the relationship-building completed prior to the acquisition. Rohrig explained how it was during the informal relationship-building instances that information which could be essential to the production line was divulged. The emphasis on the informal space and its role in the building of relationships show a clear tactic and understanding of the need for trust within an organisation. This could potentially be deduced to be of high importance in analysing the perceived trust and openness expressed in the structured interview. Although some respondents' replies indicated a more prominent line of communication and feedback being received from managers, others expressed that the managers were perceived to be placed further from the reality of the production line. This duality could indicate that the establishment of trust has come further than the establishment of an open communication. Albeit the fulfilment of the criteria presented by Bijlsma-Frankema (2001), and the establishment of trust and mutual respect presented by Stahl et al. (2011), indicate that VBG through Ringfeder have established communication towards the stakeholders being researched, the employees.

5.4 Culture

As the fourth factor *culture* is the main area of study for this thesis, certain limitations have been applied. Thus, the analysis of this factor will not investigate the entire subject but will instead be analysed through deemed appropriate components of culture; this factor will analyse the effective use of the joint social activities suggested by Larsson and Lubatkin (2001). These activities are described to be aimed at integrating the low-level employees, blue collar workers, and addresses the importance of integrating this group of employees to achieve acculturation. The events are given as any social events, ranging from formal training to informal parties, and celebrations.

This factor was mainly covered by Rohrig, which is reasonable as the task of cultural integration was mainly given to him personally. Rohrig expressed that the national culture of Brazil highly values social gatherings such as barbeque parties, Father's Day celebrations, and similar events. Through the ideas and ideals provided by Rohrig regarding the social component of the

integration, this was more so an appeal to the national culture than the theory presented by Larsson and Lubatkin (2001). Even though the origin of the intention was a petition to appeal to an existing national culture, the execution of the large events is fully in line with the theory presenting the importance of integrating the low-level employees to achieve acculturation.

Although Rohrig was the one who addressed the factor to the largest extent, he was not the only one of the three in-depth interviewees who partook in the social events described by Larsson and Lubatkin (2001). As the joint social activities are described as not being limited to the relaxed social gatherings, the safety training administered by Moka's team are also included in this factor. The training and workshops were described by some of the respondents of the structured interview as means used by Ringfeder to implement and integrate corporate culture, the perceived use was therefore in line with Larsson and Lubatkin (2001). The perception of the activity could influence the outcome as the lessons might not be those intended, which is shown through the ideal of safety protocol on the ways of doing everyday production the Ringfeder/VBG way. The perceived ideals were aimed to transmit lessons on safety protocol and both Moka and Rohrig described the safety aspect as one feature where change occurred. This change was also confirmed through the structured interviews where the responding employees at Henkel describe safety as a feature of the Ringfeder/VBG culture. This is in line with the activities described as well as the methods suggested by Larsson and Lubatkin (2001) as modes of corporate culture implementation.

The efforts made to integrate the low-level employees can be assumed to have been successful as the responses to the structured interview indicate that they experience an agreement and a belonging to the perceived corporate culture of Ringfeder and VBG. This shows that the joint social events arranged by both Moka during the initial integration phase and Rohrig during the later relationship-building have resulted in a successful fulfilment of the culture factor.

5.5 Speed

When analysing the final factor, speed, the theories presented by Birkinshaw et al. (2000) and Stahl et al. (2011) will be used. Birkinshaw et al. (2000) described the need for task integration

prior to the human integration, while Stahl et al. (2011) stated that the integration being more likely to succeed if the initial integration is completed rapidly.

Looking at the order of integration, the strategy established by Moka is somewhat attuned with the theory presented by Birkinshaw et al. (2000), that is that task integration must precede the human integration to succeed. In the case of Henfel, the task integration was done through the adaption of the production line and other operation related tasks, such as the change in reporting financial data required by the publicly listed VBG upon the acquisition. The task integration did in some ways precede the human integration, but when analysing the order in which events took place, another image emerges. Hedberg, Moka, and Rohrig all expressed the need for personal relationships when conducting business and particularly when implementing change. The empirical data indicates that the human integration simultaneously started with the task integration, and the personal relationships behind the acquiring team and Henfel's old management started during the due diligence process. The parallel implementation processes of Henfel deviate from the established theory of task integration and the subsequent human integration presented by Birkinshaw et al. (2000). Even though Voth (2020) and Stahl et al. (2011) express the need for a rapid integration process, the features of the integration described are regarding task integration and only briefly touch upon the features of human integration. The preferred swiftness with which the integration is to take place could also impact the perceived respect discussed as part of the trust-building under the communication factor. This makes the simultaneous human and task integration executed by Moka and his team problematic. As the organisational and task changes are to be made swiftly, the human integration which takes place parallel needs to be allowed the time necessary to establish trust.

