# “IT WOULD BE EASY IF ONE WOULD KNOW EXACTLY WHAT TO DO”

## A case study of how middle managers handled organizational culture differences during a post-merger integration phase in a Finnish multinational corporation

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| Essay/Thesis: | 30 hp |
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# Abstract

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**Purpose:** This study aimed to examine middle managers' experiences of differences in organizational culture during the post-merger integration phase, to figure out what kind of problematic consequences the differences lead to and how the middle managers dealt with the challenges.

**Theory:** Jordan's (2014) inventory of the conflict potential theory was utilized to understand different thematic areas that can cause conflicts and which organizations need to manage effectively.
Schweiger, Csiszar & Napier's (1993) categorization of three organizational identities was applied to investigate the organizational identities described by the interviewees.

**Method:** A case study was conducted by examining a Finnish company formed by a merger of two companies in 2020.
A qualitative method was applied, and semi-structured interviews were held with 9 middle managers located in Finland. Pre-merger culture surveys and exit surveys conducted by the case company were utilized as secondary data sources. Comparative analyses were conducted between different data sources to improve the trustworthiness of the results.

**Results:** Managers had experienced several cultural differences. Opinions regarding flexibility, roles, decision-making, characteristics of businesses, recruitment, communication, hierarchy, and general atmosphere varied. Several managers commented on differences in identities. As problematic consequences of differences respondents mentioned for example decreased ability to serve customers, decreased motivation, disengagement, and uncertainty. The most common ways of handling the challenges were discussion and communication, involving people, creating own new procedures, highlighting positive things, openness, and honesty, empathy, listening and support, and paying attention to one's own behavior. Both consistencies and inconsistencies were found between the pre-merger culture survey, exit surveys, and the interviews.
The general perception was that company B was the more dominant party, presumably due to its bigger size. Generally, managers stated that there is still work to do and it will take several years until one shared culture will be achieved.

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Vilma Vaaheranta

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# 1. Introduction

*This chapter presents the study's relevance, the importance of middle managers in big organizational changes, differences between organizational culture and organizational identity, the role of conflicts in connection to mergers and acquisitions and justification for the theory choice.*

Over the last decade, the value of merger and acquisition (M&A) deals has risen globally (Statista, 2022) despite that M&As have not lived up to the expectations (Seth, 2021). Previously strategic and financial aspects have been the main focus when determining the success of M&As (Nahavandi & Malekzadeh, 1988; Cartwright & Cooper, 1993). However, in the 1980s, researchers started to notice that in order to succeed in a merger, more important than strategic or financial factors is integrating organizational culture and thus, cultural perspectives have gained attention in studies. Cultural differences have been seen as causes for failures and post-merger problems (Bowditch & Lewis, 1985; Cartwright & Cooper, 1993; Chatterjee, Lubatkin, Schweiger & Weber, 1992; Walter, 1985; Weber, 1996). According to these studies, major causes of organizational problems have been cultural incompatibilities and change resistance (Cartwright & Cooper, 1993). How different ways of thinking and behaving are managed may play an important role in determining the success of the whole merger (Schweiger, Csiszar & Napier, 1993).

In many industries, M&As are regarded as necessary for ensuring continuing growth. Hence, organizations need to develop an organizational learning process and improve their abilities for the M&A process if they are aiming to sustain their market growth and long-term survival (Bingöl, 2017).

As discovered in previous studies, the role of middle managers during a big organizational change is crucial (Balogun, 2003) as they act as critical contributors during organizational change (Balogun & Johnson (2004). They need to act as implementers of change, to motivate their subordinates and sell the change to them (Rouleau, 2005). Therefore, middle managers were seen as interesting actors to focus on in this study.

The terms organizational identity and organizational culture are often discussed in M&A contexts. However, it is crucial to notice that even if the terms have a lot in common as they are both used to describe how organizational norms, values, and characteristics are interpreted by stakeholders, the terms are not synonyms (Hatch & Schulz, 1997). While organizational culture responds to the question “How do we do things?”, organizational identity answers “Who we are?” (Zaheer, Schomake & Genc, 2003). The focus of this study is cultural differences, but since the concept of organizational identity is strongly related, it will be included in this study as well.

When two companies merge, the interaction between people from two organizations starts. Conflicts emerge inevitably in every organization and the expectation of a conflict-free work community is unrealistic. We all act, feel, and react to different things in different ways. Therefore, small disappointments cannot be avoided even in workplaces (Tjosvold, 2008).

Organizations have become even more aware of the need to solve conflicts but the readiness to manage them is inadequate in many organizations. Conflicts that are properly addressed in organizations can, at best, have a huge potential to drive companies forward (Tjosvold, 2008). If an organization can create a culture where people are encouraged to address problems, it enables the creation of a developing, agile, and good workplace (Piha, 2017).

Conflict may cause both positive and negative consequences. However, some negative outcomes are extremely significant since they can cause damage to organizations, huge expenses, decreases in profitability and effectiveness, and personal suffering. Thus, for organizations, it is not enough to know that culture is important, cultural differences can cause failures, and conflicts caused by cultural differences may cause significant losses (Lee & Nguyen, 2019). Instead, organizations need to understand the nature of cultural differences and the consequences such differences may have. They need to be aware of the differences, in which situations the differences occur, why the differences turn out to be problematic, what are the possible effective strategies for handling the conflicts, and what could be done differently to minimize the negative effects of cultural differences in M&A. By figuring out the risks of cultural differences, working will become more predictable and unpleasant surprises will not emerge as easily as earlier (Lee & Nguyen, 2019). By recognizing different manifestations of culture, the extent and power of the impacts of the culture on other things and happenings can be better understood (Martin, 2002).

The encounter of cultures is essentially about the encounter of values, identities, and habits. According to Miller & Brewer (1984), for individuals, it refers also to whether they appraise their own culture above or below the one they encounter. Individuals decide whether they stick to their former culture and habits or adapt to a new situation regarding organizational culture.

Consequently, this study will examine post-merger organizational cultural differences from a conflict perspective. The chosen case company was formed through the merger of two Finnish multinational companies which both employed thousands of employees globally. Both companies conducted a survey (see chapter 6.6.1) a couple of months before the merger to deepen their understanding of their organizational cultures. The survey indicated great similarity in the self-images of the companies but still, the company contact persons stated that cultural differences exist and thus, differences will be investigated. All this taken together invites for examination of whether this imagined cultural similarity holds up in daily practice and in the lifeworld's of managers.

Due to the complexity of cultures and the uniqueness of companies, one clear solution cannot be provided. Yet, this qualitative case study hopes to extend the understanding by investigating cultural differences experienced by middle managers. Perspectives of both former companies as well as people located in different cities and departments are investigated since different parts of the organization may experience the cultural change process and differences differently (Vaara, 1999).

As Laakso (2020) proposed, conflicts caused by cultural differences must be investigated further to deepen the understanding of why cultural differences cause conflicts in organizations. However, there is a deficiency of scientific application of conflict theories in the M&A context since organizational cultural theories are mainly applied. Therefore, to achieve different and fresh perspectives and findings, this study applies conflict theory. Conflicts have been studied in different environments, in organizations as well, but rarely in the context of M&A (however, see for example Falberg, 2019). Nonetheless, conflicts due to cultural differences emerge in M&A contexts as well and therefore this study will investigate which kind of cultural differences middle managers have experienced, how the cultural differences become problematic, and how the middle managers handle the conflict situations.

# 2. Aim and research questions

*In this chapter, the aim of the study and the research questions will be described.*

This case study seeks to investigate what kind of cultural differences middle managers in Finland have experienced during the post-merger integration (PMI) phase and to what extent the cultural differences became problematic. The study investigates the ways the cultural differences translated into frictions, problems, or outright conflicts. The purpose is also to identify what kind of strategies the middle managers used when they faced problems caused by cultural differences. Additionally, the study intends to reveal if there were differences between the managers depending on their background, meaning at which one of the merged companies they previously worked as well as between departments.

### Research questions

Based on the previous discussion, the following research questions were formulated:

- *What kinds of cultural differences have middle managers from the two merging companies experienced, and in what ways did the cultural differences become problematic?*
- *How have middle managers responded to the challenges related to cultural differences in their everyday life?*

# 3. The case company and the merger

*This chapter starts with a short description of the case company followed by the goals of the merger. Thereafter, the merged entity will be shortly presented, and the chapter ends with a review of how the case company depicts its culture.*

*The company requested anonymity and therefore the former companies are referred to by companies A and B. Accurate information such as exact numbers, dates, or industry of the company will not be revealed to ensure anonymity. To ensure anonymity, sources will not be provided either.*

Two Finnish publicly traded companies merged in 2020. Both companies operated in the technology industry and were listed companies, operating worldwide with thousands of employees. Company B was bigger than company A.

The focus of this study is Finland. Both companies had operations in several locations around Finland and due to the merger, in cities where both companies were present, operations were combined. Company B was divided into two parts; one part continued as an independent, listed company while the remaining part of the company merged with company A.

## 3.1 Goals of the merger

According to the company's web pages and a stock exchange release of the case company published in 2019, the merger was supposed to lead to strategic, commercial, operational, and financial benefits. The company was assumed to gain at least 100 MEUR annual cost synergies. In addition to significant turnover and cost synergies, aims were wide existence in the whole value chain, stable capital structure, attractive share policy, wide geographical coverage, economy of scale in all their business areas, and to be a forerunner in all business fields.

The companies complement each other uniquely as the merger combined the leading technological expertise of company A and the well-developed service readiness of company B. All the stakeholders, customers, employees, and cooperation partners were expected to benefit significantly from the global network, size, a wide technology, and service selection as well as the principles of sustainable development. Excellent position in utilizing the market possibilities globally was assumed to create strong added value for shareholders. Long-term technology leadership, customer centricity, and project expertise were stated to be advantages of the new company.

## 3.2 The merged entity

At the beginning of 2022, the company reported that the integration project was completed, and the goals of the integration and synergy processes were exceeded. The goal of turnover synergy was reached almost a year before it was expected. The company now is a large-sized enterprise operating in over 50 countries and representing about a hundred different nationalities. The headquarters are located in Helsinki, Finland.

The Chief executive officer (CEO) of the new company is the former CEO of company B and company A's previous CEO is currently President in one of the Business Areas in the new company. The board of directors consists of six members from company B and four from company A.

## 3.3 Culture at the case company

According to the case company's web pages, culture is one of their four main focus areas when implementing the strategy. At the company, proactive service culture, innovativeness, and solution-oriented mindset are appreciated. Learning new things and developing own career actively are encouraged. Both companies had joint cultural values including a strong commitment to sustainable development.

### *3.3.1 Internal material*

Based on the case company's values and culture presentation, the values that guide the company's way of working are stated to be at the heart of the culture. *Performance culture* is the company's top priority since it enables strategy delivery. It is highlighted on the web pages as well. It is defined as having high ambition in all they do, putting the customer in the center, celebrating successes, and learning from mistakes. It also means active and open communication, supporting and empowering each other, and having an inclusive environment, growth, and learning opportunities for everyone. The company states that its hierarchy is low, issues are not hidden, diversity is seen as a strength, difficult decisions are taken without delay and silos are broken to perform together. They argue performance culture is an inspiring and energizing work environment, “a culture that people aspire to be a part of.” This is how they would like their culture to look, sound, and taste in everyday work life.

The company has also launched “Culture Ambassadors”- a training program that is targeted at a group of people willing to influence the culture journey and to make a positive change. It aims to strengthen cultural awareness, influence building an inclusive, respectful, and open work environment, and observe and influence the direction the company wants to go. “Often, it’s the small things that matter and when we start to have thousands of these small moments, we have created a big impact”. The program started in autumn 2021 and 25 ambassadors were selected representing as many countries, market areas, and parts of the organization as possible. The ambassadors were trained to host culture workshops for teams and are sharing their learnings and observations in blog posts which are available on the company’s internal channels, and everyone is encouraged to read, comment, and share their own experiences there.

# 4. Previous Research

*This chapter presents an overview of previous related studies. To begin with, the term M&As will be explained followed by a presentation of success of M&As, motives for M&As and M&As in Finland. Thereafter, previous research of cultures, including cultural differences and their consequences will be presented as well as cultural friction, the importance of observing cultural differences, the term acculturation, and ways of improving cultural integration. A brief overview of previous studies of organizational identity and mergers as well as the role of middle managers will be provided. Lastly, previous studies of conflicts will be presented.*

## 4.1 Mergers and Acquisitions

M&As is a widely used term when talking about corporate acquisitions. The terms are often used as synonyms even if they differ in meaning. As a term, it does not differentiate between mergers and acquisitions, but it is rather a general term for corporate acquisitions. In mergers, two, possibly similar size and equally strong, companies combine their powers by creating a new company and simultaneously the previous companies cease to exist. In mergers, it is relevant that by combining their resources, parties strive to create a new corporation and thus both companies are the target of change (Teerikangas, 2008).

