Experiences from a Post-Acquisition Process
A Study of Middle Managers and Their Employees

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Abstract

Background: It is increasingly common that Swedish companies get acquired by foreign firms. An acquisition will have more evident changes in the acquired firm. The organisational structure will be affected which implies that people in different levels of the organisation experience the changes differently. Middle managers are believed to have an exposed role in organisational changes as they are in between top management and employees. In order to reach a successful integration in the post-acquisition process employee trust in management is seen as a vital part. The area of middle managers in acquisitions and how individuals experience the post-acquisition process are subjects where more research is needed.

Purpose: The purpose of this thesis is to investigate the post-acquisition process in the acquired firm, focusing on how the acquisition has been experienced among middle managers and their employees.

Method: The method chosen for thesis is qualitative and the information has been collected by using semi-standardised interviews as well as questionnaires. The study was limited to one company where seven middle managers and the human resource manager were interviewed. Also 32 employees participated in the study by answering the questionnaires.

Conclusions: We can conclude that the middle managers did not show resistance to changes unless it would be unfavourable for the company. We could also see indications that internally advanced middle managers can be related to an advantageous atmosphere of communicating trust. It was also concluded that middle managers are a vital link in terms of conveying information throughout the post-acquisition process.
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1 Introducing the Subject

In this first chapter we aim to give an introduction to the research subject. We begin by showing that foreign companies acquire many Swedish companies. Further, the post-acquisition process is discussed and the need for further research in this area. Finally, the purpose, which is based on the discussion, is presented.

1.1 International Mergers and Acquisitions in Sweden

It is increasingly prevalent that foreign firms acquire Swedish companies. The investments from foreign-owned firms in Sweden reached 80 billion SEK in 2003, an increase of 57 percent from the previous year. Totally, the foreign-owned firms accounted for 26 percent of the Swedish industry investments in 2003. In the same year, 50 percent of Swedish export and 59 percent of the import were reported from foreign-owned firms (ITPS, 2005). Acquisitions are the most common mode for foreign-owned firms to establish business in Sweden. In year 2004 acquisitions accounted for double of new establishments and mergers together (ITPS, 2005). As illustrated in Figure 1-1 below, foreign-owned firms have tripled from 1994 to 2004.

Mirvis (1985) stresses that an acquisition involving two firms with different origin will generate a higher extent of uncertainty compared to an acquisition concerning two firms from the same country. The acquired firm needs to understand the intentions and the philosophy of the acquiring firm, while the acquiring firm has to understand the local workforce, work conditions, as well as the national and organizational culture (Schweiger, Csiszar & Napier, 1993). According to Haspeslagh and Jemison (1991) acquisition processes confront managers with a wide range of organizational issues that need to be solved in order to achieve a successful acquisition. The critical aspect is related to the post-acquisition integration process and especially the integration of cultural characteristics.

1.1.1 The Post-Acquisition Process

Risberg (1996; 1999) claims that an acquisition implies in many cases a radical change for the organisation being acquired and may cause uncertainty, anxiety and ambiguity among
the employees, this is especially prevailing in the firm being acquired. People in different levels of the organisation may face the changes in diverse manners. Maybe some perceive the situation as threatening, whereas others see it as an opportunity. Managers of the acquired firm may have different opinions to the acquisition compared to other members of the organisation. They may tend to move too quickly in the post-acquisition process and not involve enough people possessing the necessary competences for such changes. The firm may have experiences from previous mergers and acquisitions (M&A) and it can be assumed that these experiences might influence a new acquisition, either positively or negatively. It can be argued that changes and issues in the post-acquisition process differ from case to case. What can be seen as a problem for one firm might even be an opportunity for another.

Acquisitions involve changes in the organisational structure in different ways. The distribution of work and tasks change and employees might feel that it is difficult to relate themselves to the new situation. On a management level it can involve changes in the power distribution and in the beginning employees may find it confusing who is in charge. The case might be that top management itself attains diffuse information from the acquiring company, which cause misunderstandings between top management and employees in the acquired firm. An interesting aspect would be to investigate how middle managers perceive and handle these kind of situations since they are the link between top management and employees. Balogun (2003) discusses that middle management in organisational restructuring processes is a recent topic that has attracted much attention. However, she argues that the impact these restructurings have on middle manager’s roles, careers, and their reaction to such changes are of mixed opinions in the literature. When the organisation faces changes middle management has to take instructions from top management and at the same time communicate these changes to the employees. In this case it can be speculated that middle managers might be somewhat torn between employees and top management. The middle manager is believed to fulfil expectations both from above and below, but sometimes it is not possible to please everyone. This brings up the subject of trust. Employee trust in management is believed to be a vital part in restructuring processes to obtain a successful integration (Nicandrou, Papalexandris & Bourantas, 2000). This is supported by Risberg (1999) who claims that employee trust in management is crucial for a successful integration after an acquisition. Despite this fact, there is little empirical evidence in this area concerning middle management. Risberg (1999) further states that what is missing in literature is an attempt to understand how individuals in the acquired company experience the post-acquisition process.

### 1.2 Purpose

The purpose of this thesis is to investigate the post-acquisition process in the acquired firm, focusing on how the acquisition has been experienced among middle managers and their employees.
Theoretical Framework

2 Theoretical Framework

The theoretical framework constitutes the base for the empirical study but also provides the reader with a theoretical background to the subject of middle managers and employees in acquisitions. Further, the role of trust and communication in the post-acquisition process are discussed. The theoretical framework finally leads to research questions concerning middle managers’ and employees’ experiences in the post-acquisition process.

2.1 Differences Between Mergers and Acquisitions

M&A is a common concept that is widely discussed in literature, however the differences between mergers and acquisitions are rarely deliberated. Many definitions are proposed, Dyer, Kale, and Singh (2004) mean that they tend to share a common ground. They argue that the main difference between mergers and acquisitions is that companies in mergers create a new organisation consisting of two or more companies on equal stature and pooling of resources, whereas in acquisitions one company is the buyer, hence possessing most of the power. An acquisition implies that a larger organisation adds a smaller firm onto the existing structure in order to, for instance, increase sales, cut costs, or enter new markets. Regardless of this difference there are many similarities between them, which is the reason why literature mention them together. For this thesis the theoretical field of M&A will be used, but we will strategically focus on literature pertaining to acquisitions.

2.2 Cross-Border Acquisitions

Risberg (1999) discusses the differences between domestic acquisitions and those of international character. There are a number of new factors that the management needs to consider when acting in a new national area, involving not only cultural issues, but also legal, political, and macroeconomic aspects. In international acquisitions the acquiring company might be familiar with the industry, but not with the newly entered market. Hence, according to Walsh (1988) the case could be that the acquiring company becomes more dependent on the acquired company’s management than if the acquisition would be domestic. When the acquired firm is foreign, both the acquirer and the acquired firm experience higher uncertainty about the acquisition-process and the results, which might lead to increased tensions and mistrust (Nicandrou et al., 2000).

Kogut and Singh (1988) advocate that national cultural distance implies distance in the norms, routines and repertoires for organisational design, but also other aspects of management that can be found in the acquirer’s and the acquired company’s countries of origin. They further argue that particularly repertoires and specific routines have demonstrated to be critical to post-acquisition performance. However, in a study conducted by Morosini, Shane and Singh (1998), they stress that there exists empirical support for the fact that national cultural distance enhances the performance in cross-border acquisitions. National cultural distance, in turn has been related to significant differences between countries’ norms, routines and repertoires (Hofstede, 1980; Kogut & Singh, 1988). Morosini et al. (1998) further argue that cross-border acquisitions that tended to perform better were those where routines and repertoires of the acquired firm’s country of origin on average were more distant from the acquirer’s.
2.3 Managers Actions in Acquisitions

Schweiger and DeNisi (1991) argue that an acquisition has a substantial influence on the managers and employees in the acquired company. Moreover, Mark and Marvis (1985) argue that managers may react quite differently compared to other members of the organisation to the acquisition. Furthermore, they advocate that open and accurate communication throughout the post-acquisition process is crucial. The worst thing that can be made after an acquisition is to wait and see what happens instead of making actions. In case nothing happens, anxiety and ambiguity can appear in the acquired company. It can be argued that management and employees in the acquired firm expect some directions, for example regarding integration, from the acquirer. However, researchers like Haspeslagh and Jemison (1991) stress that the acquired company should be left alone for a while to settle the worst turbulence coming from the acquisition. Despite this it is common that top management of the acquiring firm tells the employees of the acquired firm that everything will remain the same and that nothing will change. This is in order to avoid anxiety and worries among the employees, but will often generate the opposite effect (Austin, 1970). Levinson (1970) argues that it is established that people generally expect coming changes after being acquired. Hence, if it is declared from top management that nothing will change, the employees will suspect that some information will be withheld from them.

Datta (1991) stresses that many researchers have highlighted the fact that top managers in the acquired firm tend to leave the firm that has been acquired. Risberg (1999) advocates that when managers face too much uncertainty, or experience the management from the acquiring firm too different they may leave the company. This is supported by Walsh (1988) claiming that top management leave the company to avoid dealing with the uncertainties of an acquisition. Great differences in management styles between the two firms lead to that the acquiring company trying to compel their style onto the acquired, which might lead to management turnover (Datta, 1991). The greatest concern with managers leaving the company is that the acquiring firm will experience a loss of skills and knowledge, which they from the beginning acquired. As a consequence of this, the strategic value of the acquisition will be adversely affected.

2.4 The Role of Middle Management

There are many authors offering different definitions of what middle management is. We have chosen to describe middle management from a broad perspective since we do not aim to investigate different roles or styles that middle managers can posses. Dopson and Stewart (1993) describe middle managers as the managers above first-level supervision and below the group of strategic top management. Breen (1984) defines middle managers from a decision-making perspective. He argues that they have a great responsibility for binding the organisation together. Middle managers are not necessarily involved in strategic decisions required at the top of the corporation, but are often required to make operational decisions that often directly affect the day-to-day operations of the organisation.

According to Torrington and Weightman (1987) the size of the company is believed to be an influencing factor of middle management in an organisation. Floyd and Woolridge (1994) stress that years of downsizing in the early 1990’s questioned the importance of middle management, but it was eventually impossible to escape the fact that middle managers are important actors for the company. They argue that middle managers today are believed to have greater responsibility and more challenging tasks than before. The prior middle managers were more in quantity but as companies become flatter in
organisational structure middle managers decreased in number but get a higher degree of freedom in decision-making coupled with an increased strategic role. This is supported by Drakenberg (1996) who claims that the flatter organisation structure has increased middle managers’ power and authorities.

2.4.1 Middle Managers in Change Processes

Due to lack of information about middle management in acquisition processes, literature about middle management in change processes will be used. An acquisition implies change in the organisation, hence, we argue that literature about middle managers’ relation to change and restructuring in organisations can be treated equivalent. The discussion in chapter 2.3 is focusing on top managers. However, we argue that some of that information could be applied on middle managers. Middle managers, as well as top managers, need to communicate with the employees below them. Middle managers and top managers are both managers in the company and have more insight in the business than other employees. Hence, middle managers might perceive the acquisition differently from the employees under them.

According to Thompson (1967) middle managers are suppliers of information upwards and downwards in the organisation. Hence, they act as a link between the strategic top and the operating core. This is in accordance with Drakenberg (1996) who illustrates middle managers to be ‘stuck in the middle’ since they are provided with information and tasks from both top management and employees. Consequently, middle managers play a central role in change processes. Denham, Ackers and Travers (1997) discuss that as an impact of restructuring in organisations, middle managers are empowered with more challenging and fulfilling roles. They further state that some researchers argue that implementation of change creates fulfilling intermediary positions for middle managers, whereas others claim that middle managers are restrictive and resistant to change. The last statement is supported by Thompson (1967) who claims that middle managers are seen as resistant to change and obstructive. Also Huy (2001) and Biggart (1977) illustrate that the general perception about middle managers is that they are usually the largest resisting corporate level towards any form of corporate change. Huy (2002) further discusses that middle managers have obtained a de-emphasised role in literature where they are described as self-effacing in comparison with top management. However, he argues that this is not the complete truth, since through a six-year study he found that middle managers play a significant role in radical organisational change. Middle managers’ contributions to the realisation of change are of high value, however, these contributions are often unrecognised by top management. According to Huy (2001) middle managers are closely aligned with day-to-day operations, customers, and frontline employees. However, they are not aligned close enough to the frontline so they cannot see the big picture of the organisation. Moreover it is prevalent that many middle managers have started their careers as operations workers.

Balogun (2003) argues that middle managers are confronted with complex and demanding tasks in organisational changes. Simultaneously they are supposed to help their employees through this change, implement changes in their part and at the same time keep the business running, last but not least they are expected to undertake personal change. Even though middle managers are taking instructions from top management, the results of the actual change are based on how they interpret these the underlying results and what they can personally achieve. Westley (1990) point out that despite the growing importance of
middle management initiating strategic change, they tend to have a more supportive role in strategic change.

2.5 Employee Reactions in Acquisitions

Employee reactions are widely discussed in acquisition literature. Buono and Bowditch (1989) mention anxiety, uncertainty, and ambiguity as the most common reactions among employees in an acquisition. Schweiger, Ivancevish and Power (1987) postulate that the acquisition may affect employees on both a professional and a personal level. However, there are different uncertainties that affect the employees (Ivancevish, Schweiger & Power 1987). The first uncertainty is related to the major event taking place, the acquisition itself where the employees have limited control. The second uncertainty is related to the future. This is because the employees do not know much about the objective of the acquisition. Third, the employees may face changes in work conditions, which in turn, might affect family relationships. However, changes can be experienced differently between individuals. Hardin (1967) mentions that some individuals experience change as loss and uncertainty, they feel hopeless, depressed, confused, anxious, angry or frustrated, whereas others perceive the change as a challenge which make them feel excited, enthusiastic, active and positive. The reactions to changes depend on the person's tolerance to change. Sinetar (1981) claims that before employees have recovered from their initial reactions an increased dysfunction where employees become ineffective might be created. They may take time off work and spend time worrying about what will happen. These anxieties influence the employees to lose concentration and loss of focus on their work related tasks by constantly worrying about their personal futures and associated anxieties.