Although the coinciding timing of task and human integration took place in the beginning of the integration phase, the second phase of the integration was more closely focused on the implementation of corporate culture. This second phase of human integration was clearly described by Birkinshaw et al. (2000). In contrast to the theory, the groundwork for human integration at Henfel was laid not only by task integration, but also by the foundation of relationships built during this initial phase. This allowed for Rohrig to focus on change management of the Henfel's employees, which he describes as the main task in his daily work. With the new tasks and routines being in place when Rohrig became the general manager of

Henfel, he did not have to focus on the establishment of the task integration. Instead, Rohrig could focus on the expressed establishment of trust and integration of people.

The speed of the task integration is difficult to determine as the timelines presented are somewhat diffuse. What can be commented on is the intention and the resources allocated to Henfel to adapt the production line to the new product portfolio. The importance of weighing the time allotment to the expenses necessary for the effective change is expressed by Stahl et al. (2011) as the importance of being a time efficient process. This is also in line with Voth (2020)'s description of the optimal integration speed as being a balance between integration depth and quality versus the cost of time.

6. CONCLUSION AND RECOMMENDATIONS

6.1 Answering the Research Question

“To what extent could the acquiring foreign company’s corporate culture implementation strategies assist in the integration process of a recently acquired company?”

With the research question in mind, our study shows that the establishment of a corporate culture implementation strategy could to some extent assist in the integration process of a recently acquired company. The empirical findings have shown that in the case studied, the acculturation strategy is formulated at the top management-level, which is then communicated, and developed, down the hierarchical ladder. This resulted in the general manager of the acquired company receiving the liberty to apply the strategy in a manner which was deemed appropriate in the situation. The case studied provides an example of the use of a corporate culture implementation strategy. This example contributes to the conclusion in line with the recommendations provided by Yin (2018) regarding the limitations when generalising results from case studies. Our summarisation of the theories is that if the acculturation is successful, as our structured interview responses to some extent indicate, it will be beneficial to the integration process of an acquired company. The presented theories also show that management can assist in human integration directly through change management, which seems to be confirmed by actions taken by the general manager of Henfel.

If the features mentioned in the practical implications are fulfilled and can be replicated in a representative manner, then from our understanding a corporate culture implementation strategy will extensively aid the integration process of a recently acquired foreign company.

6.2 Implications

6.2.1 Theoretical Implications

As was discussed previously, the lack of cohesive and extensive theories has limited the application of theoretically founded strategies in this thesis. The empirical data, analysis, and conclusions presented are aimed to provide a certain degree of understanding surrounding the

cultural integration implementation strategies of cross-border acquisitions. The insights provided result in a suggestion for theoretical implications, it being a response to, and development of, the theory of Voth (2020).

While Voth (2020) indicates that the five synergistic success factors are built upon each other, it is our interpretation that the factors are all necessary for the successful corporate culture integration of an acquisition. An adaptive strategy has been argued to be essential for the success of cultural integration in the analysis as well as the conclusion. The element of an engaged leadership which is held accountable by progress metrics was depicted in the data gathered from Henfel's management. Arguments can be made that the engaged leadership described is reflected in the theories addressing the involvement of trust in the establishment of culture (Bijlsma-Frankema, 2001). The establishment of the comprehensive communication to all stakeholders, including the employees at the acquired firm, is featured in other theories such as Stahl et al. (2011). It was also confirmed in the research conducted that there was emphasis on the communication to the employees, as well as meetings between the management at Henfel and the CEO of Ringfeder where discussions and updates on the integration were shared. The final feature, the appropriate speed for specific integration strategies is discussed below as an attribute to the practical implications of this research. It is our belief that the model presented by Voth (2020) should be interpreted in its entirety as four components setting the foundation for the successful acculturation, in contrast to how Voth (2020) has described culture as the fourth synergistic success factor.

6.2.2. Practical Implications

When considering the analysis, the implications of the corporate culture implementation strategy are tangible. The strategies were perceived to provide leeway to those implementing them to accurately adapt to the situation and to the people being exposed to the strategy. This is an apparent feature in both theory and the results of the research depicted in this thesis. The conclusion of our analysis indicates that a comprehensive strategy would most likely be met with resistance from the acquired company as the rigorous adherence to said strategy could limit the level of trust between the parties. Instead, the analysis indicates that a strategy formulated with

sections from fragmented theories could be the most efficient if applied as a guide instead of a set of instructions.

The constant need for adaptation presented in the empirical data as well as in existing theory is discussed in the analysis. Hence strategies should be made supple and pliable to the evolution of the practical situation and the possibility to backtrack should be easily available to the individuals performing the integration. In the case studied, the formulation of theory was limited to one managerial level. The other levels of management either interpreted that no strategy existed or were unaware of the process. This could be argued as taking the flexibility of the strategy to the extent where the perception of an existing strategy is limiting the guidance it could provide. The integration and corporate culture implementation process was on the other hand described by the employees at the acquired company as a smooth process which was, in some cases, described as falling below the level of perceived change. Thus, indicating that the strategy of not communicating a clear strategy was efficient in the formation of a somewhat smooth transition process from the original corporate culture to the implemented corporate culture.