Instead, acquisitions refer to a situation where there are acquiring and acquired parties. The acquirer integrates operations of the acquired company to some extent into its business activities. Depending on the integration strategy of the acquirer, the business of the acquired may remain completely independent, partly independent, or become completely merged with the acquirer's business. Sometimes the buyer can adjust its operations to be compatible with the acquired whereupon in practice, the acquisition can become a merger (Teerikangas, 2008). Nonetheless, the buying party usually exercises greater authority in the combined company (Alaranta, 2008). In other words, acquisition refers to a situation where one company buys another and is its owner while a merger means that one company is created from the two existing companies (Hayes, 2021).

### *4.1.1 Success of M&As*

Since the 1980s M&As have been an increasing trend in many fields worldwide (Barmeyer & Mayrhofer, 2012), and could be stated that they are even institutionalized. M&As impact deeply not only the companies themselves but also economic sectors, industries, and national economies (Angwin & Vaara, 2005). Even if a lot of studies have investigated M&As it has been argued that 50 % (Waldman & Javidan, 2009), 55-70% (Carleton, 1997), or even 50-80% (Hakonen, Lipponen, Kaltiainen & Kupiainen, 2015) of M&A fail and do not reach their goals. There are arguments that about 75% fail in creating value for shareholders in the medium term and the profitability of acquired companies decreases (Ravenscraft & Scherer, 1989). Despite the high risk of failure, the number of mergers increases (Hakonen, Lipponen, Kaltiainen & Kupiainen, 2015).

Many scholars have claimed that the high failure rate is caused by cultural differences (Chatterjee, Lubatkin, Schweiger & Weber, 1992; Nahavandi & Malekzadeh, 1988; Weber, 1996). Cartwright & Cooper (1993) explain that inconsistent cultures are the main reason for failures and decelerate the achievement of financial benefits. According to Walter (1985), 25-50% of M&A failures are caused by cultural and workforce integration problems. Angwin, Gomes, Tarba & Weber (2013) claim that the main reason for failure is poorly implemented or inadequate integration. Therefore, planning and implementing the integration phase plays a significant role in terms of the success of M&As. Integration refers to the period after corporate acquisition (post-acquisition integration phase) when operations of the acquired company are integrated into the operations of an acquirer (Teerikangas, 2008). The general finding of previous studies is that organizational integration processes are long-lasting and burdensome (Vaara, 2002). The integration period is recognized to be extremely critical in terms of successful corporate acquisitions (Haspeslagh & Jemison, 1991; Larsson & Finkelstein, 1999).

M&A can be done domestically, or cross-border and it is argued that cross-border M&As are more difficult due to the different national cultures than the domestic ones. In contrast, Teerikangas & Very (2006) disagree. They state that differences in organizational cultures are maybe even more difficult to integrate than national ones. Cultural differences may appear as well in the same industry as between different industries and integrating cultures when companies operate in the same industry may as well be very challenging (Buono, Bowditch & Lewis, 1985).

### *4.1.2 Motives for M&A*

The major motive for M&A is to achieve rationalizations and to realize synergy which often leads to difficult integration processes including powerplay, resistance, and conflicts of interests (Angwin & Vaara, 2005). Larsson & Finkelstein (1999) examined empirically 61 mergers and focused on synergy realization. They discovered that the most important factor explaining synergy realization was organizational integration. They also noticed that if companies had complementary operations, the success was higher. More resistance among employees occurred in mergers between similar companies in comparison to companies having complementary operations.

Other aims are to gain growth and diversity and achieve financial and operational synergies such as in compensation systems, marketing, and production. Several obstacles have reduced the speed of achieving desired operational synergies such as resistance to structural changes (Pitts, 1976), the unwillingness of employees to adapt to other company's practices and culture (Jemison & Sitkin, 1986; Lubatkin, 1983), and different compensation systems or management styles (Lubatkin, 1983). M&As may also be conducted as a response to changing market environments and globalization (Weber, Shenkar & Raveh, 1996) or as means to achieve dominant market positions and higher returns, as a way of decreasing risk, economies of scale & scope, acquiring products, technologies, and expertise. Companies may also use M&A as tools to access new, desired fields, sustain competitive advantage, to improve product portfolio, technology, or scientific knowledge (Lodorfos & Boateng, 2006).

### *4.1.3 M&As in Finland*

Between 2013 and 2017 about 3,000 M&As took place in Finland. Amiri (2017) investigated the success of M&As in Finland and used data gathered from 61 different Finnish companies. All the companies had conducted at least one M&A during the last five years. The revenue of the companies varied from 50 million euros to several billion euros. 32 companies were publicly listed companies. Amiri proposed that the three most common reasons for M&A were to expand product or service offerings, to gain revenue synergies, and to expand the customer base. When the study compared Finnish companies with global ones, it was revealed that the Finnish companies had similar challenges as non-Finnish had. Even if the main goal of the acquisitions were to grow, about 50% reported personnel reductions – often due to overlapping functions. The respondents reported that the following five factors will be given attention when conducting the next M&A: internal communication, culture integration, integration planning, choosing the integration team, and better performance management. The most important functions to integrate were operations as well as sales and marketing.

Communication should be accurate, meaningful, and regular and to avoid misunderstandings, it should be appointed to appropriate people by the right channels. Companies reported that they would prefer face-to-face communication rather than emails or other online communication tools. They also underlined the importance of clarity, not only for the managers but also for everybody else. Further, openness was emphasized, and employees should not be underestimated (Amiri, 2017).

The culture was reported to be a crucial improvement area. The major findings of the study were that insufficient attention is paid to cultural issues or the company's lack of appropriate tools for correctly addressing cultural issues. Already during the negotiations, cultural alignment should be taken into consideration. Moreover, the clarity of the roles needs to be highlighted. According to the study, 56% considered culture alignment to be one of their top seven targets (Amiri, 2017).

## 4.2. Culture

The definitions of” culture” in the scientific literature are ambiguous. Definitions have different focuses and levels of analysis (Nahavandi & Malekzadeh, 1988). Many definitions are based on the definition by Tylor (1871, p.1) who define culture as ”that complex whole which includes knowledge, beliefs, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society”. Hofstede (1991, p. 6) sees culture “as the collective programming of the mind which distinguishes the members of one group of people from another”. Nowadays culture can be seen as a broad umbrella covering routines, rules, values, emotions, practices, beliefs, and norms (Angwin & Vaara, 2005).

Erkkilä (2001) states that sociological definitions act as a foundation for organizational culture. Values and attitudes, organizational structure and rules, corporate policies, selection of personnel, training, management’s transactions, communication, parties, and other events are part of corporate culture (McGrath, 2011). Erkkilä (2001) complements these with clothing, general atmosphere, and the ways how employees are treated, and customers are dealt with. Thus, organizational culture is the way how an organization acts or the common behavior model guiding the activities. However, the bigger the company is, the more subcultures exist in different countries, divisions, and units. Those can differ greatly from the culture seen and experienced by the management. When talking about different cultures, it is crucial to keep in mind that it is not about having the right or wrong way to act, but rather about different ways of acting (Erkkilä, 2001).

Also, Sathe (1985), talks about subcultures. He agrees that there exists one main, shared culture but most probably, there co-exist several subcultures simultaneously. Different subcultures may exist among functional, product, geographical, or occupational lines (Sathe, 1985). It is crucial to recognize not only the dominant but also the subcultures to be able to understand how the subcultures impact decision-making and organizational behavior (Nahavandi and Malekzadeh, 1988).

Buono, Bowditch & Lewis (1985) examined the anatomy of a merger in the USA in the banking sector from a cultural perspective. According to them, culture is unique in every organization including objective and subjective dimensions and it powerfully determines the behavior, interaction, assumptions, and satisfaction of individuals as well as groups. This applies also during normal times even though those are not so visible. When the culture is threatened this comes more clearly visible. The more people get shared experiences, the faster people start to identify themselves with the new culture.

*Objective organizational culture* indicates the artifacts that the organization has created. Examples of objective reflections of cultures are office locations, comfortable rest break areas, coffee rooms, saunas at the office, the type of leasing cars, and office decorations. *Subjective organizational culture* instead refers to assumptions and beliefs shared by organizational members and how they understand norms, environments, values, and roles of the organization and it is unique for each company (Schwartz & Davis, 1981). It also includes the so-called managerial culture which refers to mental frameworks, how problems are solved, behaviors as well as leadership styles that the organization supports (Peters, 1980).

### *4.2.1 Cultural differences and their consequences*

In the contemporary globalizing business environment, paying attention to cultural differences affecting M&A is increasingly important (Teerikangas &Very, 2006). Examples of organizational culture differences are *dissimilarities in practices* such as flexibility (adapting to change, trying out new ideas, trying new ways of doing things, the flexibility of management (Kitchell, 1995), *customer orientation* (customer satisfaction drives business objectives (Deshpandé & Farley, 1998)), *innovation orientation* (whether the culture is innovative, challenging, pressurized and stimulating, (Oliver & Anderson, 1994)), *supportive culture* (whether relationships are valued, culture is equitable, trusting and collaborative) *management philosophies, strategic directions, autonomy* (Lu, Plewa & Ho, 2016), *future orientation* (planning is valued, management continuously makes plans for the future (Kitchell, 1995)) and *empowerment* (initiatives are encouraged, employees are trusted and encouraged to use their judgment when making decisions (Hartline & Ferrell, 1996)). Other examples are *social atmosphere* (Van den Berg & Wilderom, 2004) and *relationship performance* such as interdepartmental coordination (informal talks are enabled, employees feel comfortable calling between departments, people in other departments are accessible, and everyone can talk to anyone despite their position (Menon, Jaworski & Kohli, 1997)).

The list below summarizes the above-mentioned organizational cultural differences

- Dissimilarities in practices
- Customer orientation
- Innovation orientation
- Supportive culture
- Management philosophies
- Strategic directions
- Autonomy

- Future orientation
- Empowerment
- Social atmosphere
- Relationship performance

Existing literature has studied the impacts of cultural differences, yet with different outcomes. For example, Chatterjee, Lubatkin, Schweiger & Weber (1992) propose that the bigger the differences are, the more problems will appear leading to smaller profits and worse performance in the markets. Also, Vaara (2000) claims that cultural differences, referring to values and beliefs, cause problems. Buono, Bowditch & Lewis (1985) noticed in their study that during post-merger integration, different cultures often lead to competition among employees instead of the "honeymoon" phase. Negative stereotypes are very common, and people may wonder why the communication is so poor, why the manager is not treating them fairly or why things do not happen as they should. Ambiguity can be strongly present; it is unclear who is for instance in charge of the new department, and this will lead to dysfunctionality. Due to cultural differences, people can feel that they do lose accessibility to management (Buono, Bowditch & Lewis, 1985).

Martin (1983) claims that in so-called *boundary drawing processes*, individuals make sense of their own and the cultures of others and hence draw barriers between different cultures. People tend to see their own cultures as unique even though the uniqueness is often an illusion when looking from a more realistic perspective.

Vaara (2003) studied post-acquisition decision-making challenges from a sensemaking perspective after a merger between Swedish and Finnish companies in the furniture industry. He found four different characteristics; *issue politicization, organizational hypocrisy, cultural confusion, and inherent ambiguity*, which may act as barriers to effective post-M&A integration. Organizational hypocrisy refers to inconsistency between decisions and actions (Cho, Laine, Roberts & Rodrigue, 2015). Vaara (2003) argues that differences in communication and decision-making will cause cultural confusion and ambiguity which instead would lead to organizational hypocrisy if the ideas and actions are not aligned.

Instead, Krishnan, Miller & Judge (1997) found that cultural differences may create unique value for the organization which is, in turn, one of the most important motives for acquisition (Salter & Weinhold, 1979). More specially, different backgrounds of managers are mentioned as an example of a source of unique value. These may strengthen the merged company by compensating for the weaknesses of both companies and this may consequently enhance maintenance or even creation of competitive advantage (Porter 1987).

### 4.2.2. Cultural friction

Luo & Shenkar (2011) state that even though there is a distance between cultures due to their respective differences, when meeting people representing different cultures and working together, it would be more appropriate to talk about cultural friction. The term cultural friction does not include as negative associations as cultural distance since as individuals cooperate, cultural differences enable not only synergy disruption but also synergy (Shenkar, 2001). The disruption caused by cultural differences is beneficial for a company when it provides novel and different ideas but if it swells too big and uncontrollable, it becomes destructive. In its bad form, it is usually based on the pursuit of power between the cultural groups (Cox Jr, 1991). Socialization, adaptation to the dominant culture, human resources, and communication are lubricants for decreasing cultural friction. Yet, Luo & Shenkar (2011) propose to consider the extensive implementation of those if cultural friction is not causing big problems, rather may even eventually improve the performance of teams.