In a study carried out by Schweiger et al. (1987) major personal reactions were found among the employees in the acquisitions process. An acquisition implies reactions as loss of identity, where the employees experience that they can no longer can identify themselves with the company. Many of the members of the organisation felt that lack of communication about the acquisition, for instance, shortage of accurate and timely information about the future created anxiety among the employees. They also found that employees did not complain about the reasons why certain employees had to leave the company. Instead the amount of time it had taken for management to make and communicate these decisions were of greater importance. This was seen to be crucial because it created uncertainty and anxiety since the employees did not know who would be the next one to go.

Marvis and Marks (1986) on the other hand found that an acquisition's effects on the employees are heavily affected by managers’ reactions. The reactions of the management in the acquired firm will in turn influence their employees, which can lead to a feeling of less a commitment to the firm among the employees (Sinetar, 1981). According to Marvis and Marks (1985) employees may feel that they do not recognise their ‘old’ company, hence, they feel a lack of belongingness to the ‘new’ company. If the management is not able to give correct directions the employees can feel even more uncertain and lost towards new circumstances. This may lead to the result that some employees chose to leave the company.

According to Daniel and Metcalf (2001) almost all acquisitions involve some kind of restructuring. It is not easy to move quickly when restructuring, even when there are obvious changes that need to be done. It is inevitable that the acquisition will cause changes in aspects about the management structure, and the sooner the better to make
announcements to the employees. It is better to continue with the changes that will occur, rather than that employees' energy and focus go to anxiety and speculations. Most important for a successful integration is the need for the acquiring firm to be straightforward with what is happening and what is being planned. They further argue that even if there is bad news, it is appreciated from the employees in the acquired firm that the truth is told and that they are being honest. To communicate the truth also helps the employees to acknowledge some of the stress and emotions that have occurred with the acquisition. It is also important to never tell the employees that the business will 'continue as usual'. Argyris (1990) stresses that changes can be challenging for the organisation members' self-identity, which might create uncertainty about their future roles and privileges, hence trigger anxiety.

Daniel and Metcalf (2001) further argue that employees who remain in the company after an acquisition often feel threatened about how to deal with new systems of beliefs and values. The new methods and performance standards feel many times foreign and are often seemed to be 'forced down their throats'. It is crucial to give employees a time frame that is required to get through the post-acquisition process. When decisions about functions and people are made it is of importance to treat those employees being negatively affected by the transactions with respect, dignity, and support. This is not only the proper way of dealing with the situation but also a powerful way of showing the people remaining in the organisation what type of company they now are working for. It will help them to begin developing positive feelings towards the new organisation.

**Employee Behaviour**

Bourantas and Nicandrou (1998) developed a conceptual framework (see Figure 2-1) with the aim to explain the behaviour of employees in the acquired firm after an acquisition. The model consists of two dimensions: supportive/resistive and activity/passivity. In the first dimension the employees will act supportive if they accept the changes the new management wants to implement. If they behave reluctantly and do not accept the new situation then they will continually prove to be resistant. The second dimension deals with the relationship between the employees and organisation, which means the employee effort in terms of creating and maintaining relationships concerning the work environment in the post-acquisition process. They further argue that after an acquisition employees can: support the organisation by working hard (loyalty), continue their job as before the acquisition (compliance), try to change things by expressing their opposition (voice), or reduce their effort by start working for personal business (neglect). Loyalty and voice are seen as active behaviours and compliance and neglect as where employees act passively.

The loyalty act means that employees actively support the acquisition. The new organisation may be related to higher status and the employees may see the acquisition as a potential opportunity for advancement, development, and new responsibilities. Employees that were less satisfied with the company or their work before the acquisition may see the acquisition as a rescue. Compliance as employee behaviour in acquisitions implies that employees in a passive way support the acquisition. They accept the new situation as it is and continue working as nothing has happened. Employees at lower levels may be indifferent about being acquired since the acquisition might have little or no affect on them. The voice behaviour includes active resistance toward the acquisition where the employees express negative feelings and reactions. The last behaviour, neglect, means that employees behave passively and resistantly to the acquisition. This behaviour is common when employees believe that the dissatisfying situation coming with the acquisition is not going to change.
Theoretical Framework

Figure 2-1 Loyalty, Compliance, Voice and Neglect: A Typology of Employee Responses to Acquisitions (Bourantas & Nicandrou, 1998)

The *loyalty* and *compliance* behaviours are believed to contribute to the success of the situation created after the acquisition, whereas *voice* and *neglect* illustrate oppositions to the acquisition. Individuals that have a positive view of changes, find it easier to accept the new situation. On the contrary individuals that have a negative perception towards changed circumstances will act resistently. Even if employees behave differently towards change they tend to relate themselves to each other. They compare their behaviour to other employees’ behaviour and estimate the gain/loss of their behaviour compared to others.

### 2.6 Integration of Human Resources in Acquisitions

According to Haspelagh and Jemison (1991) integration is a vital component, creating value in the acquisition. Schweiger et al. (1993) stress that a time period of three to five years is needed for an acquisition to be integrated. The post-acquisition integration process is seen to be a critical factor for success, and especially the socio-cultural integration process. Datta (1991) argues that the fundamental objective of the integration is to use existing capabilities more effectively. Economies of scale, integration of departments and sharing of sales forces are advantages that the firms might experience. However, the high degree of integration implies more effects of cultural differences, hence, more cultural clashes (Weber & Schweiger, 1992). They further argue that top management of the acquired firm might develop negative attitudes toward co-operating with the management of the acquiring firm. Hence, integration is crucial for a successful acquisition, but integration might lead to cultural clashes and prevent a successful outcome. Larsson (1993) discusses that initial cultural differences or similarities do not affect the outcome of the acquisition, it is how the integration is managed that is important. Napier (1989) stresses that how the integration is managed is affected by the motives behind the acquisition. Depending on the motives, firms relate to different types of integration in acquisitions. Three different types of integration in acquisitions are defined: extension, collaboration, and redesign. In an extension acquisition, the acquired firm is left with few or no changes, whereas in
Theoretical Framework

collaboration acquisitions the firms can benefit from exchange of skills. Redesign acquisitions mean that policies and practices are adapted from one firm to the other.

Daniel and Metcalf (2001) state that human resource managers have many responsibilities during the planning and execution steps of acquisition activities, such as compensation, employment, and benefits issues. Most of the activities have been considered in the form of processing employment and termination forms and enrolling employees in benefit plans. To deal with the chaotic nature in which many deals are finalised, it is of great help to plan processes in advance. It is important to give response to employees how the changes will take place but it is difficult to tell each specific employee what their role will be after the acquisition. They further argue that during the initial stage of the acquisition it is common that many rumours occur. To reduce these rumours an official announcement is of great value. The use of communication plans will inform the employees about the progress. To optimise the procedure of the acquisition it is of great value to get the best combination of human and operational talents into key roles. One of these key roles is possessed by the integration leader, which has the task to work with people across both organisations. This person needs to be strongly committed to the work and not be afraid of managing conflicts. The integration leader has to be supported by senior executives when it comes to what the best for the organisation even though oppositions to the decisions might prevail. By letting employees have their time to adjust to the new circumstances long-term benefits will be created.

2.6.1 Trust and Communication

There are different denotations of what trust is and for certain situations a definition is needed. Henceforth we discuss trust as having confidence in another person.

According to Nicandrou et al. (2000) acquisitions are one of the most traumatic processes among all organisational changes. It is the responsibility of the management to build and create trusting relationships with the employees during the post-acquisition process. This process can be extremely difficult, in view of the fact that management need to confront uncertainties, anxieties, and negative reactions of the employees. Hence, these reactions may create barriers between the management and employees. The management’s ability to handle the changes from an acquisition affects the perceptions employees have on the trustworthiness of post-acquisition leadership (Mayer, Davis & Schoorman, 1995). Nicandrou et al. (2000) discuss that increased uncertainty and broken trust lead employees to self-interest behaviour and to decrease this, leadership is important for a successful integration. Trust is believed to be an important element of social interaction in acquisitions.

Nicandrou et al. (2000) further argue that to handle uncertainty and ambiguity during the post-acquisition process it is important to build relationships between members of the organisation. Building relationships and through this creating trust is a central part of the social interaction. They stress that communication is one of the issues in acquisitions that have absorbed the most attention. Kotter (1990) means that culture and communication are closely related, arguing that culture can be seen as a product of communication and communication in turn as an artefact of culture. Napier (1989) together with Blake and Mouton (1985) stress that integration failure in acquisitions in high extent is due to employee resistance. Communication is regarded as crucial in order to reduce cultural problems and employee uncertainty. It is not always the content of the information that makes the employees feel confident but the symbolic value of the communication (Risberg,
Theoretical Framework

Schweiger and DeNisi (1991) advocate that communication is a means to reduce uncertainty among employees in the acquired firm and that it also is useful to increase the reliability and trustworthiness of the acquiring firm. They further mean that it is not necessary that management communicate every little detail, but rather that they express their concern about employees. This will in turn affect how employees perceive the management’s benevolence and trustworthiness. Nicandrou et al. (2000) claim that to spread false information to temporarily minimise uncertainty will lead to dissatisfaction, low trust, and other unwished behaviours that management from the beginning wished to avoid. Thus, communication should be honest since it affects how employees perceive the integrity of the management. What seem to play a major role for a successful outcome of an acquisition is that of frequent communication and this both before and after the acquisition. Schweiger et al. (1993) argue that quick implementation changes help to reduce negative reactions and may in turn be interpreted as a strength of the acquiring company.

2.7 Theory Summary

Cross-border acquisitions imply changes in for example norms, routines, repertoires, and management style. These changes are issues that have to be considered with great concern and are most apparent in the company being acquired. Different parts of the acquired firm might react differently to the acquisition and the company will probably face a somewhat turbulent time before the changes are settled. Common reactions among employees in the acquired firm are anxiety, uncertainty, and ambiguity. Based on the reactions different behaviours will be developed. These behaviours may differ depending on how the post-acquisition is managed. Middle managers are believed to be a central part of change processes since they are the link between top management and employees. They have to deal with the demanding task with both helping the employees through the change and on the same time keep the business running. Trust is an important part in order to reduce uncertainty and negative reactions. It is management’s responsibility to maintain trust throughout the organisation and their ability to deal with the changes will affect their trustworthiness. Communication is seen as a critical factor to reduce uncertainty and increase trust. Thus, middle managers are confronted with a tough situation in the post-acquisition process. Because of the important role of middle management in change processes it is interesting to explore how they deal with these changes and employee reactions.

Research Questions

Based on the theoretical framework research questions concerning the post-acquisition process were developed.

- How do middle managers communicate trust to their employees?
- How do employee and middle managers’ behaviours affect the post-acquisition process?
- How does top management turnover affect middle management and employee trust?
- How do middle managers perceive the post-acquisition process compared to their employees?
3 Method

In this chapter we discuss our choice of method and why this method is the most appropriate for this study in order to fulfil the purpose. The trustworthiness of the study is discussed as well as the implications of the method chosen. Finally, a discussion where we reflect upon how the used method has affected the outcome of the thesis is held.

3.1 Scientific Approach

When conducting research it is of importance that the researcher declares his or her view of the world since this will influence the choice of method and thereby the outcome of the results (Chalmers, 1999). We will hereby clarify our standpoint of how we perceive the world and how we believe that we are in the most suitable to gain knowledge about our research subject.

There are two opposite poles in scientific research: positivism and hermeneutics (Eriksson & Wiedersheim-Paul, 1997). According to Patton (2002) positivists search for an absolute truth and believe that knowledge is related to science and measuring. It is only the measurable that can be considered the truth, hence, the real world. Saunders, Lewis, and Thornhill (2003) claim that positivist research emphasises high structure in the method for research leaving no room for interpretation. Hermeneutics on the other hand deals with deep understanding of the research subject (Andersson, 1979). Patton (2002) stresses that hermeneutics is a part of social constructivism, which is based on the foundation that the human world has no reality in an absolute sense, it is based on our own perceptions and experiences of the world. Thus, hermeneutics is based upon how people interpret and understand different phenomena. We do not see ourselves as supporters of either of the extremes of the two contrasts. We argue that it might be difficult to strictly follow one of these approaches. We argue that our perception of the world and how knowledge is created is more towards the hermeneutic view. We believe that there is a ‘reality’ but that certain phenomena are not possible to measure. Only because some things are not measurable we do not believe that they do not exist. However, we stress that applying a hermeneutic approach would best guide us in right direction concerning our research subject. Thurén (2000) as well as Wallén (1996) posit that the positivist approach abolishes research focusing on behaviours and feelings since they are believed to be unquantifiable. For this study interpretation is crucial in order to understand the phenomena since we are investigating how middle managers and their employees have experienced the post-acquisition process. Ödman (1979) states that the hermeneutic approach believes that people do not interpret everything in the same way, which makes each situation unique.

3.2 Research Approach

According to Patel and Davidson (2003) there are three ways to relate theory and empirical findings. These are induction, deduction, and abduction, which is a combination of the first two. They claim that inductive research is exploring, meaning that the researcher collects and analyses empirical findings in order to draw conclusions. The conclusions will in turn constitute the base for creation of new theories and models. Induction aims to develop theories in order to explain certain phenomena. Layder (1993) argues that induction implies that the researcher initiates the research without any predetermined theories about the research topic. Whereas induction creates theories based on empirical data, deduction is based on testing hypotheses based on earlier research and existing theories (Patel &
Method

Davidson, 2003; Elgmork, 1995). By empirically testing the hypothesis it is presumed that another researcher could conduct a similar research and yield the same result (Patel & Davidson, 2003).

According to Patel and Davidson (2003) abduction implies that the researcher uses existing theories to create new theories that explain the findings from the current research. This approach is a combination of induction and deduction since it considers both empirical findings and theoretical perspectives (Alvesson & Sköldberg, 1994). We consider abduction as the most appropriate research approach for our study. The interview questions and the questionnaire are based on the theoretical framework, hence the approach cannot be regarded as inductive. Since the aim of the study is not to test hypotheses to verify theories about the research subject the study is not deductive either. Moreover, the deductive research approach does not correspond to the hermeneutic approach we have undertaken. Hence, the research approach is considered abductive since the thesis is built both on theoretical perspectives and empirical findings. Collection of theories about middle managers and employees in acquisition processes has helped us to create an initial understanding about the research area, which has constituted the foundation for the collection of empirical data. In the analysis the theoretical framework is used to facilitate the interpretation of the empirical findings. Hence, from the analysis, which is based on existing theories and our empirical findings, additional theory might be developed and added to the field of research.