In closing, the establishment of a strategy could ease the integration and cultural implementation process. This is if the strategy in question is formulated as a guide or an indication of the vital aspects of culture discussed in this thesis. If the strategy is formulated as a detailed description of the proceedings, the space for the necessary time-allotment or the features which may not produce the results described could end up hindering the integration and thus being the pitfall of the process. Subsequently, to be the most efficient, a strategy should be formulated to contain the aspects of culture that will be implemented, the strategy should also consider the existing culture and with that the national culture of the acquisition. This needs to be reflected in the individuals chosen to execute the implementation as it is beneficial that they preferably understand both corporate cultures as well as the national culture in question. Our empirical data indicates that the strategy should not include an explicit timeline or a detailed description of the processes of implementation but allow the practitioner room for interpretation to most efficiently achieve the goal set in the strategy. If these features are fulfilled it is our opinion and understanding that a corporate culture implementation strategy could extensively alleviate, aid, and set up the integration process of a foreign acquired company for success.

6.3 Limitations

When looking at our research, we realise that there are some limitations which must be addressed. We are aware of the inability to capture and represent all those companies that try to implement corporate culture as part of their integration process after an acquisition with one case study. We did however make sure to interview individuals spanning all levels spanning from the company group to the individual worker in the acquired firm, but due to time aspects we were unable to interview all those either contributing to, or experiencing, the integration process. We would like to highlight that, in line with our selection presented under methodology, the intention was not to interview everyone involved either. There was also a limitation regarding a language barrier of the structured interview respondents. In attempting to solve this barrier and mitigate the respondents' risk of misinterpreting our interview questions, the questions were translated to Brazilian Portuguese. The open-ended answers that we received were thereafter translated to English by multiple individuals to limit the bias of interpretation and the risk of missing key information.

We would also like to add that even though all data was gathered during the last few weeks, the strategy of the acquisition is in retrospect and is therefore faced with the problem of decreasing capacity of recollection. Lastly, we only measured one acquisition's employees' experiences of the strategy's aid in the integration process, its owner (the Ringfeder division), and the company group (VBG). A more thorough analysis throughout all divisions and acquisitions of VBG might have provided a more nuanced picture. With all of this in mind, we believe we have been able to provide valid research in the field, given the time aspects and company access, to the best of our ability.

6.4 Future research

After evaluating our and prior research, we would like to make some recommendations to be considered for future research. With an ever-changing business environment, the research should be updated too. Most published international business studies which address the cultural integration phenomenon are set in a less digital setting. We would therefore advocate more research in this field with regards to the current global business environment. We would also

recommend an extensive literature review based upon the most recent research in the field. The empirical data published in this thesis is based upon our respondents' remembrance of their integration participation. To complement this, a study researching an ongoing integration process could be beneficial in the validation of the analysis and the conclusions presented in this thesis.

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APPENDICES

Appendix A

Interview guide for the group's management

Introduction question:

- Please introduce yourself
- What is your role within the company?

General questions:

- How would you describe the international strategy of the company?
- Could you please describe the process of an acquisition?
- How autonomous would you say that subsidiaries are within your organisation?
- Could you expand the process of bringing a new subsidiary into the corporate group?
- Do you have a set strategy for the integration of people after an acquisition?

Specific acquisition questions:

- Please describe why *specific company* was acquired.
- What was your role during this specific case?
- Could you tell us about the process of integrating *specific company* into your group?
- Do you find that your corporate culture strategy when acquiring *specific company* has assisted in the integration process?

- *If yes*: how so?
- *If no*: why not?

- To which extent would you say *specific company* has been integrated into the company group?

- Do you feel that the integration process for *specific company* is complete?
 - *If yes*: how much time was spent on the process?
 - *If not*: what is left to do?

- Are you personally satisfied with the integration process of *specific company*?

- Last question: To which degree do you think *specific company*'s employees feel connected with *the acquiring company* on a scale of 1-5 and how do you think the employees would describe *Big Company*?

- Is there anything you would like to add?

Thank you!

Appendix B

Interview guide for the acquired company's management

Introduction questions:

- Please introduce yourself
- How long have you been at *specific company* and the company group?
- What is your role within the company?

General questions:

- Please tell us about your experiences when/before *specific company* was purchased by *Big Company*.
- What was your role at this time?