### 4.2.3 Importance of observing cultural differences

In a corporate acquisition, the personnel of the acquired company are suddenly employed by another company. The values and culture of the new employer may differ significantly from the customary values and culture. Being aware of and observing these cultural differences during the integration phase is extremely important to be able to get the personnel of the acquired company committed. Usually, the organizational cultures of both companies change during the integration phase. Nevertheless, the level and scope of integration, profitability, and management style define whether the cultures change as much or if one of the previous cultures becomes dominant (Erkkilä, 2001). Lodorfos & Boateng (2006) agree that noticing cultural differences is extremely important. They argue that to create value and enhance the success of M&A, sufficient planning before a merger and keeping cultural integration at the heart of strategic planning and implementation are crucial, already before starting any consolidation.

When determining the new vision and strategy of the combined company, the management of the acquirer company should have a clear perception of both parties´ corporate cultures, values, and operating models. If the vision of the future of the combined company and the strategy required for its implementation is significantly in contradiction, it is assumed that the transformation process will be long and challenging. The earlier the management of acquiring a company can create an understanding of the organizational culture and operating models of the target company, the better it can plan the integration structure and preliminary organization structures (Erkkilä, 2001).

Lodorfos & Boateng (2006) claim that managers do not analyze cultural fit sufficiently before the actual integration phase. If the company does not have a clear integration strategy available already early in the integration process, the manager does not have a coherent strategy about how they could deal with potential conflicts, or they could optimize benefits or culture-related issues could be solved reactively instead of proactively. In some cases, strategies may exist, but managers may fail implementation which can lead to big problems. Consequently, attention should be paid to culture in all stages since culture fit is key to successful M&A (Lodorfos & Boateng, 2006).

#### *4.2.4 Acculturation*

Researchers adopting a process perspective have focused on “acculturation processes” and applied integration perspectives (Vaara, 1999). Larsson & Lubatkin (2001, p. 1574) define M&A acculturation as “the outcome of a cooperative process whereby the beliefs, assumptions, and values of two previously independent workforces form a jointly determined culture”, while Berry (1980, p.215 in Bingöl, 2017) describe it as” changes induced in (two cultural) systems as a result of the diffusion of cultural elements in both directions” Most often, one party tries to dominate the other even if this should be two-sided.

According to acculturation theory, most probably the level of resistance will be lower if both parties find the deal satisfying. The feelings of employees about the deal may vary during the process. Their feelings may for example change to be more negative if the acquiring company handles the process poorly even if they had been positive at the beginning (Teerikangas & Very, 2006). Teerikangas & Very (2006) note that organizational culture differences are not static since according to acculturation theory, cultures change when they are in contact with each other. In the beginning, the cultures might be very different but over time, after successful integration, they may become very close to each other. Expectations of personnel, their perceptions of how the progress has advanced as well as companies´ preferences of acculturative modes will have an impact on this.

As mentioned earlier, it is common that various subcultures to exist simultaneously, and thus, different acculturation modes may be active at the same time. Therefore, it is important that management understand the various subcultures and that those may demand different management (Shrivastava, 1986).

#### *4.2.5 Improving the cultural integration*

A lot of studies have been made on how the mergers would be successful and organizational culture is pointed out as one important factor. Both before and after the merger, several organizational culture-related aspects should be considered (Schraeder & Self, 2003). Potential problems should be noticed as soon as possible and therefore it is recommended to consider the post-merger integration process already during the pre-merger stage. Instead of focusing on symptoms, emphasis should be put on the root causes (De Noble, Gustafson & Hergert, 1988). Less resistance, dissatisfaction, and more trust will occur if employees are allowed to participate in the pre-merger stage (Lodorfos & Boateng, 2006). De Noble, Gustafson & Hergert (1988) found that it is very important to involve line managers in the process and to invest in organizational culture and people.

Larsson and Lubatkin (2001) investigated 50 M&As that took place in Sweden and the US. They propose how the management of acquiring companies manages the informal integration process impacts the success of acculturation. Authors argue that by participating in different activities such as socialization rituals, training, celebration, and introduction programs, acculturation is best achieved. This will, no matter the size of the organization, expectations of synergies, or the differences between cultures or nationalities, lead to the joint organizational culture created by employees.

The perceptions of Larsson & Lubatkin (2001) are in line with the suggestion of Teerikangas (2018) as she argues that people from both companies should be in contact with each other as much as possible, interact, have joint projects, workshops, and training. These all will lower the cultural barriers. This differs from the understanding of Cartwright & Cooper (1993) as they argue that the pre-merger cultural attribute defines mostly the post-merger acculturation and consequently management would not have control of it during the integration process.

### *4.2.6 Organizational identity and mergers*

Organizational identity can be determined as an individual's perceived feeling of oneness with the organization (Mael & Ashforth, 1992). According to Hatch & Schulz, 1997 and Scott & Lane (2000) it refers to the organizational members' shared beliefs about the distinctive characteristics of the organization. Organizational identity provides a sense for employees of how people are supposed to behave, internally and externally (Zaheer, Schomake & Genc, 2003). On the other hand, for customers, organizational identity depicts what kind of people work at the organization, what the company does, and how the people work there (Gioia & Thomas, 1996). In this regard, it is not surprising that organizational identity issues are present in most mergers (Zaheer, Schomake & Genc, 2003).

It is common that even for a long time, people may identify themselves with their former team and manager (Buono, Bowditch & Lewis, 1985). Tajfel & Turnel (1979) studied identity construction processes. Questions such as "Who are we?" and "Who am I?" tend to lead to "we typification"

(Dahler-Larsen, 1997). Individuals who do not identify themselves with the organization will act more out of self-interest instead of contributing strongly to the collective goal (Scott & Lane, 2000).

“Us versus them” thinking and power struggles are common when integrating two companies. Original identities can be seen even for a long time after the formal creation of a new common culture has started. In and out-groups are formed when cultural differences are expressed in language, way of working, and dressing which strengthens the boundaries between groups and consequently leads to decelerated psychological integration (Olie, 1994). As an example of expediting psychological integration, Olie (1994) states it is important to remove former identification symbols. He also proposes that common goals are crucial since they may get people to consider them as one big group instead of two separate ones.

Organizational identity is constantly reshaped by how organizational members understand the organization (Brunninge, 2005). Identity is hard to change and changing it becomes even harder the longer the identity has remained intact (Daniel & Metcalf, 2001). Resistance will probably emerge if the way how employees perceive organizational identity is not aligned with strategic efforts (Brunninge, 2005).

## 4.3. Role of middle managers

The role of middle managers during a big organizational change is crucial (Balogun, 2003). Balogun & Johnson (2004) concluded that middle managers act as critical contributors during organizational change. One of the main challenges for middle managers is, regardless of their experience, to successfully perform several roles simultaneously requiring various behaviors and skills (Bryant & Stensaker, 2011). Middle managers must ensure that the business runs as seamlessly as possible while implementing the change (Balogun, 2003). They need to act as implementers of change, to motivate their subordinates and sell the change to them (Rouleau, 2005). Nevertheless, middle managers usually have not been part of formulating the change and therefore it is possible that they do not support or believe in it (Valentino, 2004).

From the individual point of view, the role of middle managers can be seen as more important than the higher management since the manager is present in daily working life and thus guides the change every day (Erämetsä, 2003). Middle managers are in an important position since they represent the aspirations of top management and their work community simultaneously (Kotter, 2012).

It is important that managers first understand the change and process their feelings before they transfer the project forward. If they are unable to tell and justify the background for the change clearly and plausibly, they are unable to receive the trust of employees and the change process starts slowly (Järvinen, 2001).

## 4.4 Conflicts

When it comes to causes of conflicts, a general statement is that conflict is caused by dissatisfaction, disparate interest, values, and norms of beliefs between individuals or groups. In addition to contrasting organizational cultures, causes of conflicts may be insufficient management practices, experiences of inequity or loss of status, or those can be inherited from conflicts existing in previous organizations. Conflicts may be also caused by controversies between managers or employees or between two managers (Bingöl, 2017).

According to Corkindale (2007), unclear organizational structures, increased competition for resources, and general confusion caused by managers striving to create an appropriate management style may lead to conflicts. Piha (2017) mentions unclear roles, unclear work distribution, and unclarity in responsibilities. Mutual trust may be weak, and cooperation practices may be insufficient and biased. Consequently, self-interest is unilaterally driven, boundaries are highlighted, and the own domain is defended (Piha, 2017).

### *4.4.1 Different types of conflicts*

There are different types of conflicts. Role conflicts have gained attention among scholars. Role conflicts refer to a situation where incompatible demands are targeted toward an employee. Unclear roles, referred to as “role ambiguity” may cause role conflicts and this may lead to additional anxiety and stress (Kahn, Wolfe, Quinn, Snoek & Rosenthal, 1964). Both interpersonal and intergroup conflicts can be triggered by role ambiguity. How an employee is capable of handling stress caused by change and the changes in status and job description may be influential for success (Floyd & Lane, 2000; Baillien & De Witte, 2009). Consequently, role conflict may become a significant cause of conflicts (Kahn, Wolfe, Quinn, Snoek & Rosenthal, 1964), leading to loss of human capital, and decreasing the success of integration (Mueller and Price, 1990; Schweiger and Denisi, 1991).

# 5. Theories

*The theory chapter starts with a justification behind the choice of conflict theory. Secondly, three terms to describe organizational identity will be provided. The chapter concludes with Jordan´s (2013) definition of emergence of a conflict and Jordan's (2014) type of conflict issue categorization including descriptions of distribution, position, structure, behavioral norm, and conviction issues.*

In previous studies, it has been suggested that financial and strategic perspectives are inadequate when studying the success of M&As (Weber, Rachman-Moore & Tarba, 2012). As a solution, theories such as organizational culture theory have been used since it underlines more human aspects (Sarala, Vaara & Junni, 2017), and the general understanding has been that by applying culture theories, the success of M&As can be adequately justified. Still, possible constraints of this kind of approach have seldom been noticed. Research conducted by Felicia Falberg (2019) provided contradictory results showing that compared to applying traditional financial, strategic, and organizational theories, a lot of different findings can be discerned by applying conflict theory. The selection of conflict theory in her study assumed that it could be possible to utilize the theory that has been previously used mainly when investigating organizational conflicts other than in the context of the merger. The findings of the study revealed different causes of conflicts at individual, relational and systemic levels as well as between different types of conflict, and complex interrelations were uncovered. Therefore, inspired by the fresh perspective of Falberg's (2019) research and her encouraging findings, conflict theory was applied in this study too to provide different contributions to the field of M&A and cultural integration.

Schweiger, Csiszar & Napier's (1993) categorization of three organizational identities (see below) was applied to investigate the organizational identities described by the interviewees.

Conflict theory was applied to pinpoint what concrete problematic consequences cultural differences led to by examining the specific blocked desires the respondents reported. Thomas Jordan's (2014) *inventory of the conflict potential* model was utilized for classifying the issues middle managers mentioned that had blocked them or their subordinates to achieve their desires.

## 5.1 Organizational identity

Schweiger, Csiszar, and Napier (1993) differentiate three terms to describe what integration is about: assimilation, novation, and structural integration. *Assimilation* refers to a situation where one organization adopts the identity of the other company either voluntarily or forced. It is often thought that assimilation would be the best alternative even though it usually causes resistance and cultural clash. Most often the acquirer or otherwise the stronger party drives assimilation. However, sometimes, in situations where the other party has performed poorly, forced assimilation is required.

The second alternative *novation* refers to a situation where a new identity, new practices, and a new culture are created, and the best of both parties are selected. On paper, this sounds great, but this is an expensive option as changes and adaptations in both parties need to be planned and implemented.

The third alternative is *structural integration* where people in different departments retain their own identities even if the units are combined. Only a few changes are made but everyone is required to tolerate differences as no one is forced to change. Structures are integrated, but the cultures are only to a small extent changing.

## Conflicts

Jordan (2013) refers to a conflict as someone, or several people having a desire that they are not willing to relinquish. People feel frustrated as they feel that someone is blocking them from reaching their desire. Consequently, one or both parties start to react in some way towards the other party. The figure below demonstrates Jordan’s (2013) perception of how a conflict arises.

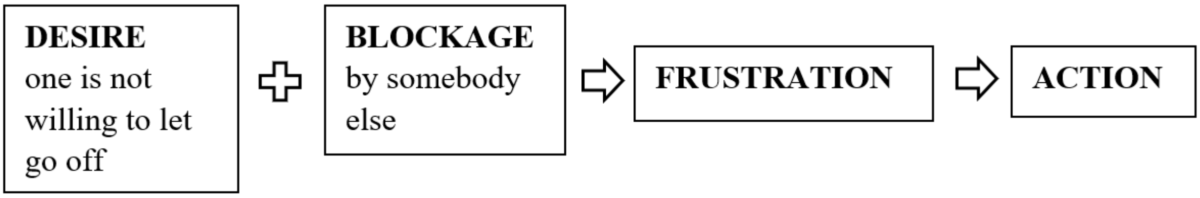


Figure 1. Jordan’s (2013) definition of the emergence of a conflict.