3.3 Research Method

Lundahl and Skärvad (1999) advocate that there are two different methods that can be used when collecting data: quantitative and qualitative. Data in quantitative studies deals with numbers and statistical results, whereas data in qualitative studies deals with meanings (Dey, 1995). Thus, quantitative studies are more aligned with positivism and qualitative studies correspond better to the hermeneutic approach. The purpose with a qualitative research is to obtain more deepened knowledge than is reached with the use of a quantitative method and to understand and analyse as a whole (Patel & Davidson, 1991). Berg (2001) indicates that qualitative research aim to answer why- and how questions to increase the understanding and knowledge. In this study we are interested in investigating why certain circumstances were prevailing during the post-acquisition process, how the middle managers and their employees perceived this time, and how they dealt with potential problems. Merriam (1988) argues that qualitative studies are usually used when there might be lack of theory in that field. Since there are little empirical research regarding middle management in acquisitions and how the post-acquisition process is experienced in the acquired firm we believe that a qualitative approach is suitable.

Lundahl and Skärvad (1999) mean that interpretation and understanding are the most essential concepts in qualitative research. There are no guidelines or rules as in a quantitative study on how the information should be interpreted. This is supported by Stake (1995) who claims that all research depends on interpretation, but that qualitative studies leave more place for interpretation than quantitative studies do. When gathering data in qualitative research the researcher should maintain vigorous interpretation. This means that researchers draw their own conclusions based on observations and other data found in the study. These conclusions can be seen as a form of generalisation. However, there is a difference between generalisations in qualitative studies and quantitative ones. Conclusions in qualitative studies do not seek to make broad generalisations, but to give indications and assertions toward certain directions.
According to Lekvall and Wahlbin (1993) the method for investigation should be based on the purpose of the study. Qualitative studies open up for research questions oriented to specific cases or phenomena and seek patterns of expected as well as unexpected relationships. The purpose with this study is to investigate how the acquisition has been experienced among middle management in the organisation. Thus, there is no right or wrong how these people have experienced the acquisition, it is based on their personal interpretations.

3.4 Studying an Acquired Company

Merriam (1988) stresses that one way to conduct a qualitative study is by studying a specific case. Using a case study as method for investigation means to examine a demarcated system that is in focus for the investigation. In case studies there are no rules how to gather and analyse information.

“The essence of a case study, the central tendency among all types of case studies, is that it tries to illuminate a decision or a set of decisions: why they were taken, how they were implemented, and with what result.”

(Schramm, 1971, p. 12, in Yin, 2003)

Case studies are appropriate for practical problems, issues, situations, or difficulties that arise in daily life. Stake (1995) agrees with Merriam, arguing that a case study grasps the complexity of a single case. He further means that case studies do not involve sampling in the meaning that the case is studied to understand other cases. One criterion for selection of the case should be to maximise the learning. Given the purpose of the study the researcher needs to reflect on which cases will lead to understandings and assertions. This might not be an easy task, but the researcher should understand that some cases might aid or restrict the outcome of the learning. For this thesis we have chosen one Swedish company to investigate middle management’s experiences during the post-acquisition process. Hence, the case is to investigate these experiences in this specific company. The reason for only conducting the study on once company is that it is easier to obtain a comprehensive picture than if more companies would be used. Since we are conducting a qualitative study we strive to find deeper and explanatory information about the phenomenon of middle management’s experiences in acquisitions.

3.4.1 Selection of Case

The chosen company is a Swedish company that has been acquired from a foreign company. As Schweiger et al. (1993) mentioned, a period of three to five years is needed for an acquisition to be integrated. This limited our selection of company to companies that had been acquired around year 2000. Studying a recently acquired company might be difficult since the first years are often turbulent and organizational restructuring activities might still be in progress. If too many years have passed since the acquisition people might have forgotten or changed perceptions about the acquisition and this might affect the trustworthiness of the study. A valuable web site about Swedish acquired companies from 1999 to 2004 was found on Internet (Stockholm Fondbörs, 2005). Companies acquired during 2000 till 2002 were contacted. The industry or business area was not of importance for the chosen company since we want to emphasise personal expressions and experiences connected to the acquisition, hence, this is not crucial for the study. The process resulted in Emil Lundgren that was acquired from the French Vinci Group in 2000. The reason that Emil Lundgren was chosen was mainly based on the size of the company and the
organisational structure. The person we first got in contact with was the human resource manager. He explained that they have units on seven different locations in Sweden, each one with its own unit manager. These unit managers are equal to middle managers and we found it suitable to have these unit managers as participants in the study. The human resource manager provided us with contact information to the unit managers and all of them were positive to be part of the study.

3.4.2 Collection of Information

The strength with a case study is the capability to utilize a variety of methods such as interviews, participant observation and field studies to gather information (Hamel, Dufour, & Fortin, 1993). Patel and Davidson (2003) discuss the concept of triangulation, which means using various methods to collect information. This is helpful when analysing the information since it provides a broader picture of the studied phenomenon. For this thesis interviews were conducted with the seven unit managers and the human resource manager. Some questions asked to the unit managers concerned the employees’ reactions to the acquisition. Questionnaires were handed out to 35 employees to get their personal view of the post-acquisition process. Hence, by interviewing the unit managers and handing out questionnaires to the employees makes it possible to verify the answers. The interview with the human resource manager has the purpose to obtain a holistic view on the acquisition and how the human resource team has worked with personnel issues during the acquisition.

Interviews

According to Berg (2001) an interview is a conversation with a purpose, where the purpose is to gather information. Ejvegård (1996) argues that by using interviews, the respondents can easily express their opinions and knowledge within the area in question. An advantage with interviews is the verbal communication between the interviewer and the respondent, which opens up for a deeper insight into the subject (Lundahl & Skärvad, 1999). There are also other methods for data collection in qualitative studies such as observations. Making observations to collect information would not be possible in this study since observations imply observing people’s behaviour without their knowledge. Hence it would not be possible to obtain information about their experiences without having a dialogue with them.

Lundahl and Skärvad (1999) mention that there are different types of interviews with different degree of standardisation in the questions. Interviews with high standardisation the questions are compiled in advance and give the interviewer no space to make exceptions for other questions than are in the interview guide. There has to be the same structure and order of the questions for all interviews. Non-standardised interviews have higher flexibility since the questions are not decided in advance in the same extent as in standardised ones and the questions can be asked gradually. The interviewer also has the possibility to adjust the questions to the answers from the respondents. The third type of interview is called semi-standardised and is a mix of the two mentioned above. Some of the interview questions are compiled in advance and asked to all interviewees. Follow-up questions are asked depending on the answers to these questions, which gives the respondent the opportunity to provide and develop clearer answers.

1 Henceforth, middle managers will be labelled unit managers when it concerns Emil Lundgren.
Method

Our interview guides\(^2\) are of semi-standardised structure that allows us to ask more specific questions in cases where in-depth answers are required. We wanted the respondents to openly talk about the acquisition but still guide them in the interview by asking specific questions. Lundahl and Skärvad (1999) further stress that interviews that have none or little standardisation allow the interviewee to express values, opinions, and attitudes. Questions are not only asked for the information itself, but also to stimulate the respondent to develop own questions and thoughts. This is what we wanted to achieve with the interviews in order to let the respondents make some reasoning behind the answers.

The interviews were face-to-face interviews held in the interviewees’ offices and each interview lasted approximately one hour. By interviewing them in their offices we believe that they feel more comfortable and relaxed than if the interviews would have been held in a totally foreign environment. In face-to-face interviews both the interviewer and the interviewee can clarify the verbal communication with for example body language, face expressions or pictures in order to simplify the interpretation and understanding (McDaniels & Gates, 2005). Since the acquisition took place five years ago it can be difficult recall everything at once. Information about the content of the interview was sent by e-mail to the respondents two days before the interview to let them prepare themselves.

Questionnaires

Aczel (2002) stresses that when using questionnaires as a way to gather information there has to be a sample of at least 30 participants in order to be able to draw reliable conclusions and make generalisations. The questionnaires\(^3\) were sent back to us by mail, with the exception of the unit in Stenungsund where we got the questionnaires directly after the interview.

Requirements for participation were that the employees had to be under supervision of the unit manager and were employed by the company before and after the acquisition. We also wanted employees of various positions to participate in the questionnaire. The unit managers were asked to select the employees. The reason for this is that they have knowledge about the employees in their unit. To let the unit managers pick out the employees was a convenient way of the selection. It would not have been possible for us to pick out the employees since we did not know who was working during the acquisition and which positions the employees have. One possible weakness by doing the research this way could be that the unit managers chose employees they know were positive and loyal towards the acquisition. However, this is a risk we have to take, but we believe that the unit managers did not have that kind of reasoning when choosing employees since they decided which employees should participate the same day as the interviews were conducted.

According to Trost (2001) questions can be either closed or open. Closed questions are questions that are provided with fixed alternatives to choose from, compared to open questions that are presented with no indicated alternatives. The design of the questionnaire is based on the theoretical framework and the interview guide for the unit managers. The questionnaire covers the main areas in the interview guide to obtain a general view of the

\(^{2}\) See further Appendices 1-4.

\(^{3}\) See further Appendices 5 and 6.
employees’ experiences and to compare the results with the unit managers’ answers. The questions are both closed and open. Most of the open questions are follow-up questions to the closed questions. Trost (2001) further discusses that it can be difficult to compile the answers from a questionnaire if there are open questions. However, since our sample is rather small and the open questions in our questionnaire require short answers we do not see any problems with this.

3.5 Trustworthiness
To emphasise the credibility of an investigation, the concepts reliability and validity are discussed. Reliability is mainly used in quantitative studies to see if the measure will yield the same results on different occasions, and if different researchers can make similar observations on different occasions (Saunders, Lewis & Thornhill, 2000). According to Patel and Davidson (2003) reliability is seldom used in qualitative studies since the aim is not to measure. The results from a qualitative study will generate information about the specific subject studied and may be affected by circumstances at the time the investigation takes place. Hence, the aim is not to prove that the investigation can be repeated but to understand the specific phenomenon. This case study is qualitative which makes it difficult to measure the reliability. However, the questionnaires gives us some space to draw reliable conclusions about the employees since more than 30 participated. Since the questionnaires are only a part of the case study we will not be able to say anything about the reliability for the entire study. To ensure the reliability for the interviews the unit managers would have to be interviewed more than once. If this would be the case it is not certain that the exact same answers would have been generated due to changed circumstances. However, if the interviewees for this study had been interviewed more than once they probably would have given similar answers and on the whole a resemblance. We do not believe that they would have changed their perceptions about the acquisition, only explained it with different words but still with the same content.

According to Patel and Davidson (2003) validity deals with whether the results are in accordance with the ‘reality’ and whether the ‘right’ phenomenon has been studied. This can be verified by using suitable theories, measuring instruments and precision when collecting data. They further argue that when conducting qualitative studies focus needs to be dedicated throughout the whole investigation and not only to the collection of data. Different interpretations are of significance and it is important to reflect whether these interpretations are contributing with knowledge about the subject or not. Stake (1995) argues that triangulation is a useful method to improve validity in case studies. For this investigation this has been done by handing out questionnaires to the employees to verify the answers from the interviews with the unit managers. The fact that information about the interview was sent to each interviewee two days before, provided the same amount of time to prepare themselves and reflect upon the subject. The fact that the interviews were held face-to-face contributes towards enhancing the validity of the research. McDaniels and Gates (2005) stress that in face-to-face interviews both the interviewer and the interviewee can easily express themselves with body language, face expressions or pictures to facilitate the interpretation and understanding. The interviews were recorded which makes it possible to ensure the answers from the interviewees. The interviews were compiled and sent via e-mail to the interviewees for approval in order to prevent misunderstandings.
3.6 Method Reflection

We think it is of importance to reflect upon the chosen method and the implications of our choices. To begin with we are aware that the study only represent one company in a certain industry, hence we will not be able to compare possible differences between industries. However, we found it more valuable to concentrate on one company. If we for instance had interviewed seven middle managers from different companies we would probably not have received the same comprehensive picture compared to conducting an in-depth study of one company.

As this study has been conducted through a qualitative study with an interpretative perspective it can be argued that the degree of objectivity can be questioned. However, this study is not subject for drawing generalising conclusions since we aim to obtain deeper understanding how individuals experience the post-acquisition process. With the use of triangulation we have been able to verify the experiences between middle managers and employees.

After conducting the interviews we noticed that it might have been of value to have interviewed the human resource manager first of the respondents. He provided us with an overall picture, which gave us a better understanding how Emil Lundgren is organised, both, now and before the acquisition. If we would have done this the questions to the middle managers could have been more specific to Emil Lundgren and the different units. Another aspect that would have been interesting and could have yielded more information to the study could have been to design the questionnaire to the employees after all unit managers had been interviewed. The unit managers mentioned things when the interviews were conducted that we had not had in consideration when designing the questionnaire. After compiling the answers we discovered differences between constructors and office workers. If we would have been aware of this before we had let the same number of constructors and office workers answer the questionnaire compared to how it turned out to be with 12 constructors and 20 office workers. We wanted five employees from each unit to fill in the questionnaire, which would give a total of 35 employees. The percentage of answers on the questionnaires was 91,5 percent, which is considerably high, there were three employees from the unit in Stockholm that did not answer the questionnaire. No consideration was taken to how large the different units are since we did not know their size before the interviews were conducted, however, we did not aim to compare the units in a large extent. If this would be the case the results had been more correct if the same share employees compared to the total number of employees at each unit had answered the questionnaire.