Specific acquisition questions:

- What were your expectations when *specific company* was acquired by *Big Company*?
- We have some questions regarding what is known as corporate culture. Just to make sure we are on the same page, our definition is: "*the beliefs and ideas that a company has and the way in which they affect how it does business and how its employees behave [...]*". Please describe your current corporate culture.
 - To what extent do you experience that the changes in corporate culture have been affected since the acquisition?
- What is your experience on how efficiency/productivity has been affected since *Big Company* acquired *specific company*?

- How did you experience the integration process into *Big Company*?
- To which degree do you think *specific company's* employees feel connected with *the acquiring company* on a scale of 1-5?
- What role did you play in the process of integration?
 - Were you allowed to influence the integration strategy?
- In your experience, was the strategy of integration clearly communicated to you by *Big Company*?
- With the guidelines and strategies provided by *Big Company*, how did, or didn't, you implement them and why?
- Did you ever deviate from the strategy provided?
 - Did you use the strategy as a guide in any way?
 - Did you find the guidance provided useful during the assimilation process?
 - Why / Why not?

If the answer to the original question was similar to "no strategy was provided", then we will instead ask:

- Which corporate culture strategy did you conduct when undergoing the integration process into *Big Company*?
- Lastly, could you please describe the biggest changes that you have experienced prior to the acquisition compared to today?
- Is there anything you would like to add?

Thank you!

Appendix C

Because of the language barrier, the structured interview were written in English and thereafter translated to Brazilian Portuguese. Appendix C1 is the original English version, the translated version Appendix C2 was the one the respondents received.

Appendix C1

Interview guide for the structured interview asked towards the acquired company's affected employees (in English)

The introduction page of the structured interview:

Hello,

Thank you for agreeing to answer our survey, your answers will be very valuable both for the paper we are writing, as well as in helping us graduate.

It will only be us, two Swedish students at the University of Gothenburg, who will have access to your answers and any other information provided. NO one else will be allowed this information (no manager, no management, etc.) We will summarise and reproduce your answers in our essay, completely anonymised. It will take 10-15 minutes to reply, five questions in total. There are no right or wrong answers and no need to use fancy words.

Thank you sincerely and have a great day!

/Victoria and David

The structured interview itself:

We are looking into when Henfel was sold in 2015 and how Henfel's employees have been affected by this change in ownership. The company VBG Group purchased Henfel through its division Ringfeder.

1. Please describe the biggest changes in your workday today *compared* to before Henfel was sold.
2. Please describe VBG(*Ringfeder*) as a company and their goals/values. Do you share their goals/values?
3. Please tell us about your perception of VBG(Ringfeder)'s involvement in Henfel.

The last two questions will be regarding corporate culture, so for context, this is our definition: *“the beliefs and ideas that a company has and the way in which they affect how it does business and how its employees behave”*.

4. From your point of view, how has Henfel's corporate culture been affected since the company was sold?
5. How have these changes been made?

Thank you!

Appendix C2

Interview guide for the structured interview asked towards the acquired company's affected employees (in Brazilian Portuguese)

The introduction page of the structured interview:

Olá,

Obrigado por concordar em responder nossa pesquisa, suas respostas serão de extremo valor para a conclusão do nosso artigo, assim como para ajudar-nos com nossa graduação.

Apenas por nós, dois estudantes suecos da Universidade de Gotemburgo, teremos acesso às respostas e a qualquer outra informação providenciada, NINGUEM mais (nenhum gerente, pessoal de RH, etc.). Nós iremos resumir e reproduzir suas respostas em nosso artigo, elas serão completamente anonimizadas.

Acreditamos que o tempo de resposta das 5 (cinco) questões propostas será de 10 (dez) a 15 (quinze) minutos. Não há resposta certa ou errada e também não esperamos nenhum tipo de resposta formal, apenas respostas sinceras.

Muito obrigado e tenham um ótimo dia,

/Victoria e David

The structured interview itself:

Nós estamos levando em conta o período que a Henfel foi vendida em 2015 e como os seus funcionários foram afetados pela troca de donos. A companhia VBG Group comprou a Henfel através da sua divisão Ringfeder.

1. Por favor descreva a maior mudança no seu dia a dia profissional comparado ao período anterior a venda da Henfel.
2. Por favor descreva a VBG (Ringfeder) como companhia e descreva também suas metas e valores. Você pessoalmente acredita e compactua com estas metas e valores?
3. Por favor descreva-nos a sua percepção sobre o envolvimento da VBG (Ringfeder) na Henfel

As últimas duas questões serão sobre a cultura corporativa, para seu contexto, esta é nossa definição de cultura corporativa: *“Os posicionamentos e ideias da companhia e a maneira com que estes afetam o negócio e o comportamento dos funcionários”*.

4. Do seu ponto de vista, como a cultura corporativa da Henfel foi afetada desde a sua venda?
5. Como essas mudanças culturais foram implementadas?

Obrigado!