Since conflicts emerge continuously in all M&A processes, those are very concrete ways of pinpointing emerging conflicts in post-merger integration. Organizations have different capabilities to manage these conflicts and find and utilize their positive aspects. When companies merge horizontally between competitors, the risk of intergroup conflict is higher in comparison to vertical mergers. Success can be reached in financial terms, but a loss in human capital may occur (Bingöl, 2017).

## 5.2 Types of conflict issues

Jordan (2014) argues that a conflict potential exists in all organizations and situations may occur where individuals and groups have desires which become blocked by somebody else. Thus, he presented a list of themes that organizations may have to manage effectively and constructively.

The first theme is called *distribution issues*. This refers to issues where different parties have different opinions about the distribution of time and attention: how much time and attention should be dedicated to various issues and tasks. The distribution of workload (customers, patients, tasks, etc.) is another example. Money is also included in this category as well, including prioritizing in, for example, budgeting, wage negotiations, the amount of money devoted to training, and decisions about overtime compensation.

The second category is *position issues.* This refers to certain placements, roles, positions, and tasks that people in the organization may want to get or respectively avoid.

The third category is *structure issues* including disagreements about routines, regulations, methods and roles, and responsibilities as well as the delegation of authority, strategic orientation, and organizational structure.

The fourth category is *behavioral norm issues*. This refers to desires people might have about others' attitudes, ways of performing assignments, ways how people tend to communicate, and interpersonal treatment inside the organization.

Jordan (2014) calls the last category as *conviction issues*. With that he referred to situations when people have deep convictions regarding what is allowed or prohibited, right or wrong, good or bad, appropriate or inappropriate. Tensions between core perspectives, different opinions about what works and what does not, and the relations between different departments are included in this theme as well. Those are long-lasting, deep-rooted intrinsic values and can be linked to professional identities, values, and belief systems.

When cultural differences become problematic and create friction, this typology may be used to pinpoint exactly what issues are involved. This may allow the observer to arrive at a more concrete analysis of the consequences of incomplete integration of organizational cultures.

# 6. Method

*The method of this study is qualitative, and this chapter involves reasoning for the selection of the case company, description of the primary data, selection of respondents, planning, and implementation of the interviews, and data analysis. Thereafter, secondary data will be presented including results of the pre-merger survey conducted by the case company. The chapter ends with trustworthiness, limitations, and ethical considerations.*

A qualitative data collection method was chosen because the research aimed to gain an in-depth understanding of the phenomena and the complexity of culture supported the choice. The qualitative method is suitable for exploring questions of "what" and "how" (Bergström, 2021, 10). Charmaz (2006) notes that one of the advantages of qualitative methods is that changes can be done during the research project. In data collection, the scientific criterion is not the quantity of the collected data but rather the quality. This is one of the foundations for qualitative research and therefore comports with the nature of the study (Eskola & Suoranta, 1999).

Yin (2014) states that conducting a case study refers to implementing a current empirical study in its natural context by using multiple data sources. In a case study, one case, situation, or limited entirety, for instance, an organization, is investigated. The aim is to describe and examine the research object by using questions about how and why.

## 6.1 Selection of case company

There were several reasons why the specific company became selected for this research. The author has studied international business and is highly interested in multinational businesses. The author considered the industry of the case company to be interesting and values the high emphasis the organization puts on sustainability. Further, she has previously worked in another listed company during a merger and found it fascinating. Thus, studying this company during the post-merger phase was very interesting. The topic, organizational culture differences, and integration served both parties' interests.

The company is in an interesting stage since, at the point when this study was completed, almost two years have passed since the merger. As stated earlier, different estimations of the duration of integration have been suggested; from a couple of months up to twelve years.

Representatives from the case company agreed that cultural integration is still incomplete and therefore the topic is highly relevant for them. As widely agreed among researchers, the company also recognizes cultural integration to be a very challenging process.

## 6.2 Primary data - semi-structured interviews with middle managers

The primary source of data in this study was semi-structured interviews conducted with nine middle managers located in Finland. Semi-structured interviews were chosen since they enable spontaneous discussion and follow-up questions but ensure that certain relevant topics and questions are discussed (Saaranen-Kauppinen & Puusniekka, 2006). The risk in using semi-structured interviews is the possibility that answers are not consistent which in turn may affect reliability (Denscombe, 2016). Nevertheless, semi-structured interview was perceived as the most suitable method for this study.

## 6.3 Selection of respondents

The choice of respondents was discussed with the case company contacts from the HR department. We ended up choosing middle managers since they operate between top management and employees and their position is hence interesting and challenging. Middle managers from both former companies were selected to figure out if there are differences in their experiences depending on their background. Managers 2, 3, 4, and 5 were from company A and 6, 7, and 8 from company B. Seven respondents were men and two women. The respondents represented different departments: IT, HR, Communications, Research & Development as well as several company's business areas, and the titles varied between vice presidents, directors, senior managers, and managers. The majority, seven out of nine, interviewees had worked at the company already before the merger allowing them to reflect and compare organizational cultures between previous and current companies. Two interviewees (managers 1 and 9) who had joined the company after the merger were selected as well to see if they have experienced cultural differences and integration differently. Middle managers located in different cities were selected to be able to investigate whether there were some differences in how they have experienced cultural differences as in some locations, there are only people from one of the previous companies, and in some locations, both companies had already previously operations. Thus, it could be assumed that more concrete cultural clashes have happened there.

This can be called a purposive, heterogeneous sampling strategy since the aim was to choose people who possess the relevant information and have different characteristics and can hence help to answer the research questions and to reveal possible differences between their experiences (Dudovskiy, 2021).

## 6.4 Planning and implementation of the interviews

An interview guide (see Appendix A) was created based on the aim of the research, previous research, and the case internal material (pre-merger cultural survey and exit surveys) received from the case company. The interview guide was checked with the supervisor and the case company contact person. Topics in the interviews were background and current position, the merger, culture, perceived cultural differences, problematic consequences of the differences, ways of handling the challenges, the current state of the company, and the future.

The questions were formulated in advance, but reordering was possible, and the format of questions and exact wording may alternate between respondents (Ojasalo, Moilanen & Ritalahti, 2015) and some questions could be added or excluded depending on the respondent's answer. Dialogue around the topic is allowed rather than obeying strict verbatim questions. Both open-ended closed questions were used as well as follow-up why and how questions (Adams, 2015). On the other hand, the disadvantage of interviews as a research method is that it is labor-intensive and time-consuming; it takes time to prepare the interviews, find suitable participants, transcribe the interviews and analyze the results (Adams, 2015). Nonetheless, interviews served best the aims of this research. Throughout the interview process, the interview guide was continuously reassessed. Directly after the first interview, it was evaluated critically what worked and what did not, and some of the questions were modified, clarified, removed, and combined.

The duration of the interviews varied between 30 and 75 minutes. Eight of the nine interviews were carried out in Finnish since it is the native language of these respondents. This allowed them to feel more natural and comfortable and consequently more profound discussion and further explanations occurred. If English had been used, some answers could have been shorter and less descriptive. One interview was held in English since it was the respondent's wish and his working language. All the interviews were held one to one via Zoom due to the ongoing global pandemic, relatively tight schedule, and different residences of the parties.

## 6.5 Data analysis

All the interviews were recorded with the interviewees' consent to be able to fully concentrate on listening during the interviews and to extract direct quotes. Furthermore, since recordings enabled re-listening, the possibility of misunderstandings decreased as well.

Recordings were listened to carefully while trying to understand the main content. According to Saaranen-Kauppinen & Puusniekka (2006), when transcribing, the researcher needs to choose the level of transcription. In this study, the main interest was the content of the interviews, what did the respondents tell instead of the way how they told it. Consequently, transcriptions were made by focusing on the most relevant things, the content of interviews while styles of speaking, tone of voice, or expletives were not observed).

After transcription, data were categorized according to themes to facilitate making analysis. Similarities, synonyms, and related concepts as well as differences were explored. Differences mentioned by respondents were categorized according to Jordan's (2013) categories while the strategies to handle the challenging situations were created by the author.

Content analysis was applied as a method for analyzing the collected data. Tuomi & Sarajärvi (2018) note that content analysis can be seen as a loose theoretical framework that can be mirrored by different theoretical frameworks. In content analysis, the focus is on predetermined subjects. During the research process, interesting topics may emerge which may lead the researcher away from a predetermined path. Then the researchers need to accept that all interesting things cannot be investigated. A researcher should mirror his/her data to research problems continuously. Thus, it will be easier to remain with the topic (Tuomi & Sarajärvi, 2018).

This study is grounded on an abductive research approach meaning that previous knowledge guides and helps with analysis but the aim of the analysis is not to test the theory, rather to open new thoughts. When applying abductive analysis, the researcher continuously discusses data and theories (Tuomi & Sarajärvi, 2009). Abductive analysis was best suited for this study since the aim was to answer the research question by using previous knowledge as well as the collected data.

## 6.6 Secondary data

Several secondary data sources were used to increase the validity and reliability of the study. Peer-reviewed scientific articles, books, webpages, and various companies' internal materials were used. Company web pages, stock exchange releases, the company's internal value, and culture presentations were utilized to see how the culture was described there and to be able to compare if the respondents experienced it similarly. Exit surveys were used to examine possible culture-related reasons for dissatisfaction and hence decisions to leave the company and to see if there were connections between exit surveys and experiences reported by middle managers during the interviews. Further, findings of a survey conducted by both former companies for a couple of months before the merger were also used to gain a deeper insight into the pre-merger opinions, examine possible changes, and to compare with how the culture is stated to be by the company. The reliability of sources was continuously assessed. Comparison between different data sources was conducted as they could support each other and consequently increase the validity of the research.

### *6.6.1 Pre-merger survey*

Culture integration was identified as one of the most important success factors for the merger. To understand the current company cultures, both companies conducted a culture survey in February 2020 just before the merger as a first concrete step in the culture integration work. The response rate (62%) was relatively high and approximately 7,500 responses in total across the companies provided a comprehensive view of the cultures across geographics, functions, and businesses.

The survey included questions related to employees´ current company culture and seven different dimensions were included. Moreover, questions related to engagement and possible perceptions about the other company's culture were included. The results indicated that the cultures of both companies were very similar. The seven dimensions included were structured vs flexible, controlling vs delegating, cautious vs risk-permitting, planning vs doing, diplomatic vs direct, individualistic vs collective, and internal vs external. A 7-point scale was applied and almost all the average responses fell between 3.8-4.2and indicated no strong leaning. Some minor exceptions were that both companies rated the cultures to be more cautious than risk-permitting, a bit more individualistic than collective, and slightly more internal than external. All the dimensions except structured vs flexible were aligned, as company B members evaluated their culture to be more structured. The global footprint of the companies and differences in the country mix may have been reasons behind the differences in that one dimension.

Regardless of the similarities between the two cultures, results indicated that in both companies, the assumption about companies' cultures differs when compared to their self-assessments. The company interpreted this as important learning, reminding them that the perception of others may not correspond with reality. Consequently, willingness to get to know new colleagues and open-mindedness were interpreted as important success factors for the integration.

The companies cooperated with a consulting company and an integration expert commented this strong cultural match is rare in an integration. Based on the consulting company's experience with similar M&A culture surveys, the case company was in the top quartile on cultural alignment meaning that 75% of other companies received lower results.

Engagement-related questions indicated that employees perceived both companies to be supportive, trusting, great places to work, and usage of individual skills and abilities is enabled. In comparison to benchmark companies, the scores on all these dimensions were either in the first or second quartile. Instead, results from accountability and performance questions were revealed to be future development areas since the scores were lower compared to the benchmark figures.

Yet, the survey was not Finland-specific. Instead, it was sent out to all the employees at both companies worldwide. Regardless, the results can be used as a good base for further investigation.

Despite that the cultures seemed to be similar, according to the company's contact person, culture integration is incomplete after almost two years, and therefore they wanted challenges caused by cultural differences to be investigated.

## 6.7 Trustworthiness

Both primary and several secondary data sources were used to increase the trustworthiness of the study. Usage of results in the previous survey conducted by the company before the merger and finding from exit surveys contributed to the trustworthiness of the study. A comparison of info from different sources was conducted and similarities in findings strengthened the reliability.

Interviews are a desirable way of collecting material when the purpose is to gain detailed and in-depth data. Still, it is important to keep in mind that interviews are based on verbal statements rather than doing. Cameras were used in all the interviews to increase the sense of presence, to decrease talking out of turn, and to increase interaction as one sees each other's gestures and facial expressions.

The respondents were provided with an opportunity to make any corrections or additions afterward which increase validity. The fact that the author had worked at the company cannot be disregarded. Nevertheless, the respondents were unfamiliar since, especially due to corona, the author had not met them earlier. Therefore, it can be assumed that this did not lead to significant biases or decreased trustworthiness.