Indications to misunderstandings on two questions shows that they could have been more clearly expressed. The first questions that could have been clearer formulated were the two (3 and 4) concerning the levels of managers they had above them, before and after the acquisition. Some employees answered the number of managers they had above them at the unit, some how many they at above them in Emil Lundgren, and some how many in the entire Vinci Group. Due to this the question has been excluded from the empirical findings. Also question 16 where the employees were asked to explain the post-acquisition process with three words was somewhat misinterpreted. We wanted the employees to express three single explaining words, but some employees wrote whole sentences and others thought we meant a sentence with only three words. However, this question was not excluded since the employees expressed their feelings even if they did not do as we intended them to do.
Method

We believe that it is difficult for individuals to say something about their own behaviour during the post-acquisition process, which made it difficult to design these types of questions. It is easier to express other individuals’ behaviours since it is less common to reflect upon the own behaviour. Despite this we have been able to distinguish behaviours in the answers from the interviews and the questionnaires.

Many of the unit managers in Emil Lundgren had another position before the acquisition, hence they have not possessed their positions for a longer time. It would have been interesting to see the result of the study where the middle managers had the same position before and after the acquisition.

Moreover, that information about the interview was sent to the respondents in advance do we not think had a negative affect on the answers. Since the acquisition took place six years ago it can be difficult to remember what happened during the first years after the acquisition. However, they were not aware of the interview questions before the day of the interview because we wanted them to answer openly and spontaneous.
4 Empirical Findings

In this chapter the results from the interviews and the questionnaires are presented. First a short presentation of the company is given in order for the reader to get an insight of the company. The interview with the human resource manager gives an overview of the post-acquisition process. This is followed by the unit managers’ experiences divided in different areas. We finish by presenting the employees’ answers from the questionnaires.

4.1 Presentation of the Company

The information below is based on the website of Emil Lundgren (www.emillundgren.se), specific information about the units is based on the interviews with the unit managers.

The family business Emil Lundgren was established in 1919 on Hisingen in Gothenburg. At that time the company performed electricity installations such as home installations and street lighting. Today Emil Lundgren is one of Sweden’s leading companies in the electricity installation industry. The company has business in three different areas: electricity, tele, and instrument. Electricity installations have always been the core business for the company where large projects are their speciality. Tele installations is an expanding market with fast development where Emil Lundgren has much competence. For instrument installations the company has a unique competence for example montage and process industries. The company has also developed a strong service organisation on all units since they believe that efficient service and regular maintenance often is as important as the installation itself.

The headquarter of Emil Lundgren is situated in Gothenburg, with seven smaller units scattered on different places around Sweden. The table below shows information about the different units.

4.2 The Acquisition of Emil Lundgren

In January 2000 Emil Lundgren was acquired by the French company Vinci Group which is the world leader in concessions, construction and related services. When Emil Lundgren was acquired the company became a part of Vinci Energies Sweden AB, which in turn is a part of Vinci Energies, which is one of Europe’s largest engineering- and installation corporation. Vinci Energies Sweden AB is a holding company that consists of Emil Lundgren, EC Elektrocentralen AB, Graniou Sweden AB, and the brand Actemium. EC Elektrocentralen AB is a company that Emil Lundgren acquired before the acquisition by Vinci Group. Graniou Sweden AB and Actemium were established in Sweden by Vinci Group.
Table 4-1 The units of Emil Lundgren

<table>
<thead>
<tr>
<th>Location of Unit/Unit Manager</th>
<th>Business Area</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jönköping: Bengt Johansson</td>
<td>Emil Lundgren established the unit in Jönköping in 1981 by acquiring Jönköpings Elektriska Installationsbyrå AB. They have long experience of contract works, service and maintenance for municipality, county council, building firms and buyers from industry, trade, and real estate. The first large project for the unit was to deliver complete electricity- and tele installations to the hospital in Jönköping.</td>
<td>47</td>
</tr>
<tr>
<td>Göteborg: Stefan Fredriksson</td>
<td>The unit in Gothenburg perform electricity- and tele technical installations, primarily in the region of Gothenburg. The office is situated at Hisingen only a few meters from the place the company first started. The unit is operating in four different segments: the car industry, construction, maintenance, and one part that focuses on marine.</td>
<td>131</td>
</tr>
<tr>
<td>Stenungsund: Örjan Carlsson</td>
<td>The unit in Stenungsund performs projecting and installations within electricity, instrument, different automation commissions, and service. The running work and projects are distributed on a fifty-fifty basis.</td>
<td>84</td>
</tr>
<tr>
<td>Stockholm: Per Jönsson</td>
<td>The unit in Stockholm works mainly with service towards the industry and diverse real estate companies.</td>
<td>15</td>
</tr>
<tr>
<td>Stockholm/Arlanda: Lennart Mårland</td>
<td>The unit in Stockholm/Arlanda is mainly working towards the industry, process constructions, and infrastructure projects.</td>
<td>40</td>
</tr>
<tr>
<td>Trollhättan: Jan Samuelsson</td>
<td>The unit in Trollhättan is mainly working with electricity- and tele installations towards the industry, government services, and the public sector. The unit in Trollhättan does not work with large building projects in the same extent as the other units, instead they are together with Stenungsund active in almost all the industries in the area. Some of their main customers are Volvo Aero, Volvo Cars Saab, and Artic Paper.</td>
<td>50</td>
</tr>
<tr>
<td>Vänersborg: Per Ekeroth</td>
<td>The unit in Vänersborg is working with service towards the industry, government services, and the public sector.</td>
<td>25</td>
</tr>
</tbody>
</table>
4.3 A Human Resource Perspective on the Post-Acquisition Process

Lars-Erik Andersson is the human resource manager for Vince Energies Sweden AB but is employed on Emil Lundgren where he had the same position before the acquisition. The units are autonomous and his role as human resource manager is to support the different units by acting like a sounding board through creating policies, rules, and routines.

The company has been facing major structural changes after the acquisition\(^4\). Before the acquisition the company had regional managers and divisional managers for each of the ten divisions. After the acquisition the regional managers were superfluous and the divisions were then called units. The organisation was reduced to seven units and the organisational structure became flatter. At the time of the acquisition the market for the whole industry dropped. These circumstances caused large-scale employee turnover. Some people in the organisation did not like the new situation and chose to leave the company and others were not required and were given retrenchment notices. The new flattened organisation implied more responsibilities and the ability to deliver results and some employees were unable to come up to the required standard and had to leave the company. However, it was a natural part of the process that some are not part of the company anymore. There were a few things that had not been done earlier whilst it was a family business. It was a lot to deal with, but it had to be done because of the new owners. When an organisation is restructuring, it is crucial to look at the root cause of the problem. To cut down to a manageable organisation and eliminate co-workers that you do not believe in, is a path towards the right direction. Then a positive mentality is created again and the organisation will begin to achieve its targeted growth projections. Mr. Andersson claims that radical changes are better than making ‘fine cuts’ over a longer period of time since this only extend the pain. Mr. Andersson says that there are great possibilities to develop and advance within the company, and that this is something they encourage. Many of the unit managers today started as electricians and advanced up in the organisation.

At the beginning of the acquisition, there were many CEO switches. The former owners that governed the company when it was a family business left the company. It was intolerable for them to keep running the business when the company got acquired. This was followed by an uncertain period where many CEO candidates came and went. There were many French people trying to get the company on its feet again, but without success. Then a Swedish CEO entered the picture, but he was not from the industry and did not succeed with the task. Finally, after almost two years, the present Swedish CEO undertook the role and got the company back on track. He is a strong character but wants at the same time that the units make their own decisions. The CEO that Emil Lundgren had before the acquisition was not so strong which made that the unit managers did not listen to everything he said, hence did as they wanted. In this way the corporate climate is different, there is a smoother communication in the organisation.

“*A good leader can affect the whole organisation. Leaders affect much more than people think.*”

Disregarding the restructuring processes Vinci Group introduced a new philosophy, Quartz, in the organization, which also forms part of the new accounting system. In the beginning Vinci Group told Emil Lundgren that the acquisition would not imply any

\(^4\) See further Appendix 7.
Empirical Findings

changes, everything would continue as before. This showed not to be the case since this philosophy caused many changes. Quartz refers to that the organization should be able to be viewed from all angels, like looking through a quartz crystal. According to Vinci Group a unit should be human sized, ‘lagom stor’, which means that a number of 50-60 employees in each unit should be aimed for. The Vinci Group wanted to make some of the units smaller (especially the one in Gothenburg) by just dividing them into smaller units. The unit manager should know the co-workers and the customers. Leadership creates responsibility, therefore Vinci Group wanted to ensure that all employees within the organisational hierarchy take responsibility. Delegation is an important concept in order to attain transparency, openness, and creating participation, this in turn will lead to organisational growth. However, Mr. Andersson stress that his view on Quartz is that it is no absolute truth, but a fundamental philosophy. All employees received education in Quartz and those working with accounting had to learn a new accounting system. The company now has continuous educational training for project leaders, accountants, and lead constructors, which is spread over the year.

This was a turbulent time in the organisation and in situations like this Mr. Andersson thinks that it is important to be distinct and honest with the employees. It is important to explain the reasons for the executed actions e.g. why some employees have to leave, whilst some remain and at the same time make it clear for the employees that are staying, why they are still in the company and continue to have an active role within the organisation. Mr. Andersson’s personal view on the changes is positive, but he argues that in the beginning it was difficult for many of the employees to understand the benefits of the acquisition. When he found out about the acquisition he was sure that great changes would follow. However, he further means that there are always things that are subject to change and that changing processes is something that is continuous. His own work tasks have changed much and he explains that in a position as his it is easy to carry too much on the shoulders.

Mr. Andersson argues that since Vinci Group is a large and well-known corporation with a good reputation he viewed the acquisition positively, but many employees did not realise this. There was an uncertainty to leave the spirit of a family business, but since there was no obvious fourth generation to take over the company this was the only way out for survival. Emil Lundgren conducted a large restructuring process 15 years ago, which caused much uncertainty within the organisation, which has taught the organisation to focus on be open and direct with all communications.

“The most difficult process is to sell the concept to the organisation, to make the employees understand why certain things need to be changed.”

It is important to understand as well as realise, that change processes are time consuming. This is the result of subjective human elements being involved which naturally resents and form of change, hence having a large influence on the viscosity of new routines being implemented within the organisation. Mr. Andersson clarifies that since he deals with integration issues, the reactions from the employees had an evidenced affect on him and his work. When going through change processes it will hurt in the organisation. He means that maybe the change process was implemented too quick after the acquisition, if the change work had started later maybe it would have influenced the organisation less. However, pros and cons need to be considered for both alternatives, what will we achieve by doing this as well as what will we lose out on if the change is implemented, are some of the major factors that need to be discussed. Since Emil Lundgren has acquired companies
before the acquisition by the Vinci Group Mr. Andersson argues that you have a better understanding for the acquiring company's actions. Though, one thing that Vinci Group did not realise from the beginning was the benefits coming from the smaller company. That is something they regret today, that they did not make use of from the start. Emil Lundgren was a healthy company before the acquisition but the demand for return on assets and profitability was not as high when it was run as a family business, this is a strong point, which the French continually emphasize.

Today almost all the people within the organisation have a positive attitude towards the acquisition. Mr. Andersson does not think that the acquisition has affected the constructors in the same extent as the office workers. Everyone thinks this is now part of the daily work. Things have begun to settle and they have achieved an economic turn around, illustrating that Emil Lundgren is on its way up again. This is reflected in the employees, through a positive belief about the future. He also mentions that getting acquired is not something that only has happened to Emil Lundgren. The market is on the way up again and Mr. Andersson believes that Emil Lundgren has an advantage since many of their competitors recently got acquired and are going through similar experiences they had six years ago.

### 4.4 The Middle Managers’ Experiences

#### 4.4.1 Roles Before and After the Acquisition

Before the acquisition Bengt Johansson in Jönköping was responsible for the service market. He was appointed the position as temporary unit manager in 2001 and became permanent in 2002. Before the acquisition he had three levels of managers above him, today he has only one. There are 47 employees working under his supervision at the unit in Jönköping. Half of the labour force is working with running work and the other half focuses on the open market with projects. Even if he was not a unit manager before the acquisition he means that the unit managers need to dedicate more time to budgeting than before. They also have to give monthly reports to Vince Group. The new accounting system was also different from what they were used to.

Stefan Fredrickson at the unit in Gothenburg was production manager and handled production issues and the sales process before the acquisition. He had two levels of managers above him, the division manager and the CEO. Mr. Fredrickson is relative to the Lundgren family that started the company. He has worked in the company during his whole professional career. He started as electrician, advanced to sales, project leader, production manager, and became unit manager in 2000 when the company got acquired. Mr. Fredrickson clarifies that he did not expect to be unit manager, he said that he could do it for one year in order to create security among the employees. He has 147 employees working under his supervision at the unit, 85 percent of them worked for him when he was production manager.

Örjan Carlsson, unit manager for Stenungsund was on leave abroad when the company got acquired. During his two years abroad he was still employed at Emil Lundgren. Before he was on leave he worked as a constructor and during his stay abroad he was project leader. When he came back to Sweden in May 2000 he continued as project leader. He was offered the position as unit manager in 2004. Mr. Carlsson explains that as he left as a constructor and came back as a project leader this implied great changes not only related to the acquisition.
Per Jönsson at the unit in Stockholm had the same position in the company before the acquisition as he is currently in. The only difference is that before the acquisition he was called division manager and had two levels of executives above him. Today he is called unit manager and has only the CEO over him. There are 15 employees working under his supervision.

Lennart Mårland at the unit Stockholm/Arlanda has had many roles in Emil Lundgren since the acquisition. Just before the acquisition he was group controller in Gothenburg but also responsible for all larger projects, but after Vinci Group took over there have been changes. Some months after the acquisition they decided that there should not be a group controller and he was instead responsible for finding companies suitable to acquire. Mr. Mårland was temporary unit manager in September 2005, but has been working in Stockholm on and off for a couple of years. Today he is also responsible for purchasing management in Emil Lundgren.

Before the acquisition Jan Samuelsson in Trollhättan was production manager for the unit. He has worked for Emil Lundgren for many years and started as an electrician. Directly after the acquisition he became unit manager. There are 50 employees at the unit under his supervision.

Per Ekeroth at the unit in Vänersborg was before the acquisition division manager at a former unit the company had in Färgelanda. This unit closed down after the acquisition and merged with the unit in Vänersborg (not because of the acquisition). Mr. Ekeroth stayed on as manager for the unit after the acquisition. Today there are 25 employees at his unit, one is working with administrative issues and all others are constructors. The only difference in his daily work from before is that he is responsible for more constructors today.