Trustworthiness could have been improved if several researchers have participated and consequently the number of interviews would have been higher and potentially middle managers located in other countries were also interviewed. Since this was not possible, several secondary data were used as support material.

## 6.8 Limitations

As usually in qualitative studies, the sample size was relatively small. Given the limited time and resources, the research relied on a small sample size; only nine middle managers out of hundreds of organizational members located in Finland were interviewed which deteriorates wider generalizability. However, the aim of the study was not to achieve generalized data, but rather to deepen the understanding of the experiences and perceptions of the interviewees. In other words, a small sample size including purposively sampled respondents deepened the analyses and consequently contributed to the aim of the study.

## 6.9 Ethical considerations

Ethical principles according to Lund Research Ltd (2012) were applied throughout the project including five principles: minimizing the risk of harm, obtaining informed consent, protecting anonymity and confidentiality, avoiding deceptive practices, and providing the right to withdraw.

The participants should not be harmed by the research. Types of potential harms are physical, psychological discomfort, and distress, social disadvantage, anonymity, privacy, and financial status. The probability of these can be minimized by complying with ethical principles.

Informed consent forms were sent to all participants which means that all the participants need to understand what is required from them. Moreover, the voluntary nature of participation was highlighted. All the interviewees were provided the purpose of the study and asked for their consent for recording in a written form before the interviews. The anonymity and confidentiality of participants were protected throughout the study. To ensure promised de-identification, any information that could be associated with them was not revealed in the final report. HR representatives provided suitable interviewees. To prevent them from being able to combine answers and middle managers, departments, locations, or titles of the interviewees were not used. Instead, interviewees are referred to as “Manager1”, “Manager2” etc. They were asked if it was okay to record the interviews and the recordings were promised to be deleted afterward. Moreover, all the respondents were provided a possibility to ask questions or to add or make some corrections afterward.

# 7. Results and analysis

*The result chapter is divided into four chapters. First, the interviews conducted with nine middle managers will be presented and analyzed by applying Jordan's (2014) inventory of conflict potential theory. In this section, all types of problematic issues mentioned by the respondents will be reported and then it will be pointed out, which of them are related to cultural differences and which depend on other aspects of organizational change. Secondly, the strategies managers used to handle the challenging situations will be presented. Thereafter, the results of exit surveys will be presented and lastly, exit survey and interview results will be compared.*

## 7.1 Interviews with middle managers

In this section, answers from manager interviews will be presented and analyzed by applying Jordan's (2014) inventory of conflict potential theory. The chapter includes what were the differences managers have faced and why the differences became problematic.

### *7.1.1 Differences experienced by the middle managers according to conflict types*

**Distribution issues**

Manager 2 explained that in company B bigger investments have been made to systems while company A has invested more in "talent-type of things". Manager 3 explained he was used to share resources in his organization according to who had the tightest schedule. This can be interpreted as a behavioral norm issue and a conviction issue as well.

Manager 4 claimed that in company B, people have used to work overtime without agreeing separately and without receiving any additional compensation while he has used to agree each time with his manager about the overtime work and the compensation. However, he did not mention this would have led to any conflict situations, rather it has been his observation of cultural differences between the companies. Manager 6 verified this as he explained that in company B they have used to work overtime to serve customers and he mentioned nothing about additional compensation or agreement with managers.

Interestingly, managers did not comment directly on salaries. Manager 7 mentioned there have been different practices related to what the company has offered in company's events and manager 8 told that in company B, when employees have worked at the company for 30 years, they have gotten three weeks of paid holiday while in company A people have just paid a couple of hundred euros. Manager 3 stated that personnel in company A have felt that all that has been harmonized has changed to be more negative from their point of view. Manager 6 mentioned the company has still not harmonized travel allowances and hence in his team, people are treated differently even in the same positions, and this feels unfair.

> Still there exist some separate agreements for company A upper white collars that do not apply to the ex-A. And in my team, we have both people so it is an absurd situation that people from company B can get travel allowance and ex-company A people don't get even though they do the same job and have been almost two years same company. [M6]

However, this is not a cultural difference, but rather a common cause of organizational change.

### Position issues

Manager 2 explained that some people may have felt uncertain, dissatisfied, or had a bad mood if their role is not more than it used to be. She continued by stating "surely people have left because the new world has not pleased in the same way as the old one". This can be interpreted as position conflict according to Jordan.

Another example of a position issue was the example Manager 3 provided. He explained that he needs to reposition himself since the company does not seem to have similar needs anymore as it has before the merger. Manager 3 explained he had quite a clear shared understanding with his previous managers about what the rest of his career would look like but in the newly merged company, his career prospects are unclear.

> Probably the thoughts I had, the tasks or roles, the company probably do not have that kind of needs that I thought I could best respond with my experience and thus I need to reposition myself and to see what this company really needs and what experiences and skills can be found in my toolbox collected along my journey which could be utilized for effectively developing the company. [M3]

In the quote below, Manager 3 explains how other people have struggled with similar issues:

> I know people who have stated this is not anymore the company they joined. Tasks or the future of own professional development has changed radically because in the new company the roles people were about to grow and the roles people have thought they would be able to reach as they develop themselves, suddenly the roles do not exist anymore. And thus, some people have been required to reconsider whether they really want to achieve these roles and if yes, they need to work at some other company. [M3]

All these above-mentioned issues are common causes of organizational changes rather than cultural differences.

### Structure issues

During the interviews, a lot of differences that can be interpreted as what Jordan calls structure issues emerged. Workload was mentioned by almost all the interviewees, and it is a typical example of a structure issue. However, workload is not caused by cultural differences, but rather a common consequence after a merger.

Reasons behind increased workload were for instance new IT systems, familiarization with the systems, inadequate resources due to resignations, and difficulties to recruit new employees.

Manager 4 argued all the time more and more tasks are placed on his table.

> Change of environment to the direction where all the time more and more tasks are placed on your table has been quite significant what I have noticed. [M4]

To exemplify, Manager 4 mentioned that previously HR has been responsible for the monitoring of working hours overtime and after the merger, the responsibility was transferred to managers. This can be interpreted as a structure issue.

Manager 8 agreed and added that prioritization must be done all the time and still some of the tasks are not completed. For him, this has caused feelings of inadequacy.

Manager 4 explained workload has increased steadily all the time and consequently led to burnouts and resignations. He even explained that people are getting used to the increased workload and have noticed “it does not help to work 12 hours per day and during weekends”. Both managers 4 and 6 explained they have had difficulties in finding substitutes for the resigned employees and they have had positions open for several months. This has caused even more workload for the rest of the team. Manager 6 explained that certain tools and enterprise resource planning systems were not integrated until Christmas, and invoicing practices were renewed not until just recently. Hence, all these caused additional workload. The quote below demonstrates how Manager 1 has experienced the causes of increased workload:

> As the acute things have been handled, now it can be seen how much it has taken and at the moment, a high turnover rate can be seen, and we are paying for it right now. [M1]

Manager 7 justified that his team has suffered from increased workload as the company decided to continue using the systems company B has used to use and thus company B people have been required to familiarize new colleagues from company A with these systems. Manager 6 claimed that system integration failed completely, and it has caused more additional workload.

Manager 2 disagrees as she thought that things have become easier. She explained that in her organization, last year was still very challenging, and “everyone was lost during a lot of time” but now they do things for the second time, people are distinctly more peaceful, and the workload is much smaller since everything does not need to be figured out separately. People have basic security and even if things are not working 100% wisely, they still know what they do, what works, and whatnot. On the other hand, she also guessed workload would still be heavy in some departments, for instance in the IT department due to the merger. Manager 5 stated that an extremely huge amount of work was already done before the point was reached when the new organization started working. She believed the workload was "gigantic probably everywhere around the organization after the merger" since every process was required to be reassessed.

Manager 6 claimed that one cultural difference is that company A had a more centralized structure as the decisions were made far away from customers. To exemplify, he stated that in company B, the seller who is responsible for the customer has decided whether the guarantee will cover some damages while in company A the decision was made somewhere higher. Manager 6 saw the negative and positive sides to both practices. He justified that if that kind of decision-making is too close to the customer, one easily gives up on everything. On the other hand, if it is too far, it is very rigid and takes a lot of time to respond to the customer. This could be also interpreted as a conviction issue as this may represent companies' views on where the decisions should be made. Company B has wanted to run things more decentralized while company A more centralized. This corresponds with the perception of Manager 9 as he explained some people feel that they were closer to customers previously and therefore were able to provide value while now there are several layers and extremely filtered sales information. The following quote demonstrates how the Manager 9 described the consequences of this:

> Based upon that one we should be expected to be able to develop the future success of the business. Not the easiest of the tasks. And this pulls down the motivation of all the people. [M9]

Manager 2 agreed as well and described this is caused by the different speeds of the companies' businesses. She explained that people from company A, it is difficult to do small things quickly as they are used to doing big projects patiently while people from company B feel things happen slowly. Still, Manager 3 justified that they had used to make decisions locally in company A.

Manager 6 reported one cultural difference to be different requirements for recruitment. According to him, company A has recruited based on assumptions in their department while company B, they have had stricter requirements to get recruiting approval. Manager 6 saw company A's practice as problematic since the organization at company A has not thus been effective as they have recruited people based on assumptions even if they have not necessarily had anything to do. This is somehow incoherent as Manager 6 still claimed that company A has been more systematic and cautious but still recruited based on assumptions. However, Manager 6 saw this has changed in a better direction as nowadays requirements for recruiting are higher. He explained that the company has had wide roles and hence has been person dependent. Manager 9 also noted that in company B people have had wider roles and responsibilities while in company A people have had expert roles.

Most of the respondents agreed that most processes and systems have been taken from company B. Manager 7 explained that members in their team who came from company A have been required to learn the new ways and first some resistance has occurred but after a while, people from company A have noticed the new ways are better. Manager 2 saw that both companies have had well-functioning procedures but some people who were responsible for them may have changed and therefore people have been required to do things for the first time, sometimes without proper instructions. She explained that all processes were required to be reassessed which has caused a gigantic workload for everyone.

Manager 9 saw that the companies had different business models and approaches to business. Both managers 2 and 3 agreed. Manager 3 described that company A had long projects while company B's business was fast-paced. According to Manager 2, the disparity of businesses has led to misunderstandings. Manager 9 described another company working more on processes while the other one was more based on products. He argued the current environment is more process-oriented although several processes are still broken. The following quote illustrates how Manager 9 described that the adaptation process varies significantly between people:

> People are still adapting and learning. Some are doing that faster than others, some seem to be extremely stuck in the past and think that there is still only their way that is the way. [M9]

Additionally, he suggested that it may be difficult for people who have been extremely tight to products and not structured processes, to get on board in the new settings.

### Behavioral norm issues

According to Jordan (2015), issues related to communication are included in behavioral norm issues and communication differs between cultures.

Several interviewees underlined the importance of communication. A couple of critical comments about top management's communication occurred.

> For quite a long time, we have been kept in darkness about what has happened. And when we have had these calls where the purpose is to clarify everything thoroughly, just vague things have been driveled. [M7]

The quote above outlines how Manager 7 criticized that in management information calls, only vague information was provided even though the purpose was to clarify everything. Manager 3 explained that from the employee's perspective, things always proceed too slowly. As an example, he claimed that it took a far too long time before the merger was announced before they were told what would really happen. Consequently, uncertainty among employees increases. At the same time, some people have been satisfied with communication since Manager 5 told several people had given positive feedback on communication. Even if communication is part of a culture, the issues described above are very common in M&As generally.

Both managers 2 and 5 stated that one clear cultural difference is that in company A it was easier to go and ask questions from the top management due to the lower hierarchy. This is a perfect example of what Jordan calls a behavioral norm issue. Manager 5 further described how in the current culture more hierarchical lines are obeyed while in company A, they have used to challenge and question. She proposed this would possibly be caused by the fact that company A was clearly smaller.

> At company A-side, we provided possibilities for personnel to ask things directly from the top management and to challenge them, to ask difficult things as well. This wasn't the situation at company B's side. It is possible that once again, we were so much smaller company that for us it was much easier to arrange but this became visible already then, this is how it is. At company B side, people have been more obedient. People there have done how they are told to do. And maybe we have had a company A-side questioning culture, it has been possible to disagree and challenge without losing faces. People have been braved to say things in another way. [M5]

Moreover, Manager 5 mentioned that the culture in company A was more informal. Nevertheless, she stated that they still discuss and decide the procedures with their team. Manager 8 agreed and explained that they do not need to arrange meetings in the morning where tasks would be delegated. However, Manager 1 described that he has said to his team that they have always a possibility to challenge prevailing ways, procedures, and culture. Manager 7 claimed hierarchy to be low and he felt that it is easy to approach his own manager's manager.

Manager 4 felt that willingness to help in general has decreased. He provided an example that he has faced several times situations where he would have needed help from someone but people from company B have not been willing to help him if the question is not included in their responsibilities. He told that in company A, people have at least tried to help to find someone who can help if they have not themselves known the answer. This cultural difference is a clear example of a behavior norm issue which was outlined by Manager 4 as follows:

> In our organization, we still have, if somebody comes and asks for help and if you don't know but you could guess who could know, just thinking with common sense, then the one who asks is directed in the right direction or is helped to find the assistance. But very often after the merger, I have received an answer "it is not included in my field, look for somewhere else". Not any kind of hint of the direction

where to start. This is a significant cultural difference also as previously; I didn't experience that we would have even a possibility to answer like that. [M4]

Manager 6 claimed that one visible cultural difference he has noticed in how people behave is that people from company A do not take ownership. Instead, they have used to go behind others' backs or other organizations.

Manager 9 explained some people use abbreviations and talk about past projects. He stated this disengages people and increases the feeling of exclusion.

And people who have been in professions for many many years have a lot of memories. And people using three-letter acronyms or four-letter acronyms totally lose the new member of the team in these discussions, not having any clue. Referring to old projects that have been delivered, you remember what we did there. There are all kinds of classical failures to disengage people from the discussions. [M9]

### Conviction issues

Managers 2, 3, 5, 7, and 9 commented on identities and these issues can be interpreted as what Jordan (2014) called conviction issues as those are tensions between core perspectives. Manager 2 argued company A had a technology company identity and company B machine shop company identity as the quote below demonstrates:

Company A has identified itself earlier as a technology company so yes, the identity is still visible. And in company B, it has maybe been more distinctive as a machine shop corporation but still international. [M2]

Manager 3 agreed and stated company A has always identified itself as a technology company. He claimed both companies have quite strong legacies. As the following quote illustrates, Manager 3 described that values, procedures, and personnel practices are similar, but the problem is that the identities behind the values differ:

When we start to become closer, suddenly it is noticed that the what kind of values companies have, what kind of operating models, personnel practices, what kind of things are valued – those seemed to be similar as we both are Finnish companies, successful and sure of own existence. When we start to become closer, suddenly it is noticed that the identities behind the values are not necessarily exactly similar. There are two different identities that are about to bring together. [M3]

Manager 3 estimated that people in their unit have quite a strong identity. He explained that now they need to learn to look at what the identity is locally in comparison to what the identity is from the company's point of view. He said the contradiction between his own and the company's identity is probably the longest journey everyone needs to grow. He continued by stating that people need to accept identity is changing and can be modified which appears in the following quotation:

> And one can, little by little find own identity at the new company and is enabled to develop the new identity of the new company in the framework of the new company as it gradually becomes own, internal and one starts to feel like they are part of this company and now I have a chance to impact what the company does. It is a growth story. [M3]

He also justified that the sorrow of losing one's own identity takes time and people have their ways of working with it. Little by little it comes from there, but it is a very individual thing. Manager 7 said he still talks about himself as a company B employee. Manager 9 proposed that identities are created based on where people are, where their home offices are as well as according to departments. He also noted that people should be allowed to be proud of their history, but everyone should always remember that currently, they are working for company X. He added that it is honoring and learning from the past and doing better for the future.

Jordan’s typology was very useful as all the cultural differences as well as other issues mentioned by the middle managers could be divided into the different categories proposed by Jordan. Issues were identified in all the five categories. The most often reported problematic issues caused by the merger fell under the category of position issues (lost career opportunities). Structure issues were reported to be caused by both merger (workload) and cultural differences (centralized vs. decentralized structure, speed of businesses, business models, and recruitment criteria). Additionally, respondents reported several cultural differences related to communication and hierarchy which belongs to the behavioral issue- category.

### *7.1.2 Strategies for handling the challenges*

The respondents had used a lot of different strategies when handling the problematic situations caused by cultural differences and the merger. The most common ways of handling cultural differences and challenging situations are presented in Table 1.

The most often mentioned strategy mentioned by the middle managers was discussion and communication as this was mentioned by all the respondents. Discussions were held with subordinates, colleagues, and own managers. Managers reported that they had for example justified decisions to subordinates and tried to highlight and clarify the common goal and the importance of own teams’ work in a bigger picture. Additionally, the managers had increased the frequency of meetings and reminded that the previous companies are past now.

Listening, supporting and empathy were popular strategies as well since five managers mentioned those. Four managers told they have handled problematic issues by involving team members and together created new ways of working that would be suitable for the new company and team. Four respondents mentioned highlighting and being positive has been their strategy. Transparency and honesty were mentioned by four managers as well. Managers told they tried to be as open as possible themselves and as well encouraged their subordinates to be honest and transparent as well. Two managers reported that they had paid attention to their own behavior when dealing with challenging situations.

| |
|---|
| **Discussion & Communication** (M1, M2, M3, M4, M5 M6, M7, M8, M9)<br>• More team meetings, more communication channels<br>• Relieving pressures by discussing and noticing the situation may not be so bad<br>• Reminding that companies A and B are past now<br>• Discussing and agreeing on shared practices<br>• Discussing with own team, manager, and colleagues<br>• Justifying decisions<br>• Emphasizing and clarifying the common goal and the significance of the team's work in a bigger picture |
| **Empathy, listening & support** (M1, M2, M3, M4, M9)<br>• Being present and calm<br>• Listening to concerns<br>• Holding hands, being a shoulder to cry on<br>• Supporting, helping, and coaching colleagues<br>• Increasing sense of belonging<br>• "We are in the same boat" |
| **Involve team members and create own new ways** (M1, M3, M5, M8)<br>• Possibility to create own new procedures on own team<br>• Go through what has worked in everyone's previous company and teams and what not and thus agree together team's new procedures |
| **Highlight positive things** (M1, M2 M3, M8)<br>• Observing and highlighting the positive sides<br>• Seeing changes as positive challenges and learning experiences<br>• Being positive and supportive<br>• Underlining the team's strengths |
| **Openness & honesty** (M3, M1, M4 M7)<br>• Being transparent about what is going on, advancing transparency<br>• Encouraging people to share their thoughts and concerns |

| |
|---|
| • Telling the truth instead of glorifying |
| **Own behavior** (M2, M3)<br>• Not transferring own worries to subordinates<br>• Being impartial, fair, and objective<br>• Distributing responsibilities as equally as possible |

Table 1. Most common ways of handling the problematic issues caused by cultural differences and the merger.

## 7.2 Exit surveys

Due to the author's limited resources and therefore a limited number of interviews, data from exit surveys was used to add a complementary perspective. They were used to compare if the current middle managers have experienced similar cultural challenges that the exit interview respondents have been dissatisfied with and the reasons behind their decisions to leave. The utilized exit surveys were responded to by 44 employees who had left the company between July 2021 and February 2022 in Finland. Consequently, they had worked in the merged company for a year or more and their experiences and opinions of the new organizational culture are valuable for this paper. A chart of the results with all exact numbers, questions, and scales can be found in Appendix B.

The survey consisted of questions such as the length of employment, main reasons to leave, opinions of management, opportunities for training, learning and development, adequacy of provided resources and tools, communication in teams, recognition of achievements, work atmosphere, career development opportunities, compensation, work-life balance, leadership culture, diversity and inclusion, culture, values, internal communication, safety culture, and sustainability. Additionally, there was free space for respondents to describe organizational culture, to tell what they would change at their job at the company, and to give any other feedback.

The exit surveys revealed that clearly, the three most common reasons for leaving the company were better offers from another company (mentioned by 18 respondents), lack of career/promotion prospects (14), and did not see meaning in one's work (12). Lack of autonomy, recognition, compensation, company culture, and workload were mentioned by six to eight respondents. Less than six of 44 respondents mentioned work-life balance, family or personal reasons, lack of challenges, training opportunities, unclear job description, company strategy, or relationship with the immediate manager as reasons to leave. Other reasons mentioned were for instance the need for change and new challenges and development opportunities.

When the answers were compared to what was mentioned in the company's value and culture presentation and their web pages, several observations were made. As mentioned above, lack of career or promotion prospects was reported to be one of the main reasons to leave even though providing growth opportunities is claimed to be one of the most important aspects of the company's culture. On the other hand, lack of training opportunities was mentioned only three times to be among the main reasons to leave and 29 agreed or strongly agreed, 10 rated neutral and only 5 disagreed whether relevant training was provided. Hence, this can be said to be aligned with how the company wants the culture to be, "providing learning opportunities".

### Increased bureaucracy

One respondent stated culture to be "Old fashioned, slow to change". Some saw the current culture to be more bureaucratic than previously. Procedures were stated to be more modern before the merger. Current procedures such as applying for access rights were explained to be time-consuming and the decision-making process and other procedures were experienced to become slower. More effectiveness and modern ways of operating were wished for. This is contrary to the values of the company as they highlight innovativeness, courage, doing things differently, valuing speed, and effective actions.

### Contradictory views on hierarchy

In the company's culture and value presentation, hierarchy is stated to be low, down-to-earth, and approachable. This was supported as some reported the culture to be improved and less hierarchical after the merger. Contrary comments were received as some of the respondents regarded the company and leadership to be more hierarchical than previously.

### People and atmosphere – supportive, easy-going, and great colleagues

The work atmosphere was evaluated to be good or very good by 40 respondents, average by 3, and poor according to only one respondent. Results from the question "I felt like a valuable part of my team", none of the respondents disagreed. It was commented that inside the teams everything works well. In open comments, colleagues were praised several times. People were described to be amazing, excellent, and "reason to stay". The overall attitude was commented to be good, and "things are being done". Several mentioned people being supportive and always willing to help. The environment was described as easy-going and one commented "I also felt that I got to be myself". This corresponds strongly with the company's values as the work environment was stated to be inspiring and energizing.

### Collaboration and communication – good within teams, improvements needed interdepartmentally

Some respondents hoped for more collaboration with different stakeholders to break silos and enable more fruitful collaboration. Also, more collaboration within a department was hoped and one stated there is no teamwork anymore. The vast majority (34 of 44) of respondents evaluated communication in teams to be good. This is in line with the company's values as it emphasizes active and open communication with integrity. Internal communication was estimated to be good or very good by 28 respondents while ten evaluated it to be average and six poor. Some hoped for more communication between specific departments and improvement of communication from top management.

### Diverging views on openness

Many respondents commented about openness and the opinions were diverse. Some felt that "critical feedback or questions are not allowed, or at least not encouraged". This is contrary to the company's values as it is emphasized that issues are solved together, not hidden. Some saw the culture as open and felt "it was easy and safe to openly discuss both negative and positive things with the people around me".

### Culture – some changes happened, still in progress

The culture was estimated to be good by 22, average by 17, and poor by 5 respondents. One respondent reported culture has become better. Another respondent described culture changed to be very company B-oriented.

One described culture to be still complicated over a year after the merger. Another respondent agreed and stated: "a bit post-merger chaos still". It was mentioned that the culture is not totally integrated yet and is "slow to change" which is not surprising since previous studies show as well that cultural integration is a long-lasting and challenging process (Vaara, 2002).

### Values, diversity, safety, and sustainability – overall high level of satisfaction

The company's values were determined to be good or very good by 29, average by 13, and poor by two respondents. The company stated safety to be extremely significant for them and when the safety culture was measured in the exit survey, even 40 of 44 respondents experienced it to be good or very good, three average and only one poor. Diversity is emphasized to be part of the company's values as it is stated to be seen as a strength. According to respondents, it is fulfilled well as only one estimated it to be poor while 37 good or very good.

Sustainability is also one very crucial value for the company. In the survey, 38 respondents evaluated it to be good or very good while five estimated it to be average and only one poor. Still, one stated that sustainability does not seem to be the focus so much anymore.

### Additional – managers praised, unclarities, high workload

Problems with managers were reported by several respondents but also comments like “Own line manager is the best ever”, “Supervisor was great, she was easy to talk with, always helpful when needed.” One commented to be very satisfied with his manager.

Due to the merger, some functions were transferred to another country which was reported to increase unclarity and complicated working. Unclarities were reported in organizational structure, job description, and processes. The workload was mentioned several times as well. Some explained that since some people have left the company, the workload has become excessive. IT systems were seen as a cause for increased workload as well. One respondent commented that despite some silos, the company is still overall a good employer and another one saw the change as good and would not change anything.

### Summary

Taken all together, the clearest improvement areas are to decrease hierarchy, bureaucracy, workload, increase the meaning of work, recognition of achievement, and improve career and promotion prospects, leadership cultures, such as supporting personal growth and the way of management. On the other hand, people were seldom dissatisfied with work-life balance, training opportunities, diversity and inclusion, available resources and tools, communication (especially in teams), colleagues, work atmosphere, values, sustainability, and safety culture.