### 4.4.2 Changes

Mr. Johansson in Jönköping stresses that the acquisition was expected since there was no one in the Lundgren family that would take over the company. However, that they would be acquired by a French company was a surprise, he thought that a large Swedish company would acquire Emil Lundgren. He says that he did not experience culture clashes due to the fact that Vinci Group is French. What presented the largest culture shock was to go from a family business to being part of a large group as Vinci.

> “In the first contact we had with the French they said that nothing would happen. That we would continue as we always had done.”

He continues that Vinci Group certainly did not like surprises. At the unit in Jönköping they started to work with the reports and the new accounting system shortly after the acquisition. However, when Vinci Group stated that nothing would change they knew that it was not the full truth. In such a large corporation with several hundred units it would not work if a common follow-up system is used. He indicates that it was the follow-up system that was the major change from being a family business before.

Mr. Fredricksson in Gothenburg states that the acquisition was something they did not know about at the unit.

> “We had some premonitions but it was like a blow below the belt to sell this company. It was something new, something unknown, what will happen now?”
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On the other hand there was no return. There was no natural fourth generation to take over the company. Today, six years later one could argue that the acquisition was correct. However, in the beginning Vinci Group told us that there would be no changes so he did not have any special expectations at that time. They said that the work would continue as it always had done. This was not true, Vinci Group wanted to split the unit in Gothenburg to three new units since it was considered to be too large. However, this was something that Mr. Fredrickson opposed, with support from the employees. Vinci Group did not interfere and it was decided not to split the unit. They thought that the acquisition would generate short cuts to new markets but this has not happened yet. Vinci Group did not want Emil Lundgren to work with large projects and projects abroad any longer. This is something they regret today. Vinci Group actually asked for forgiveness and meant that they had maltreated Sweden, that they failed with the integration, which caused major restructurings. The Quartz philosophy was something that was ‘holy’, it says everything but was at the same time unclear in which direction we should go in the beginning.

Mr. Carlsson in Stenungsund was informed about the acquisition via e-mail when he was abroad. When he came back he noticed that there was an anxiety among people concerning new circumstances and new routines. He saw the acquisition as something positive since Vinci Group is a financially strong corporation. Mr. Carlsson further explains that it was the economic parts and the accounting system that influenced the greatest change. Vinci Group had a different method to calculate costs. Courses and information meetings were held about the new philosophy. The education started rapidly after the acquisition and it was much information to deal with. He further states that they have much more frequent reporting with the new owners. As it is today, the benefits have been sparse, but it is predicted to be better in the long run. The Quartz philosophy emphasis networking and Mr. Carlsson hopes for even more of that. The philosophy also implied broader tasks for the employees.

The acquisition has not influenced in any major changes for the unit in Stockholm, however, Mr. Jönsson claims that Vinci Group demands a different kind of control compared to the old owners. They stress that budgeting is an important issue, as well as the Quartz philosophy. In the beginning they received much information about Quartz and how vital the philosophy was for the organisation. He explains that the work is different in the way that now it is more important to reach the goals you have stated. He has a positive perception about the acquisition. The company was more controlled before the acquisition and he believes that the company did not develop with time. The former owners meant that the way the company was governed 50 years ago, which is also the way it should be governed today. He means that Vinci Group has opinions, but that they have not influenced his way of doing business. They have trust in Emil Lundgren and as long as the company shows positive results they are satisfied. However, in the beginning everything concerning the acquisition was secretly, there was a small amount of information about what was going to happen. Today everything has settled, but Mr. Jönsson means that there are always things that can be changed. He feels that the French have to listen to him throughout the post-acquisition process. He has had ideas on how he wants to govern his unit and even if it is done differently in France, they have illustrated their understanding and accepted the different way of thinking in Sweden. The service unit in Stockholm is quite small and the perfect size according to the Vinci Group for a service unit. According to the French there should be a service office in every corner and if one office does not perform well it is because there are no customers in that corner. The post-acquisition process has involved much education, they had to go through many courses in the
beginning. Mr. Jönsson is satisfied with this way of distributing the information and thinks it works well.

Mr. Mårland in Stockholm/Arlanda stresses that the company lost a piece of its soul when it was acquired, they did not know what was going to happen. He argues that the French went through with the acquisition a bit too fast, without knowing what was best for the company and to make sure that they would not lose vital parts for the organisation.

“They cannot just sit in Paris and think that they have a system that works in all ways.”

According to Mr. Mårland the acquisition made the boldness disappear in the company. When working with contract works it is allowed to be a bit risky sometimes, but with the system they have today it is not possible. All different models that has to be reached, makes them be more careful concerning large projects. Hence, Emil Lundgren has always been known to undertake large projects. Being a part of Vinci Group involves a common reporting system for all units. This is understandable, but Mr. Mårland is worried that they concentrate too much and spend too much money on the system that they lose competitiveness towards other companies. He is conscious that sometimes it is more focus on numbers and business ratios instead of the actual projects. The business should be about obtaining the maximum profit from their projects, it is not about paying more than required for a certain project. At the moment he feels that they are looking at too many hidden numbers, however he has to admit that the budget model is smart, probably the best one he has seen.

The first directions Mr. Samuelsson in Trollhättan got from the former regional manager were that nothing would change and that the company would continue as before. This was not what happened to be. Compared to being a family business, there was a different way of thinking and how things should be handled. Mr. Samuelsson has always seen the acquisition as positive for the company, but there have been times when he has been wondering “why should we do like this?”, “what will this lead to?”, “why is this good?”. Things felt unnatural and completely meaningless and no one in the company understood why. To handle these feelings the unit has been provided with education about the Quartz philosophy. Mr. Samuelsson claims that everything feels natural now, but that the French have another way to think.

“This is probably the way of being a CEO in France, he should not only be a manager, but also an expert.”

The directions from Vinci Group have always been crystal clear according to Mr. Samuelsson, but the way they went through with the post-acquisition process could have been handled in a smoother way. They sent people from France that were experts on the new systems and tried to “force information down people’s throats”. He means that it felt like they were not able to handle anything by themselves. Vinci Group has never had any unkind intentions with the acquisition. They wanted to reach the Scandinavian market and Emil Lundgren was the ultimate company for them.

Mr. Ekeroth in Vänersborg stresses that it was good that Emil Lundgren was acquired, because there was no natural continuation as to who would take control over the family business. He also mentions that it was positive that they did not get acquired from an existing company in Sweden. Then it would probably have meant more changes and notice to employees, which would have not favoured the company. He means that Vinci Group bought out Emil Lundgren in order to reach the Swedish market. He further states that
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Vinci Group has always wanted the units to be as self-governed as possible. They do not want to know everything as to what the units do as long as they show positive results. For Mr. Ekeroth the changes have involved more structure in the follow-up of economic issues. There have been some extra jobs, for example they want more detailed budgets for each month. However, he states that all companies and units in Vinci Group need to have the same system of reporting. Much adapting had to be done to this new system, but on the same time this has generated a better structure and control over information. They are precise as to making sure where they can earn money and where they cannot. Mr. Ekeroth stresses that there are big differences in the hierarchy between French and Swedish companies. He further mentions that since the company is not a family business anymore, the concentration of the area around Gothenburg is less than before. He also states that changes are always difficult to deal with in the beginning, but eventually they become routine.

4.4.3 Top Management and Employee Turnover

Jönköping: In the beginning Vinci Group was more controlling, they did not really trust that everything was working. Thus, when things begun to settle they achieved a passive role and trusted the top management at Emil Lundgren. The first years after the acquisition there was many CEO changes. There was one Swedish CEO that did not come from the industry and had no experience from contract work, hence it did not work out very well. Then there were many French that took over from each other. Finally the current CEO was hired and he ultimately performed well. The employee turnover was quite high after the acquisition. However, the unit in Jönköping did not experience much of this since the unit fulfilled the criteria for an ‘ideal unit’ by having 40-50 employees. One member from Vinci Group said that every time they acquire a new company around 20% of the personnel have to leave.

The number of employees did not decrease at the unit in Gothenburg since the acquisition. Mr. Fredrickson claims that the unit looks quite the same as before the acquisition. He means that they already had economic safety before the acquisition. Mr. Fredrickson stresses that if he had not had the safety that the employees were supporting him, it would have been a difficult period. Many employees got job offers from other companies, including Mr. Fredrickson, but he claims that the Emil Lundgren spirit was still there. It was placed on a knife-edge but was still there in heart and soul. In the beginning, the meetings with the French were mostly monologues. There were many new people running around in the building, new faces every week. A Swedish CEO with no experience from the industry was hired, he did not stay longer than one and a half years. There was a concern about money since there were many switches of CEO, it costs much to recruit new people, but also when they leave the company. Today the company has an entrepreneurial CEO they believe in and who knows what people are doing out on the units. The advantage with the unit in Gothenburg is that it is situated in the same building as top management which creates a better working environment. However, the unit probably experienced the management turnover in another sense than the other units.

In 2000 the unit in Stenungsund had 120 employees. However, it is not only because of the acquisition people had to leave, a downturn in the market situation also played a major role. It was after this turbulent time that Mr. Carlsson became unit manager. It was thanks to the employees he got the position, it was their choice. He claims that in restructuring processes there has to be a certain degree of flexibility, but on the other hand things cannot change too frequently otherwise there will be minimal trust left.
The top management turnover has not affected the unit in Stockholm appreciably. Mr. Jönsson is situated in Stockholm and the top management in Gothenburg and because of the distance the contact is less frequent than with the units close to Gothenburg. The fact that Emil Lundgren is a west coast company meant that the old owners cared more about the units near Gothenburg. Thus, he believes that the units in Stockholm are more self-governed.

"In larger cities it is more common that people are turncoats."

Mr. Jönsson further states that in smaller cities like Jönköping and Stenungsund personal relations are highly valued and that they are well aware of what their competitors do. This is not the situation in Stockholm where the competition is much higher.

At the moment Mr. Mårland in Stockholm/Arlanda has 40 employees at his unit, which is a decrease before the acquisition. However, he does not directly relate the decreasing number of employees to the reason that Emil Lundgren got acquired. The problem has been the bad status of the market in Stockholm for several years. The reason to make the organisation smaller is a way to adapt to the market. Mr. Mårland stresses that it does not make any differences if it is French or Swedish, the difference is to be a family business or to work for a large corporation. The only time he experienced some kind of a cultural clash was when they had a French CEO. He does not consider their acting professional. He is not sure if it was the French way of dealing with the problems, French people are more impatient and in Sweden people think more long-term. With the French people everything should go fast, they have to show results immediately.

"It is another feeling to work in for a large corporation, before you could feel that it was your own in a way."

He states that it is difficult to buy companies and especially in their business. Emil Lundgren does not sell a product, they are working with people and can be highly vulnerable if a key person disappears. If one important person leaves maybe other people that feel a connection with that person will leave as well, which can have a devastating effect on the company.

Mr. Samuelsson in Trollhättan was not affected much by the turnover of top management. The new owners had their perception about how the company structure should look like, which was also the way Mr. Samuelsson has been thinking of the organisation. He means there was a need for a re-organisation that has favoured Emil Lundgren. The unit had to let five employees go after the acquisition but this was more related to the bad market conditions.

There were no downsizings at the unit in Vänersborg that occurred because of the new owners. There have been a few employees that quit, but all of them have been replaced. The employee turnover has been more related to the state of the market than the acquisition. Just after the acquisition the former CEO, also one of the former owners, stayed in the company as CEO. This was not successful, because he wanted to conduct things as he has always done, which obviously would not have worked in the long run.

4.4.4 Employees' Reactions

As Mr. Johansson mentioned, the acquisition was expected at the unit and that this was something that the majority of the employees felt too. The only employees where the work
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has changed are those who work with accounting and controlling. The employees working in the production have the same tasks as before the acquisition. Some employees have received more responsibility since the acquisition but there were no problems with distributing the work to them. He states that he did not feel any negative reactions among the employees. This might be due to the fact that the unit in Jönköping was an ‘ideal unit’ and Vinci Group did not want to change anything in the organisational structure. He thinks that the Gothenburg unit is the unit where employees might have had the strongest reactions since top management is placed there.

The employees in Gothenburg have been given broader tasks and more responsibility since the acquisition, but all along the line they have the same tasks as before the acquisition. Mr. Fredrickson remembers this as a tough period, but this was mostly based on the fact that there was a high frequency of new people arriving and leaving the building. This created an uncertain situation and people were not comfortable in their roles.

“When I became unit manager I had to take care of 150 lost souls.”

The employees in Gothenburg felt that they were somewhat betrayed by Emil Lundgren since many of them had worked for the family business for a long time. Employees that needed access to the accounting system had a negative attitude towards the new one. But as time passes the new becomes everyday work and people started to understand that a corporation the size as Vinci Group needs a common system for all units. However, nothing else happened than that they were worrying. Mr. Fredrickson states that they work very close at the unit and that he has received great support from the employees during the post-acquisition process.

Mr. Carlsson in Stenungsund explains that the reactions among employees were of various characteristics.

“The reactions were mixed, some accepted it quite openly, for other it was a sudden halt.”

A few of the employees at the unit in Stenungsund that were resistant towards the acquisition chose to leave the company. It was a turbulent period of time in Stenungsund during the high CEO turnover rate. This was reflected in the organisation as uncertainty. Today the acquisition is completely accepted among the employees at the unit.

Mr. Jönsson in Stockholm thinks that the employees felt more uncertainty than himself. Many employees wondered what was going to happen and if they were moving to France. The uncertainty arose because of the lack of information, nobody knew what was going to happen with the company. However, the employees that understood the business also understood that this was positive for Emil Lundgren. Mr. Jönsson was never sure how to handle all the different reactions from the employees, hence, he has always argued for open communication and honesty. He explained to the employees that he did not know more then anyone else and that they could just hope for the best till everything was sorted out. However he argues that it was more difficult to convey the information to the constructors since they do not have the same economic perspective on things and might find it hard to understand why certain things are governed the way they are.

Since Mr. Mårland only became temporary unit manager at the unit in Stockholm/Arlanda since 2005, he talks more about the reactions in general for Emil Lundgren. He stresses that the reactions from the employees have been backwards and forwards. Some have expressed frustration, meanwhile others have thought of the acquisition as positive for the
company. Mr. Mårland states that it was definitely not easy. However, the main issue was not about the employees worrying about losing their jobs. The greatest concern was the differences in the follow-up system. He thinks that some employees lost their foothold, they lost the things they were used to.