Furthermore, 29 of the 44 respondents answered yes when they were asked if they could consider working at the company again in the future. Only one answered no while the rest responded maybe. Several respondents mentioned some current dissatisfying factors which have caused their decision to leave. Yet, many of them believed that after a while, things will get better, and they could consider returning and be happy to recommend the company to their friends.

The result did not reveal which one of the two former companies’ respondents have worked previously but in some of the comments, the names of the companies were mentioned. Based on these comments, it seems like employees with a background in company A have experienced the new culture to be worse, more bureaucratic than the former one, “company B-oriented” and more hierarchical which is inconsistent with the company’s values. The respondents argued that due to the merger, the company has become old-fashioned, and that company A’s culture and procedures have been more modern. Some of the respondents who mentioned they have previously worked in company B reported the current culture as better than their previous one. The same kind of observation was visible in the results of the survey conducted by the company as the biggest and only apparent difference between companies was their perception of whether their former culture was more structured or flexible. Organizational members of company A estimated their organizational culture to be more flexible while company B evaluated its culture to be more structured.

However, any generalization must be done with caution since the background of the respondents was not visible in all the answers, and the sample size is relatively small, but the results still gave some trends and something to which the interview results could be compared.

It is crucial to keep in mind that the respondents were people who had decided to leave the company and thus can be assumed that they represented more negative opinions than the average current organizational members. Some of the responses have been written already last summer and by now, even big changes can have happened. Furthermore, as stated in several studies, it is not uncommon that after less than two years of the merger, the integration is still incomplete and consequently impacts the opinions of people.

## 7.3 Exit surveys compared to interview results

When empirical findings were compared with exit survey results, both consistencies and inconsistencies were revealed. In both exit surveys and interviews, the dominant perception was that the new culture is company B oriented, procedures are inherited from company B, and more changes have been targeted to people from company A.

In the exit survey, the most common reason to leave was a better offer from somewhere else, lack of recognition, and lack of development opportunities. This is partly in line with interview results as several managers claimed that after the merger, the available career opportunities and people have planned to achieve do not exist anymore. On the other hand, several managers mentioned there are development opportunities for everyone. Still, lack of recognition was not mentioned in manager interviews and only a few managers mentioned something that could be combined to "better offer from another company", even though there is no one clear interpretation for this.

On the other hand, eight of 44 exit survey respondents claimed workload to be a reason for them to leave the company, and generally, people were relatively satisfied with work-life balance while almost every middle manager mentioned increased workload due to the merger. Another issue that was emphasized significantly more during the interviews was unclarity related to roles, structures, processes, and the company's future.

Both survey and interview respondents had diverse opinions of hierarchy, bureaucracy, openness, communication, and relation with their managers. Generally, managers were less satisfied with communication than exit survey respondents while exit survey respondents experienced culture to be more hierarchical than interviewed managers. Exit survey respondents were less satisfied with leadership cultures than middle managers. Moreover, managers gave more critical comments about openness than exit survey respondents. Both respondent groups agreed that there is no lack of challenges or training.

However, it is important to keep in mind that the same questions were not asked from the middle managers as presented in the exit survey, and thus even if some matters did not appear in manager interviews, it cannot be directly argued that they disagree.

# 8. Discussion

*In this chapter, the results of the interviews will be compared to previous studies, and both consistencies and inconsistencies will be identified. The chapter included subtitles sub-cultures, identities, and conflicts.*

Angwin & Vaara (2005) claim that resistance will emerge when the company tries to realize the synergies. Still, the case company reached the synergy targets even before the planned schedule. Larsson & Finkelstein (1999) describe that this means organizational integration is reached which instead is the most important reason explaining the synergy realization. As Larsson & Finkelstein (1999) state, for companies with complementary operations, the probability of success is higher and less resistance to change will emerge in comparison to companies with similar operations. It could be argued that this applied in this case study as the companies had complementary operations and only a couple of respondents mentioned resistance. This study goes well in hand with Pitts (1976) findings as he claims that resistance to structural changes reduces the speed of achieving operational synergies.

According to Lubatkin (1983), different management styles and compensation systems would reduce the speed of integration. Only one respondent mentioned differences in management styles and explained that company B has a strong tradition of leading with numbers. However, he stated that this has been suitable for the company as its business has been stable and predictable. He argued that for company B numbers have provided a plausible picture of the future while in company A the business is more fluctuating and thus, they need to look more forward. Compensation systems were mentioned only by one respondent. The respondent described that the companies have had different practices on how people are rewarded when they have served the company for decades. However, the empirical findings indicated that in the big picture, resistance was not strong since only a minority of the respondents mentioned it and the synergies were reached so fast (Teerikangas & Very, 2006). Nevertheless, Teerikangas & Very (2006) propose that the feelings of people may vary during the process. Several managers said that their thoughts have changed. For example, Manager 7 explained that in the beginning, they were clearly separate and when some things needed to be solved, people searched for some person who was from old company B but now they are exactly alike colleagues and backgrounds are not so apparent anymore. Manager 4 described that now it is much easier to open discussions since he already knows the people. He further continued by describing that now as some time has passed since the merger, immediate confrontations do not emerge between ex-company A and B backgrounds.

When comparing the interview results with Amiri's (2017) study of M&As in Finland, one clear difference can be found. In Amiri's study, 50% of respondents mentioned personnel reductions while in this study, only two respondents mentioned reductions. On the other hand, this study corresponds with Amiri's findings as most of the respondents stressed the importance of communication and as highlighted by Amiri (2017), the openness of communication was stressed strongly.

### Sub-cultures

Erkkilä (2010) claims that the bigger the company is the more subcultures exist. Sathe (1985) discovered that subcultures can exist among occupational lines, geographical locations, and product lines, and Bueno, Bowditch & Lewis (1985) claimed it is common that people identify themselves with their previous team even for a long time. Moreover, Olie (1994) argues that the previous organizational identities can be seen for a long time after the creation of new joint culture has started. This study supports all these previous studies as subcultures were found in different departments, locations, and teams. Respondents explained what kind of atmosphere they have in their team and one respondent described the culture in their department as a "cowboy atmosphere" and "entrepreneurial". The same respondent described that against the sizes of the previous companies, he felt that they have had ”a small company atmosphere” in their department. One interviewee mentioned how they have a tight work community, and they are used to sharing resources in their location according to whose schedule is the tightest. Some respondents claimed the company's hierarchy to be high while some respondents felt it is easy to approach their own manager's manager. This can be interpreted to represent their subculture. Moreover, one manager admitted they have different kinds of bubbles which can be interpreted as a subculture.

### Identities

As Zaheer, Schomake & Genc (2003) argue, organizational identity issues are present in most mergers. Even though respondents were not directly asked about their identity, several interviewees commented on it. Schweiger, Csiszar & Napier (1993) differentiate three terms for combining units: assimilation, novation, and integration. Assimilation was the most often emergent category although some comments referring to all the alternatives occurred.

Experiences of 7 managers can be interpreted as *assimilation* as they described that more changes have been targeted toward company A people and company B has dominated. Some of them stated that internal power relationships are still visible even if the fusion was called a merger and that in company A people feel that they were acquired and that after harmonization, everything has changed in a more negative direction and people from company A feel that they have remained in a weaker position. Several managers saw that this is because company B was clearly bigger. On the other hand, some managers mentioned that some practices such as shorter working hours and top management information sessions were inherited from company A.

Experiences of a few managers can be interpreted as *novation* as they described that the best of both cultures and practices were chosen. Few respondents reported they still identify themselves with their former company which can be interpreted as what Schweiger, Csiszar & Napier (1993) call *structural integration*. Also, Buono, Bowitch & Lewis (1985) claim that it is common that people identify themselves with the previous team and according to Olie (1994), original identities can be visible even for a long time after an official merger. The findings of this study go well in hand with these previous studies as some respondents argued people in some certain locations would identify themselves with the previous company while some respondents admitted they still talk about themselves as a member of either previous company. Respondents explained that both companies have quite a strong legacy and thus many people still identify themselves with the previous company.

**Conflicts**

As Bingöl (2017) argues, experiences of loss of status may cause conflicts. Manager 4 justified that few individuals have left the company since their responsibilities were reduced which can be interpreted as a loss of status. Manager 3 noted that people, himself included, have had plans for future career development but due to the merger, the roles do not exist anymore. Therefore, people are required to consider whether they still want to continue working in the company or if they want to strive to reach these positions in other companies. This can be as well interpreted as a loss of status. On the other hand, both Managers 4 and 5 stated that due to the bigger company size, there are development opportunities for everyone. Bingöl (2017) mentions experiences of inequality as a cause of conflict. This was not mentioned by managers except Manager 9 highlighted the importance of fair treatment, but he did not mention any conflicts related to it.

Corkindale (2007) suggests unclear organizational structures as a cause of conflict and Piha (2017) adds unclear roles and low trust. Piha (2017) states these would lead to behavior where one's own interest is prioritized, and boundaries are highlighted. The experiences of managers supported these studies as managers claimed that both their own as well as others' roles are unclear. Managers also reported that silos emerge and very easily people start looking only at their results and "own navel". Additionally, responsibilities, structures, and the company's future were argued to be unclear. What Kahn, Wolfe, Quinn, Snoek & Rosenthal (1964) call role ambiguity emerged as well in several respondents' answers and as the authors stated, role ambiguity caused role conflict, anxiety, and stress to the managers. It was as well claimed that trust is low because some changes happen all the time and for many people, change always means cutting costs and losing jobs. On the other hand, it was as well described that the merger has grown the muscles of the business, carrying capacity, and risk tolerance and this has increased the trust toward the future as well. Moreover, it was questioned whether the company has succeeded in building trust in the new company. It was argued that the company still must work to really build the basic trust element that people will trust each other regardless of their backgrounds and that there are locations where there has been a dramatic decrease in headcounts and thus the trust is not at the top at those locations.

Overall, managers did not report a lot of huge and serious conflicts even though some of them admitted that there have been situations where no common tone could be found. Some managers compared this merger to their previous experiences and stated that they could have had extremely much more conflict situations. Some of the respondents proposed that the cultures have eventually been quite similar and therefore a lot of significant conflicts have not emerged. This is in line with Bingöl (2017) who claims that in vertical mergers, the risk of intergroup conflicts is lower in comparison to horizontal ones. Bingöl (2017) concluded that loss in human capital may appear even if financial targets were achieved. As stated in chapter 3.2, turnover synergy was achieved even almost a year before it was expected and even if any statistics of a significant increase in resignation were not visible, several respondents mentioned the increased number of resignations. However, the reason for resignations was reported to be mostly increased workload and unclarities rather than cultural differences. Several managers discussed the difficulties in recruiting new substitutive talents and consequently, their team members have been required to take care of the tasks of the resigned person even if they already had an extensive workload. Other concerns were loss of unique knowledge and the huge recruiting and familiarization costs caused by resignations. Can be assumed that company A was more worried about losing unique knowledge as the respondents described company A had very specific roles and therefore people have had unique knowledge.

# 9. Conclusion

*The purpose of this study was to investigate middle managers' experiences of organizational cultural differences after a merger, to examine what kind of problematic consequences the differences have caused and how the middle managers handled the challenging situation. Additionally, the aim was to figure out whether the experiences differed between managers with different company backgrounds. This chapter will present the conclusion by answering the research questions. Moreover, the results will be compared to what the company states, and managers' perception of shared culture as well as their proposals on how achieving a joint culture could be accelerated, will be described.*

### Cultural differences experienced by the respondents

Despite the pre-merger culture survey indicated previous cultures to be extremely similar, all the respondents had observed several differences. Differences were experienced in all of Jordan's conflict potential themes. Problematic cultural differences were related to hierarchy, benefits, speed of businesses and different business models, requirements for recruiting, broadness of job descriptions, behavior such as taking ownership and willingness to help. Moreover, some of the respondents reported differences related to the formality of cultures, practices in borrowing resources, and easiness to approach and even challenge top management. However, most of the above-mentioned cultural differences were mentioned only by one or two respondents.

### Other differences

In addition to cultural differences, managers mentioned several problematic issues caused by the merger such as increased workload, too slow and unclear communication, unharmonized practices and lost career opportunities. Most of the respondents commented on different organizational identities as well which is not surprising because as claimed in previous studies, it is very common that organizational identity issues are present in M&A contexts (Zaheer, Schomake & Genc, 2003). Previous identities were seen as strong and still remaining. It was stated that people identify themselves with previous companies as well as based on their locations and departments. In line with previous studies, the general opinion was that identity is hard to change (Brunninge, 2005; Daniel & Metcalf, 2001).

### Problematic consequences caused by the cultural differences and the merger

Respondents mentioned several problematic consequences of cultural differences. The disparity of businesses has led to misunderstandings and poor, inadequate, and too slow communication has led to unclarity and uncertainty. Other problematic consequences of cultural differences were deteriorated customer service, decreased motivation, ineffective recruitments, misunderstandings, and feelings of injustice.