The reactions from the employees in Trollhättan were not as positive as they were from Mr. Samuelsson. The median age is around 45 and according to Mr. Samuelsson it was obvious that resistance among the employees would arise.

“A train is coming to the platform, either you buy a ticket and jump on, or you stay on the platform. Some jumped on later. Some stayed on the platform one year before they took the train.”

The employees expressed a variety of different reactions. Mr. Samuelsson means that things do not get worse than you make it. The work tasks have not changed for the constructors, but more for the employees working with administrative tasks and accounting.

According to Mr. Ekeroth in Vänersborg almost all the employees were positive towards the acquisition, but he claims that it is difficult to tell how other people feel. He told all the employees after the acquisition that they still would continue working under the brand of Emil Lundgren, at the local market and under the same conditions as before. Some of the other units have faced downsizings, but the unit in Vänersborg has kept all its employees.

### 4.4.5 Integration

- Mr. Johansson in Jönköping states that luckily people have a good ability to adjust themselves to new circumstances. Now everything is working well, but it took almost five years until it was fully integrated.

- It took five years until everything was working smoothly again at the unit in Gothenburg. Mr. Fredrickson claims that they are integrated in the way that France started to think like Sweden.

- The unit manager in Stenungsund states that it took at least a year before they felt comfortable with the new way to calculate.

- Mr. Jönsson in Stockholm did not specifically express the number of years the integration process took. He states that since the unit is a service unit the acquisition has not affected them much.

- According to Mr. Mårland in Stockholm/Arlanda it took around four years for the unit to recover and become integrated again. Now he means that the new conditions have worked quite well and they have found their unique roles in the organisation. He further argues that the ones that were most affected is still top management.

- At the unit in Trollhättan it was not difficult to motivate the employees to the new conditions. According to Mr. Samuelsson the unit feels integrated today. He estimates that the integration process took around three years.

- Mr. Ekeroth in Vänersborg estimates the integration process took approximately three years before it settled.
4.5 Employees’ Experiences

In this chapter the results from the questionnaires where 32 employees participated are presented, twelve of these were constructors and the remaining 20 office workers5.

Question 1 and 2

What position did you have before the acquisition? What position do you have now?

Jönköping: The questionnaire was handed out to two constructors and three office workers: one project leader, one administrator, and one person working with calculation/market.

Gothenburg: The questionnaire was handed out to one constructor and four office workers: one project leader, one economic assistant, one calculator (project leader before the acquisition), and one controller (controller/owner before the acquisition).

Stenungsund: The questionnaire was handed out to one constructor and four office workers: one project leader, two project leaders (both had been constructors before the acquisition), and one working with calculation/market.

Stockholm: The questionnaire was handed out to one constructor and one project leader.

Stockholm/Arlanda: The questionnaire was handed out to five office workers: business responsible (one was division manager before the acquisition, the other was leading constructor), one control manager (assistant project leader before the acquisition), one control manager (project leader before the acquisition), and one calculator.

Trollhättan: The questionnaire was handed out to three constructors and two office workers: one calculator, and one responsible for invoicing and equipment.

Vänersborg: The questionnaire was handed out to four constructors and one office worker: service manager (project leader before the acquisition).

5 Since we discovered differences between constructors and other employees we found it relevant to divide them. All employees that are not constructors are working in the office and due to the difficulty to distinguish them they are labelled office workers.
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Question 5
On the question if the work tasks have changed eleven answered 'yes, partly', the same number of employees answered 'no, not at all'. Eight employees stated 'no, not obviously'. Eight of the eleven that answered 'no, not at all' on this question were constructors.

Having your work tasks changed since the acquisition?

<table>
<thead>
<tr>
<th>Percentage of Employees</th>
<th>Construction</th>
<th>Office Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, much</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Yes, partly</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>No, not obviously</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>No, not at all</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Do not know</td>
<td>50%</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4-1: Change of Work Tasks

Jönköping: Three employees stated 'no, not obviously' while two said 'no, not at all'.

Gothenburg: Two answered 'yes, partly' where one of them claimed that the change to project leader implies more external contacts and negotiations. The other said that the accounting method has changed and that there are more reportings/year. One employee said 'no, not obviously' and explained that the work implies more purchase issues now. Two answered 'no, not at all'.

Stenungsund: Four employees answered 'yes, partly'. One of them claimed that the reporting system for running projects is different now, one got more economic responsibility, for one sales function was added in the tasks, and one means that there have been various changes because of the change from constructor to project leader. The fifth employee answered 'no, not obviously' on the question.

Stockholm: One employee answered 'no, not obviously' and the other 'no, not at all'.

Stockholm/ Arlanda: Two employees answered 'yes, much'. One of them had changed position twice since the acquisition, hence the changed tasks. The other mentioned the new accounting system and more administration. Two answered 'yes, partly' where one explained that the calculation work is different. The other also mentioned the accounting system. The fifth employee answered 'no, not obviously'.

Trollhättan: One employee said 'no, not obviously' and explained that the acquisition implied more involvement in purchase issues.

Vänersborg: Three employees stated 'yes, partly' while two said 'no, not obviously' and one
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explained it with more responsibilities, another one with more routines concerning quality, and one mentioned Quartz.

Question 6

Have you got any education related to the acquisition? If Yes, what type of education?

![Figure 4-2 Education Related to the Acquisition](image)

**Jönköping:** Three of the five employees answered 'yes', they have received education in the Quartz philosophy, electricity security, and the new accounting system.

**Gothenburg:** All of the employees answered 'yes', they have received education in the Quartz philosophy, negotiation technique, and the new accounting system.

**Stenungsund:** Four of the employees answered 'yes', they have received education about the Quartz philosophy.

**Stockholm:** Both of the two employees answered ‘no’.

**Stockholm/Arlanda:** Three of the employees answered 'yes', they have received education about the Quartz philosophy and the accounting system.

**Trollhättan:** Two employees answered ‘yes’, they have received education in the Quartz philosophy.

**Vänersborg:** Two of the five employees answered ‘yes’, they claim that they have received education in the Quartz philosophy.
Question 7
Most of the employees (15) experienced the acquisition as ‘positive’. Only seven employees experienced it as ‘less good’ or ‘negative’. The rest had no major perception about the acquisition. The employees were asked to explain their experiences.

![Figure 4-3 Experiences of the Acquisition](image)

Jönköping: Three employees experienced the acquisition as ‘neither positive nor negative’. One of them claimed that there were no major changes in the work. One experienced it as ‘positive’ and explained that it is good with international contribution. The fifth employee answered ‘less good’ and said that there is not the same positive spirit.

Gothenburg: One stated that it is a financially strong owner with vast experience from the industry. Another employee was first sceptical and questionable since it was presented so suddenly, but afterwards it was more positive with an increasing liberalism and distinct control. The fifth employee experienced the acquisition as ‘less good’ and explained that there was uncertainty about the future.

Stenungsund: Two employees experienced the acquisition as ‘positive’. One of them means that you understand better how the economy is working. The other states that for a family business that is growing it is difficult to continue with internal managers. Two experienced it as ‘less good’. One says: “it has been better here and worse there”. The other one argues that it was negative in the beginning but as time passes it gets more positive. One employee answered neither ‘positive nor negative’.

Stockholm: Both employees experienced the acquisition as ‘positive’. One of them explains it as excellent financial backup.

Stockholm/Arlanda: Three employees experienced the acquisition as ‘positive’. They explained it as more possibilities to grow, stronger company, strategy effective, and more co-operation. One employee answered ‘less good’ and claimed that people were all talk but with no action. One experienced it as ‘neither positive nor negative’.

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*Trollhättan:* Three answered ‘*neither positive nor negative*’, one of them explained that there was no difference from before. One employee found the acquisition ‘*positive*’ and stresses that it felt good with a large corporation with a good economy. One claimed that it was ‘*negative*’ and stated that it was difficult having been working for a Swedish family business and then work for a multinational corporation.

*Vänersborg:* Two employees experienced the acquisition as ‘*neither positive nor negative*’. One of them claimed that it has changed the day-to-day work highly limited. Two experienced it as ‘*positive*’ and explained it with new owners, new ideas and new way of working and a large company with a good economy that wanted to expand in Sweden, which gives belief on the future. The fifth employee answered ‘*negative*’ and said before the Swedish management was conservative, now the need of control is even higher from Vinci, the unit managers and the CEO can affect even less.

**Question 8 and 9**

In question 8 the employees were asked to describe their expectations on the acquisition. Twelve employees considered their expectations to have been either ‘*less good*’ or ‘*bad*’ fulfilled compared to seven who answered ‘*very good*’ or ‘*good*’. Six employees were in between where their expectations had been fulfilled ‘*satisfactory*’.

Table 4-2 Expectations on the Acquisition, Jönköping

<table>
<thead>
<tr>
<th>Expectations</th>
<th>Fulfilment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three employees had no expectations.</td>
<td></td>
</tr>
<tr>
<td>One employee expected more development of the company (constructor).</td>
<td>Good</td>
</tr>
<tr>
<td>One employee was afraid that there would be many changes (office worker).</td>
<td>Very good</td>
</tr>
</tbody>
</table>

Table 4-3 Expectations on the Acquisition, Gothenburg

<table>
<thead>
<tr>
<th>Expectations</th>
<th>Fulfilment</th>
</tr>
</thead>
<tbody>
<tr>
<td>One employee had no expectations.</td>
<td></td>
</tr>
<tr>
<td>One employee expected clearer management and decision-making (constructor).</td>
<td>Good</td>
</tr>
<tr>
<td>One employee expected more foreign personnel and greater exchange of personnel between Sweden and France (office worker).</td>
<td>Less good</td>
</tr>
<tr>
<td>One employee expected to take more market-shares in Sweden by acquire competitors (office worker).</td>
<td>Less Good</td>
</tr>
<tr>
<td>One employee had big expectations on the acquisition (office worker).</td>
<td>Do not know</td>
</tr>
</tbody>
</table>
Table 4-4 Expectations on the Acquisition, Stenungsund

<table>
<thead>
<tr>
<th>Expectations</th>
<th>Fulfilment</th>
</tr>
</thead>
<tbody>
<tr>
<td>One employee had no expectations.</td>
<td></td>
</tr>
<tr>
<td>One employee expected stronger management (office worker).</td>
<td>Good</td>
</tr>
<tr>
<td>One employee thought that the projects in other Nordic countries would increase (office worker).</td>
<td>Less good</td>
</tr>
<tr>
<td>One employee thought that the company would be broader in different areas (constructor).</td>
<td>Less good</td>
</tr>
<tr>
<td>One employee expected more control from the top when it no longer was a family business (office worker).</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>

In Stockholm none of the two employees had any expectations on the acquisition.

Table 4-5 Expectations on the Acquisition, Stockholm/Arlanda

<table>
<thead>
<tr>
<th>Expectations</th>
<th>Fulfilment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three employees had no expectations.</td>
<td></td>
</tr>
<tr>
<td>One employee expected that the company would be a strong actor with muscles (office worker).</td>
<td>Bad</td>
</tr>
<tr>
<td>One employee expected that they would have advantage from the large corporation's other companies with corporation, purchases etc (office worker).</td>
<td>Less good</td>
</tr>
</tbody>
</table>

Table 4-6 Expectations on the Acquisition, Trollhättan

<table>
<thead>
<tr>
<th>Expectations</th>
<th>Fulfilment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four employees had no expectations.</td>
<td></td>
</tr>
<tr>
<td>One employee expected different types of jobs, possibly abroad (constructor).</td>
<td>Bad</td>
</tr>
</tbody>
</table>

Table 4-7 Expectations on the Acquisition, Vänersborg

<table>
<thead>
<tr>
<th>Expectations</th>
<th>Fulfilment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three employees had no expectations.</td>
<td></td>
</tr>
<tr>
<td>One employee had negative expectations (constructor).</td>
<td>Good</td>
</tr>
<tr>
<td>One employee thought that they would be more powerful (office worker).</td>
<td>Less good</td>
</tr>
</tbody>
</table>
**Empirical Findings**

**Question 10 and 11**

Most of the employees (16) found the information concerning the acquisition as ‘satisfactory’. Eight experienced it as ‘good’ and five as ‘less good’. None of the employees answered ‘very good’ on question 10. Question 11 illustrates that 15 of the employees answered ‘no, not obviously’ and nine ‘yes, partly’ if they wished to take part of more information.

![How has the information concerning the acquisition been according to your perception?](image)

Figure 4-4 Information Considering the Acquisition

- **Jönköping**: Two employees answered that it had been ‘satisfactory’, two declared that it had been ‘less good’, and one thought the information was ‘good’.

- **Gothenburg**: Three considered it ‘satisfactory’, one ‘good’, and one ‘less good’.

- **Stenungsund**: Three employees answered that it had been ‘satisfactory’, two declared that it had been ‘good’, and one thought the information was ‘good’.

- **Stockholm**: Both employees answered ‘good’.

- **Stockholm/Arlanda**: Two employees answered ‘satisfactory’, one ‘good’, one ‘less good’, and one ‘do not know’.

- **Trollhättan**: Three employees answered ‘satisfactory’, one ‘less good’, and one ‘bad’.

- **Vänersborg**: Three employees answered that it had been ‘satisfactory’, one declared that it had been ‘good’, and one ‘do not know’.
Empirical Findings

Figure 4-5 Wish to Take Part of More Information during the acquisition process.

**Jönköping:** Two stated ‘yes, partly’, one ‘yes, much’, one ‘no, not obviously’, and one said ‘do not know’.

**Gothenburg:** Two answered ‘yes, partly’, one ‘yes, much’, one ‘no, not obviously’, and one ‘do not know’.

**Stenungsund:** Four answered ‘no, not obviously’ and one ‘yes, partly’.

**Stockholm:** One answered ‘no, not obviously’ and the other ‘no, not at all’.

**Stockholm/Arlanda:** Two stated ‘no, not obviously’, one ‘yes, partly’, one ‘no, not at all’, and one ‘do not know’.

**Trollhättan:** Four employees stated ‘no, not obviously’, and one ‘yes, partly’.

**Vänersborg:** Two stated ‘no, not obviously’; two ‘yes, partly’, one said ‘do not know’.
Empirical Findings

Question 12
Ten employees answered ‘yes, partly’ and 13 ‘no, not obviously’ on the question if they had doubted top management.