In addition to problematic consequences caused by the cultural differences, the most often mentioned problematic issues caused by the merger were unclarity and uncertainty. Several managers argued there is unclarity related to roles, responsibilities, expectations, procedures, systems, structures, and the future of the company. This has led to uncertainty. Moreover, several managers claimed that positions that people have planned to achieve do not exist anymore and this has caused uncertainty and dissatisfaction as well. Uncertainty has eventually caused resignations. Therefore, the workload has increased even more for the rest of the teams, the company has lost possibly unique knowledge, and recruiting substitutive personnel and introducing them takes time and causes expenses for the company.

#### Strategies for handling the issues

The most common ways of handling challenging situations were communication, discussion, support, involving people, and creating own procedures. Managers also emphasized the importance of highlighting positive things and being open, honest, and empathic.

#### Differences between backgrounds

The findings indicate that generally, the managers did not have significantly contradictory opinions. The mutual understanding, despite the background of the managers, was that company B has been more dominant, changes have been targeted most toward company A employees, more procedures, practices, and systems have been inherited from company B and hence people from company A have been required to learn them. Several respondents guessed this was since company B was significantly bigger than company A. However, managers from company A admitted that some practices such as top management information sessions and better rewards for long employment were inherited from company A. Moreover, weekly working hours have decreased from 8 to 7,5 hours.

Some changes in managers' experiences were visible depending on what kind of tasks they worked with. Managers working with support functions such as HR and communication saw that the most challenging times, the biggest cultural differences, and the highest workload is behind while managers working with the business side claimed that especially workload is still high, even increasing constantly. One exception for this generalization was the IT department since both respondents from other departments as well as a manager working with IT told that workload is particularly high all the time.

None of the managers who came from company A experienced that one shared culture exists while one from company B and one manager who joined the company after the merger felt so. Interestingly, the experiences of two managers who have joined the company after the merger differed significantly as the one had mostly positive experiences and reported just a few differences and challenges while another one was clearly more critical and saw a lot of significant challenges, unclarities, dysfunctional procedures, and deficiencies. As mentioned in chapter 6.3. (Selection of respondents), respondents were selected to represent different locations as well. The assumption was that the managers working in locations where both companies had already previously operated and thus more cultural clashes would have happened there. The study mostly confirmed this as the two managers who stated one shared culture already exists are located in a city where only one of the companies has previously operated. However, in that location, one more manager was interviewed but he as well as the other six managers disagreed.

#### Comparing results with what the company states

When the exit survey and interview responses are compared to what the company claims, quite many contradictions exist. Managers did not fully agree with the company about the possibilities of developing their careers and the company would provide learning and growth opportunities for everyone. Dissatisfaction related to career prospects was even strongly apparent in exit survey responses as it was one of the three most common causes for people to reassign. Claims against the possibility to provide proactive service culture and always put customers in the center emerged as well. This is contradictory to the company's values and therefore can be interpreted as organizational hypocrisy (Cho, Laine, Roberts & Rodrigue, 2015; Vaara, 2003) and value clash. The managers also criticized that even if the company underlined active and open communication, the reality is not fully aligned. Further, the managers and exit survey respondents had different experiences of whether the hierarchy is low as stated by the company.

#### Perceptions of shared culture and ways of accelerating achieving it

Even if the aim of the thesis was not to investigate whether one shared organizational culture exists or how it could be achieved, these topics were discussed with respondents since the case company was interested in managers' perceptions. Respondents gave different answers when they were asked whether they perceive one joint culture exists and if not, how much time it would take to achieve it, and what concrete actions would accelerate achieving it. As mentioned in the conclusion chapter, only two respondents stated that one shared culture already exists while other respondents had contradictory opinions. One respondent claimed a new generation is needed until the company would be one. One manager stated the culture is developing but he does not think there is any yet. Some guessed it would take a couple of years. One manager argued that if the company does nothing, it will take 10 years to have a shared culture. Most of these opinions confirm previous findings as, for instance, Vaara (2002) claims organizational integration processes are long-lasting, lasting from a couple of months to several years (Erkkilä, 2001), even 5-12 years (Teerikangas & Joseph, 2012) and it may take up to 5 years until managers may fully focus on the core business (Yu, Engleman & Van de Ven (2005).

Vaara (2002) also describes integration processes to be burdensome which was apparent in several responses as well. One manager suggested that due to all uncertainty, referring to the possible divestment of one business unit, one culture is not achieved yet. Interestingly, a couple of managers questioned whether one shared culture should even exist.

In sum, most respondents felt that there is still a lot of work to do to achieve a joint company culture and it would take several years. Several respondents proposed the best ways of accelerating achieving the shared culture would be to meet other people physically, be together, and thus get to know each other. These confirm the findings of Larsson & Lubatkin (2001), Teerikangas (2018), and Buono, Bowditch and Lewis (1985) who propose that the more people gain shared experiences the faster they will start identifying themselves with the new culture. Expectedly, many respondents mentioned that the pandemic has delayed the process.

Overall, the study supported previous studies as the respondents agreed that the process is long-lasting and challenging. However, many respondents stated that backgrounds are not anymore as often apparent as earlier and several respondents proposed that shared culture can be achieved by doing “simple things” such as spending time together. This corresponds as well with previous studies since for example Cox Jr (1991), Larsson & Lubatkin (2001), and Teerikangas (2018) claim that socialization accelerates cultural integration.

Even though managers had experienced several cultural differences and even saw some of them as problematic, they barely mentioned any serious and difficult conflict situations. They said that most often they had succeeded in solving cultural clashes by discussing. This corresponds with Bingöl (2017) since he claims that the risk of intergroup conflict is lower in horizontal mergers in comparison to vertical and with Larsson & Finkelstein (1999) as they propose that if merging companies have complementary operations, the success rate would be higher. Generally, managers did not see things in black and white, instead, they saw both advantages and disadvantages in both old cultures. They were aware that changing culture is not easy or quick and that almost everything costs. Additionally, several respondents highlighted that they know everybody does not see the situation similarly because changes have not been targeted toward everyone evenly.

# 10. Contributions of this study and future research

*This chapter will present the contributions of this study and at the end of this chapter, recommendations for future research will be presented.*

As mentioned previously, there is a lack of scientific application of conflict theories in the M&A context since organizational cultural theories are mainly applied and the limitations are omitted. This study therefore contributes to the limited research on using conflict theory in the M&A context as the findings of the study provided a clear indicator that by applying conflict theory it is possible to create new valuable knowledge of organizational cultural differences in the context of M&A. In addition, this study further contributes to the lack of studies including both merging parties' opinions as managers from both previous companies were interviewed instead of only one party as in most of the previous studies. Moreover, this study differs from previous similar studies as the examined merger occurred during the global pandemic. Supplementary to the above-mentioned contributions, this study adds on to relatively few domestic M&A studies in Finland.

Jordan's conflict theory helped to analyze the cultural differences and other problematic issues experienced by middle managers. As the company's cultural material and exit survey results were used as secondary data, it was possible to compare interview results with these previous results and therefore make comparisons and analysis based on more comprehensive material and including experiences of a wider respondent group. Further, this enabled to see how general opinions have changed. Moreover, this enabled a comparison of their experiences.

This studied merger was conducted mostly remotely due to the global pandemic and even if a covid pandemic is almost over, most probably remote work will continue widely (Economic Times, 2022; Dans, 2020). Thus, it can be assumed that the finding of this study will contribute generally to companies planning M&As.

For the case company, the findings will be useful as they provided feedback, insights, and concrete suggestions on what should be done to achieve one shared organizational culture. The case company may utilize these findings as well when planning and implementing possible future M&A.

As presented in previous chapters, this study supported most previous studies which increases the trustworthiness of this paper. Even if the findings were not significantly different in comparison to previous studies, they provided a more in-depth understanding of which differences managers perceived as problematic and which strategies they perceived as effective when dealing with the cultural clashes. The applied strategies were not similar as suggested in previous theories. Therefore, in the future, it would be interesting to test whether managers in other companies, fields, and countries have handled the challenges caused by cultural differences with the strategies mentioned in this study. The same questions could be asked right after the merger and again for instance two and five years later to see. Since this study included a limited number of respondents, a higher number of participants would increase the generalizability. The case company could create a survey based on the findings of this study to test whether other middle managers in Finland as well as in other countries have similar experiences and to see if more different experiences appear between managers depending on their background or whether people in different countries have overall faced more serious and challenging conflicts.

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# Appendix

## Appendix A

### Interview guide

BACKGROUND & CURRENT POSITION

- Which one of the companies you worked earlier?
- How long have you been at the company? What is your position now and have you had different positions?
- What are your main tasks/responsibilities?

THE MERGER

- Do you have previous experience with mergers?
- What have been the main changes due to the merger?
- changes in tasks/responsibilities, workload, new subordinates, new colleagues, ways of working, new structures, new roles
    - How have you experienced/felt about these changes?
- How do you think that the merger was handled; what did succeed and what should have been done differently?

CULTURE & CULTURAL DIFFERENCES

- How would you describe the current company culture?
- Which aspects of organizational culture are apparent/visible to you?
- According to your experience, were the previous organizational cultures significantly different?
- What are the main cultural differences you have faced?
    - values, decision making-, leadership styles, behavioral norms, language, ways of working, hierarchy, communication, values, rules, practices
    - In what kind of situations have you felt that cultural differences have existed?
- What have been the consequences of these differences and how have you handled them?
    - What kind of strategies have you used, which ones of them proved ineffective and which ones actually helped?
- How has cultural integration been implemented in your team?
    - How has it succeeded?
    - What has been the most problematic, and why?
    - What kind of support have you received? What kind of support/guidance would you have needed?
- How have your thoughts and feelings changed, are things easier now, do you still have some cultural problems, or do you think you can already focus fully on your main tasks?
- How would you describe the current state of the company, and how the merger (especially culture integration) succeeded?
- What are your thoughts about the future/How do you see the future, and what still needs to be done?

Which differences you have perceived as problematic? / What kind of negative consequences cultural differences have led to?

- Behavioral norms (how others are treated, how feedback is given, rules are followed)
- Structures (processes such as recruitments, goals & strategies, communication, working methods, authority, decision making, prioritization)
- Roles/Positions (delegation of responsibilities, the balance between resources & responsibilities, training & development opportunities)
- Distribution of resources
- Convictions (values, beliefs)

## Appendix B

## Exit survey results

| **Reasons to leave** | N |
|---|---|
| Better offer from another company | 18 |
| Lack of career prospects and/or promotion prospects | 14 |
| I did not see meaning in my work | 12 |
| Compensation | 8 |
| Workload | 8 |
| Lack of recognition | 6 |
| Company culture | 6 |
| I did not have autonomy over decisions related to my work | 6 |
| Lack of challenges in my work | 5 |
| Relationship with immediate manager | 5 |
| Poor work-life balance | 3 |
| Company strategy | 3 |
| Lack of training opportunities | 3 |
| Family or personal reasons | 1 |
| Other reasons | 8 |

| | *strongly agree* | *agree* | *neutral* | *disagree* | *strongly disagree* |
|---|---|---|---|---|---|
| I was comfortable talking to my manager | 19 | 16 | 4 | 2 | 3 |
| I was satisfied with the way I was managed | 9 | 16 | 8 | 8 | 3 |
| My manager gave me what I needed to succeed | 8 | 22 | 8 | 4 | 2 |
| I received constructive feedback from team members and my manager to help me improve my performance | 9 | 18 | 11 | 6 | |
| My manager supported my development/growth | 8 | 17 | 10 | 8 | 1 |
| I had clear goals and objectives | 6 | 22 | 8 | 6 | 2 |
| I received relevant training to perform my job successfully | 5 | 24 | 10 | 3 | 2 |
| I had all the tools and resources I needed to succeed at my job | 3 | 25 | 9 | 6 | 1 |
| I felt like a valuable part of my team | 13 | 23 | 8 | | |
| I felt my achievements were recognized throughout my employment | 5 | 19 | 9 | 11 | |
| There was good communication in my team | 12 | 22 | 8 | 2 | |
| | *very good* | *good* | *average* | *poor* | *very poor* |
| Career development opportunities | 2 | 15 | 21 | 6 | |
| Work atmosphere | 6 | 34 | 3 | 1 | |
| Compensation | 1 | 20 | 17 | 6 | |
| Work-life balance | 4 | 24 | 12 | 3 | 1 |
| Leadership culture | 1 | 22 | 14 | 7 | |

| | | | | | |
|---|---|---|---|---|---|
| Opportunities for learning & development | 2 | 25 | 11 | 6 | |
| Diversity and Inclusion | 7 | 30 | 6 | 1 | |
| Company's culture | | 22 | 17 | 5 | |
| Company's values | 1 | 28 | 13 | 2 | |
| Internal communication | 2 | 26 | 10 | 6 | |
| Safety culture | 9 | 31 | 3 | 1 | |
| Sustainability | 5 | 33 | 5 | 1 | |