Have you at any time during the acquisition process doubted top management?

<table>
<thead>
<tr>
<th>Percentage of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, much</td>
</tr>
<tr>
<td>Yes, partly</td>
</tr>
<tr>
<td>No, not obviously</td>
</tr>
<tr>
<td>No, not at all</td>
</tr>
<tr>
<td>Do not know</td>
</tr>
</tbody>
</table>

Figure 4-6 Doubted Top Management

Jönköping: Three employees answered ‘no, not obviously’. One said ‘yes, partly’ because of bad information. One answered ‘do not know’.

Gothenburg: Four employees answered ‘yes, partly’. One employee states that there were many changes of CEO. One says that it was related to downsizing. Another employee mentions that the company’s ambition to buy new companies came to nothing. The fifth employee answered ‘yes, much’ with the explanation that Emil Lundgren followed the directives from the new owners too much.

Stenungsund: Three employees answered ‘no, not obviously’. Two said ‘yes, partly’ where one of them declared that many promises were given. The other one stated that the organisation is changing too often.

Stockholm: One said ‘no, not obviously’ and the other ‘no, not at all’

Stockholm/Arlanda: Three claimed ‘no, not obviously’, one ‘no, not at all’. One answered ‘yes, partly’ and argued that the reason was that the Quartz philosophy is a bit fuzzy.

Trollhättan: Two answered ‘yes, partly’ where one claimed that they did not know anything about the new owners. One answered ‘no, not obviously’, one ‘no, not at all’, and one ‘do not know’.

Vänersborg: Two employees answered ‘no, not obviously’ and one claimed that it was not possible for the old owners to sell the company in Sweden. Two said ‘do not know’ and one argued that did they sell to the right company or did the price decide, did they think of Sweden?, keep the units in Sweden if possible, our economy = our welfare. One employee said ‘no, not at all’.

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Question 13
Have you been active in the realisation of the acquisition?

Jönköping: All employees answered ‘no’.

Göteborg: Two employees answered ‘yes’. One had been labour union representative and the other had been former owner

Stenungsund: All employees said ‘no’.

Stockholm: Both employees answered ‘no’.

Stockholm/Arlanda:

Trollhättan: All employees said ‘no’.

Vänersborg: All employees answered ‘no’.

Question 14
Did you want to be more active in the acquisition?

Jönköping: Two employees answered ‘yes’, two ‘do not know’, and one ‘no’.

Göteborg: One employee answered ‘yes’, two ‘do not know’, and two ‘no’.

Stenungsund: All employees said ‘no’.

Stockholm: Both answered ‘yes’.

Stockholm/Arlanda:

Trollhättan: All employees said ‘no’.

Vänersborg: Four employees answered ‘no’ and one ‘do not know’.
Question 15
The majority of the employees stated that it took ‘approximately 1-2 years’ to adapt to the new circumstances arising from the acquisition. One employee did not notice any changes and is therefore not included in the diagram.

![Chart showing how long it took to adapt](image)

Figure 4-7 Time to Adapt

Jönköping: Four of the employees stated that it took ‘approximately 1 year’ and one answered ‘have still not adapted’.

Gothenburg: Two employees stated that it took ‘approximately 1 year’, two that it took approximately 2 years’, and one approximately 3 years’.

Stenungsund: Three employees answered approximately 2 years’, one ‘approximately 1 year’, and one ‘approximately 3 years’.

Stockholm: Both employees answered ‘approximately 1 year’.

Stockholm/Arlanda: Two answered ‘approximately 2 years’, two ‘approximately 3 years’, and one ‘have still not adapted’.

Trollhättan: Two employees stated that it took ‘approximately 1 year’, two that it took approximately 3 years’, and one experienced no circumstances.

Vänersborg: Two of the employees stated that it took ‘approximately 1 year’, two said ‘approximately 2 years’ and one answered ‘approximately 3 years’.

Question 16
Describe how you experienced the acquisition process with three words:

Jönköping: Two employees did not answer this question, but the three who did described it as:

“Boring, impersonal, not positive”

“Positive, belief in the future”
Empirical Findings

“Interesting, new, exciting”

**Gothenburg:** One employee did not answer this question, but the four who did described it as:

- “Exciting, overwhelming, disappointment”
- “Anxiety, expectation, OK”
- “In positive spirit”
- "Our bosses wanted to break the units too much, we were controlled from the top. The employees have contributed to stop this and now it is good”

**Stenungsund:** One employee did not answer this question, but the four who did described it as:

- “Fast, promises, uncertainty”
- “Fast, effective, surprises”
- “News, restructuring, direction”
- “Restructuring, giddy before everyone had found their positions”

**Stockholm:** “Good, good, good”

- “Easy, structured”

**Stockholm/Arlanda:** One employee did not answer this question, but the four who did described it as:

- “Increasing costs, central management”
- “Restructuring, resource defending, experience enriching ”
- “Stable owner”
- “Fast, expectations, reality ”

**Trollhättan:** Two employees did not answer this question, but the three who did described it as:

- “Exciting, interesting, useful”
- “Tough, worrying, expectant”
- “Large unknown owner”

**Vänersborg:** One employee did not answer this question, but the four who did described it as:

- “Increased conservatively, control, steering”
- “It was good”
- “Positive, much information”
- “I am not affected”
5 Analysis

The analysis has the research questions as starting point and is also divided according to the questions. The theoretical framework will be applied on the empirical findings to analyse the experiences of the post-acquisition process among middle managers and employees. As we have undertaken an interpretative approach the analysis is based on how we have perceived the unit managers' employees' experiences.

5.1 Middle Managers and Employee Trust

How do middle managers communicate trust to their employees?

As Buono and Bowditch (1989) state acquisitions involve uncertainty and anxiety for the employees about what will happen. It is important to manage these reactions in a way that the employees feel comfortable. Huy (2001) mentions that middle managers play a key role in change processes as they are structurally close to the employees. As Thompson (1967) discusses they are the strategic link between the strategic top and the operating core. In the case of Emil Lundgren the units are autonomous and the unit managers can be seen as ‘CEOs’ for each unit. They are responsible for transferring the information they receive from top management to the employees at their unit. Hence, the unit managers informed their employees that no changes would arise from the acquisition because that was what they were told from top management. However, top management in Emil Lundgren had in turn received inaccurate information from Vinci Group. This is in line with Haspeslagh and Jemison (1991) arguing that it is common that the acquiring firm tells the acquired firm that there will be no changes in order to avoid and decrease anxiety and uncertainty. Austin (1970) mentions that this will many times generate the opposite effect. Haspeslagh and Jemison (1991) further stress that the acquired firm should be left alone for a while after the acquisition in order to make them feel comfortable with the new situation. Instead of quietly allowing Emil Lundgren to absorb the new impressions when it was finally announced that there would be changes, the Vinci Group almost forced information down people’s throats. This probably created an unfavourable situation for the unit managers to communicate trust to the employees.

Huy (2002) argues that middle managers’ actions are vital in organisational change. The unit manager in Gothenburg was in an exposed situation. However, we suppose that because of the great support the unit manager in Gothenburg had from the employees they had trust in him. The reason for the great support he received might also have came from the fact that the majority of the employees had been working under his supervision before the acquisition. That the unit manager opposed to Vinci Group’s proposition to split the unit implies that he was an important actor in the post-acquisition process. The two units in Stockholm declared that they do not have the same contact with top management since they are situated far from Gothenburg. The employees at these two units did not express any evident doubt. The third of all employees that claimed they had doubted top management explained that the reasons for their doubts were a lack of information in general and about the new owners, many switches of CEOs, restructurings, downsizings, too many promises, and that top management followed the directives from Vinci Group too much. According to Schweiger et al. (1987) a lack of accurate and timely information about the future creates uncertainty and doubt among employees. Daniel and Metcalf (2001) argue that the human resource manager should be a strong leader that is able to integrate the organisation. The human resource manager in Emil Lundgren believes that it is important to be distinct and honest with the employees and eliminate the employees that
you do not believe in. Experiences from earlier restructuring processes have taught them to be direct and open with the communication. After the acquisition, 22 percent of the employees were promoted which indicates that the unit managers have trust in them. The unit manager in Gothenburg was appointed by the employees’ wishes, likewise was the unit manager in Stenungsund. This indicates that their subordinates have trust in their way to manage. The unit manager in Stenungsund stresses that there has to be some degree of flexibility in restructuring processes, but in order to maintain trust, changes can not occur with too high frequency. Daniel and Metcalf (2001) argue that even if there are obvious changes that need to be ensured, it is not favourable for the company to move too rapidly with the changes. Sinetar (1981) means that it takes time for employees to recover from their reactions arising from changes. In Jönköping the unit manager said that it was expected that the company would be acquired since there was no obvious fourth generation to take over the family business. It can be speculated that the employees were prepared for the coming changes regarding the future of the company. The employees at the unit in Värnersborg were told from their unit manager that they still would work under the brand of Emil Lundgren and on the local market. At the unit in Trollhättan, the employees had trouble understanding that in the beginning certain things had to change. The unit manager explained that when they received education in the Quartz philosophy, it was easier to motivate the employees. The information the employees received from their unit managers was more of a symbolic value, due to the limited information that the unit managers received themselves in the beginning. This is in line with Schweiger and DeNisi (1991) claiming that it is not necessary to communicate every little detail. Instead the communication itself shows their concern about the employees, which increases trustworthiness for their managers. The symbolic value of information is also discussed by Risberg (1996).

It can be argued that the unit managers at Emil Lundgren had an exposed position during the post-acquisition process. It is not an easy situation to first receive inaccurate information that no changes would occur and later be told about coming changes. In situations like this employees may lose trust in the person conveying the message. However, we believe that the employees in Emil Lundgren did not distrust the unit managers because they seem to have a very close relationship to the employees at their units. We argue that this is related to the fact that many unit managers themselves started as constructors in the company. Emil Lundgren favour internally promoted managers or that they have experience from the industry in order to have a greater understanding for the different parts of the organisation. This is in accordance with Huy (2001) who claims that it is common that middle managers start their careers as operations workers. Since this is the case in Emil Lundgren, we think that it is easier for the unit managers to communicate trust to their employees since they have been in the same situation. As can be seen in Appendix 7 one level of middle managers was eliminated. This implied that the unit managers were closer after the acquisition to top management, hence one level less for the information to pass. This allows the unit managers to obtain information directly from top management, hence this will probably generate less misinterpretations of the information.

We believe that the employees had confidence in their unit managers’ ability throughout the post-acquisition process. This is based on the fact that the unit managers have always advocated open and honest communication when informing their employees about what would happen in the future.
5.2 **Behaviours in the Post-Acquisition Process**

*How do employee and middle managers’ behaviours affect the post-acquisition process?*

As Daniel and Metcalf (2001) mentioned acquisitions involve changes that affect the employees and these changes are experienced differently between individuals. According to Hardin (1967) the way people react to changes depends on how tolerant the individual is towards change and how the individual reacts appears in the person’s behaviour. The conceptual framework developed by Bourantas and Nicandrou (1998) will be used to analyse post-acquisition employee behaviour in Emil Lundgren. Based on the empirical findings we wanted to position each unit into the model. However, we realised that this would not be possible since employees at the same unit did not totally express similar behaviour. We will rather discuss patterns of behaviours among different ‘groups’ of employees in Emil Lundgren. We argue that the model can also be applied to middle managers because they are also employees in the company that express behaviours.

The unit managers claimed that there was no future for the family business and a change was needed for the company’s survival, hence we believe that they expressed a *loyal* behaviour towards the acquisition. Bourantas and Nicandrou (1998) mean that people tend to undertake the loyalty behaviour when they are not satisfied with the current situation and may see the acquisition as a rescue. However, for two unit managers we have discovered characteristics of *voice* in the behaviour. The *voice* behaviour implies active resistance towards changes. Their perception about the acquisition is still of *loyal* behaviour but the way Vinci Group wanted to govern some units made the unit managers react. In Stockholm Vinci Group wanted to extend the business with more service offices. The unit manager was against this proposition and claimed that it was working fine, since he claimed that he knew the market better in Stockholm than the Vinci Group. A similar scenario occurred in Gothenburg where Vinci Group wanted to split the units into three parts. The unit manager opposed this, with the argument that splitting the unit would do more harm than good. The large support he received from the employees made the employees at the unit to express *voice* through their unit manager. Vinci Group listened to the units’ complaints and decided not to conduct any changes. The other units did not experience the same pressure from Vinci Group to change the structure of the units. However, the changes related to the Quartz philosophy was something the units had to accept.

We have not been able to ask the employees that decided to leave the company in relation to the acquisition, but we believe that these employees undertook the *neglect* behaviour. Bourantas and Nicandrou (1998) argue that employees tend to express the *neglect* behaviour when they believe that the situation arising from the acquisition is not going to change and hence, behave passively and resistively. The fact that these employees voluntarily left the company implies that they must have been dissatisfied with the situation and saw no alternatives. This is supported by the unit manager in Stenungsund who mentioned that for some employees the acquisition became a sudden halt and chose to leave the company.
Many of the constructors did not experience any differences from before the acquisition. On question 5 in the questionnaire 75 percent of the constructors answered that their work tasks had changed ‘not obviously’ or ‘not at all’. On question 15, 58 percent of the constructors stated that it took ‘approximately 1 year’ to adapt to the new circumstances. Many of the unit managers claimed that the constructors were only slightly or not affected at all. Hence, they were not influenced that much by the acquisition, thus, we argue that they expressed the *compliance* behaviour. As Bourantas and Nicandrou (1998) stress, employees at lower levels of the organisation may have the experience that the acquisition has little or no effect on them and continue working as nothing has happened. The employees where the acquisition had the most impact on their work were mostly office workers. These employees have had different changes of work, which makes it difficult for us to utter that they have expressed a specific behaviour. However, the employees had to adjust to the new philosophy, for example the accounting system and new ways of reporting. These kinds of changes were requirements from the Vinci Group and could not be opposed. Many of the employees understood that a common system for all units in the Vinci Group was necessary. If the employees had not accepted this, they would probably develop the *neglect* behaviour. They would either have to accept it or choose to leave the company. The unit manager in Trollhättan explained the behaviours of the employees as “jump on the train or stay on the platform”. The employees that stayed on the platform for a while and took a later train expressed neglect behaviour in the beginning but had to change their minds enabling them to take the train and continue working within the company. The human resource manager agrees that the constructors were less affected than the office workers. He also means that today there is a positive attitude and view from the employees concerning the future of the company.

Different employees have faced diverse changes, which have lead to a variety of behaviours. However, we claim that most employees have expressed the *loyalty* or *compliance* behaviour which according to Bourantas and Nicandrou (1998) are behaviours that favour the company in an acquisition. Despite some turbulence in the beginning the acquisition has been beneficial for Emil Lundgren. If there had been a clear negative spirit in the company they would probably not have been what they are today. Depending on which behaviours employees express it will affect the post-acquisition process differently. If there are resistive behaviours towards the acquisition we believe that it will extend the length of the integration process. Hence, *loyalty* and *compliance* behaviours will generate a smoother and shorter process. However, since employees tend to adjust their behaviour to other’s behaviour (Bourantas & Nicandrou, 1998) we argue that some employees may be afraid to express their actual feelings in the beginning and develop and express them later in the process. The post-acquisition process may work out smoothly in the beginning but as time passes behaviours may change. In the beginning they may express acceptance of the changes by a *loyal* or *compliance* behaviour but with time this might turn out to be intolerable because the changes did not fulfil their expectations and express a resistant behaviour. A later development of a resistant behaviour can also be due to additional changes that were not planned from the beginning. This might create an opportunity for those who were afraid to express their behaviours before, thus when they now realise they have support for their feelings they dare to express them.
5.3 Trust and Top Management Turnover

How does top management turnover affect middle management and employee trust?

Datta (1991) argues that there is a tendency among top managers in the acquired firm to leave when it has been acquired. Both Risberg (1999) and Walsh (1988) claim that the reason why top managers leave is mainly due to uncertainties arising from the acquisition. This was what happened during the acquisition of Emil Lundgren. The former owners had to leave the company after the acquisition and Vinci Group appointed one French CEO after the other. According to Datta (1991) the acquiring firm often tries to compel their management style on the acquired firm. Vinci Group did not want to keep the family business management that was stuck in the ‘old thinking mode’, otherwise Emil Lundgren would not develop towards Vinci Group’s wishes.

As can be seen in Figure 4-6 one third of the employees had at any time doubted top management in Emil Lundgren much or partly. Consequently this can be related to the fact that top management in Emil Lundgren followed the directives from Vinci Group, something the employees might not have been aware of. The unit that was most affected by this was Gothenburg because the unit is situated in the same building as top management. The unit manager in Gothenburg states that they have an advantage of being situated close to top management. However, in the post-acquisition process the unit suffered more than the others due to the fact they are in the same building. This was also mentioned by the unit manager in Jönköping who claimed that Gothenburg probably had the strongest reactions among the employees since top management is situated there. All the employees at the unit in Gothenburg had doubted top management. The doubt was related to switches of CEOs and related downsizings. At the other units, the answers are scattered, however, most of the employees answered ‘no, not obviously’. We can also see that the doubt has been more obvious among the office workers. Some of the employees expressed their doubt as “The organisation is changing too often.”, “Many promises were given”, and “Emil Lundgren followed the directives from the new owners too much”. Top management, and especially the CEO, have to be prepared to confront many negative reactions from the employees since this will affect the trustworthiness of their leadership. The employee trust for top management decreased because of the high CEO turnover rate. The unit manager for Stockholm/Arlanda said that the French did not have a long-term thought process and that they were impatient and wanted immediate results from the changes, which is distinguished in the many changes of French CEOs. There was no trust in the next Swedish CEO either. Emil Lundgren valued the family business highly and the fact that this CEO did not have experience from the industry did not increase the confidence among the unit managers and the employees. Quoting the human resource manager: “A good leader can affect the whole organisation. Leaders affect much more than people think.” This indicates that the CEO the company has today has a positive influence on the middle managers’ and employees’ trust, since they have expressed that it works well. The human resource manager describes him as a person with a strong character that at the same time supports the units. The CEO finds it important to build and maintain relationships by visiting the units from time to time. He has also established common meetings where all unit managers gather twice a year. Earlier there was more focus on the unit in Gothenburg because that is where the company was established. The present CEO does not want to favour any of the units, but strives towards equivalence among all units. This is in line with Nicandrou et al. (2000) that stress the importance of trust in the social interaction by building relationships.
We believe that quick frequent changes can generate decreased trust, which we have seen hints of in Emil Lundgren. It is crucial for all employees to have time to reflect upon changes enabling them to adapt. It is difficult as CEO to create trust when things are changing on a continuous basis with a constant range of diverse issues. In the beginning, top management in Vinci Group did not trust top management in Emil Lundgren and if the acquiring company does not have confidence, it will create ambiguity among the employees. How will the employees know whom to trust? Another issue concerns the period of time the changes have proceeded. In the case of Emil Lundgren with many candidates to the leading position, it can be difficult to win back the employees’ trust. This might be even more evident in a family business because they put emphasis on keeping the spirit in the company. Decreased trust towards new top managers may occur because the employees do not want to leave the ‘old spirit’. When there is high top management turnover it will create uncertainty in the organisation, but will be more evident the closer the members of the organisation are situated in relation top management. We also believe that those who have more insight in the company experience more uncertainty since they have greater understanding for the consequences of the turnover.

5.4 Experiences of the Post-Acquisition Process

How do middle managers perceive the post-acquisition process compared to their employees?

Mark and Marvis (1985) mean that managers may react differently compared to the employees in the post-acquisition process. This can be distinguished in the way Thompson (1967) describes the fact that middle managers are the link between top management and the employees. Middle managers have the advantage in changes processes because they are closer to the top, therefore they will receive information before the employees and are more involved in the process. However, we believe that middle managers and employees seek different kinds of information. Both might have the same perception about personal related information regarding their position and the future in the company. Though, the middle managers’ concerns probably involves business related information from an economic view, because they have more insight in the company and have a larger responsibility for running the business. Expectations from the employees as “more development of the company”, “more powerful”, “more market-shares in Sweden by acquire competitors”, and “a strong actor with muscles” indicates that they tend to see the company in a larger perspective.

Resistance

The literature portrays middle managers as being resistant towards changes (Huy, 2001; Biggart, 1977). In the case of Emil Lundgren there was no resistance to the acquisition among the unit managers. Most of them explained the acquisition as necessary for survival of the company, but they also argued that the acquisition was positive for the development of the company. The oppositions that middle managers had were not due to the acquisition itself, but opinions about what was best for the company. For example in Gothenburg where the unit manager did not want to split the unit, was not because the company had been acquired. He simply wanted to explain that splitting the unit would not be favourable. However, we noticed a greater resistance among the employees. Expressions such as anxiety, impersonal, boring, tough, control, uncertainty, worrying, and not positive illustrates negativity and resistant opinions. This difference between middle managers and employees we think depends on the fact that the middle managers were more confident to remain in the company. We speculate that it was a greater uncertainty for the employees, because in the
beginning they were not sure who would stay or not. The human resource manager also mentioned that it is painful for the organisation to only make ‘fine cuts’, he rather advocate radical changes, which creates higher uncertainty in the beginning, but will be better in the long run. Since Emil Lundgren must have had trust in the persons that were appointed unit managers we believe that these persons had some presentiments that they would not be any of the persons that had to leave the company. We also got indications from the interviews with the unit managers that they did not feel uncertain about their future in the company.

**Leaving the Family Business**

What was a common feature that we could observe from the unit managers’ and employees’ experiences was that of leaving the family business. Five of the unit managers as well as the human resource manager mentioned that leaving the family business has affected the company. They claimed that when the company got acquired they lost a piece of its soul and it was an uncertainty in the company to leave the spirit of a family business. This affected especially the unit in Gothenburg where employees felt betrayed by Emil Lundgren when it was announced that the company would be sold. However, the unit manager in Gothenburg explains that the Emil Lundgren spirit was placed on the edge in the beginning but was still there in heart and soul. The unit manager in Stockholm/Arlanda means that Emil Lundgren lost a piece of its soul when the company was acquired. Schweiger et al. (1987) along with Marvis and Marks (1985) argue that acquisitions often bring loss of identity, which creates difficulties for individuals to identify themselves with the ‘new’ company. The acquisition also implied less concentration around the Gothenburg area where the company was established. There were also other requirements that the company had to face when it no longer was a family business. They were under more control and the unit managers expressed higher demand for return and follow-up work. Some of them said that there was no evident culture chock due to the fact that Vinci Group was French, it was a larger culture chock to go from being a family business to be part of such a large corporation. Of the employees 22 percent compared the current situation with the old family business and the general perception was that it was positive for the company, even though the company lost some of the old spirit.

According to Dyer et al. (2004) one of the objectives with an acquisition can be to enter a new market. This was the intention of Vinci Group when they acquired Emil Lundgren and two of the unit managers stated that they knew that acquiring a company in Sweden would be the easiest way to reach this market. Hence, they mean that they did not feel the same uncertainty about the future if the acquirer had been a Swedish company. As discussed in 5.2 the unit managers’ oppositions made Vinci Group change their mind. This can be related to Walsh (1988) who claims that in a cross-border acquisition the acquiring company might become dependent on the management in the acquired company than if the acquisition would be domestic. This also supports Vinci Group’s intention with the acquisition to reach the Scandinavian market by acquiring a market leading company.

**Expectations**

It was difficult to see a pattern concerning the expectations the employees had on the acquisition since the majority, 53 percent, had no expectations at all. It was not possible to distinguish any differences between constructors and office workers either. That they did not have many expectations, we do stress that this is due to a lack of accurate information of the acquisition in the beginning. The acquisition was not announced until the day it was accomplished. Because of this they did not have much time to develop expectations. This turned out to be similar for the unit managers that did not express any special expectations.
Analysis

The unit manager in Gothenburg said that since they were told that there would be no changes he did not expect anything special. The unit manager in Stockholm stress that uncertainty among the employees arose due to lack of information about what was going to happen. He also means that it was not easy to convey the information to the constructors. This can also be related to that the constructors do not have the same insight in the company and probably not the same economical background as the office workers. Only two employees claimed that they had been active in the realisation of the acquisition and only five of the employees wished to be more active. This can also be related to that the majority did not express any expectations. It is obvious that the unit managers were more active than the employees since they had the responsibility to inform the employees about the ongoing process.

Integration

In Napier's (1989) definitions of types of integration in acquisitions we find Emil Lundgren to be in between extension and redesign. The acquisition implied changes, but not as little as in extension or as radical as redesign. It is argued by Schweiger et al. (1993) that a time period of three to five years is needed for an acquisition to be integrated. This is also what the majority of the unit managers estimated it to. Two exceptions are the unit in Stockholm and Stenungsund. The unit manager in Stockholm did not express a specific number of years, he argued that since they are a service unit they were not as affected as the other units. In Stenungsund the unit manager on the other hand said that it took approximately one year before the unit was integrated. However, he became unit manager three and a half years after the acquisition, and before that he was project leader. When he was a project leader he might have experienced the time period for integration differently. We believe that if the former unit manager had been asked, he would probably have stated a longer time period. The unit manager in Stockholm/Arlanda was also appointed later, in May 2005. He expressed four years for the integration. However, even if he has not been working as unit manager in Stockholm/Arlanda, he has been working on and off in Stockholm for a couple of years and was also group controller for the entire company. Hence, he had a greater insight in the company compared to the unit manager in Stenungsund. We can also see significant differences between the unit managers compared to the employees, where 41 percent of the employees answered ‘approximately one year’. There were also differences between constructors and office workers. Entire 58 percent of the constructors answered ‘approximately one year’ regarding how long time it took to adapt to the new circumstances. The answers from the office workers were 30 percent on ‘approximately one and three years’, and 25 percent on ‘approximately two years’. The only employees that still not had adapted were two office workers. We argue that the high number of constructors that answered ‘approximately one year’ depends on the fact that they are not as involved because they do not work in the office, and the changes were not apparent in their work. On the other hand the office workers got more affected of the changes, which we also can see in their answers. That it took longer period of time for the office workers to adapt to the new circumstances is probably based on their closeness to management, they are situated in the office compared to the constructors and that their work tasks got affected by new administrative routines and the accounting system. The differences between constructors and office workers are also illuminated regarding the education they have got. Of the office workers 70 percent went through education, while 67 percent of the constructors did not receive any education. All employees were informed about the Quartz philosophy, but we do not consider this information as education for the constructors. It is crucial that all employees are informed about the company’s philosophy so that they are aware of for instance new values for the company. However, we do not
believe that the Quartz philosophy affected the constructors’ work in the same way as the office workers. Since the unit managers have the responsibility for their units this is probably the reason why they had another perspective on the integration process than their employees that related the integration to the changes in their own work.
6 Conclusions

In this chapter the main conclusions of the study are presented. The conclusions are built on the analysis of the research questions. This chapter also includes further discussion in the research area as well as implications to further studies. Last but not least we acknowledge the persons involved in our thesis process.

The purpose of this thesis was to investigate the post-acquisition process in the acquired firm, focusing on how the acquisition has been experienced among middle managers and their employees.

A Break Block to Change?

As illustrated through the Emil Lundgren case, it is evident that middle managers have an important role to play throughout the post-acquisition process. The thesis highlights that they did not pose any resistance towards changes unless the associated changes would have been unfavourable for both the current and future survival of the company. However, one reason for the limited amount of resistance can be that almost all of the unit managers were not unit managers before the acquisition. Our point of departure illustrates that the unit managers were unable to compare and relate to how being a unit manager before the acquisition respectively influenced their associated roles compared to after the acquisition. We therefore logically conclude, based on literature and physical evidence that this proved vital in terms of facilitating the integrating process and adapting comparatively well to the dynamic environmental circumstances presented.

Only a Messenger?

Literature generally portrays middle managers as being in a difficult situation, constantly being torn between employees and top management. We comprehensively agree that it is difficult to be an intermediate role player within the firm, for both disseminating and supplying information along the communication link between top management and employees. However, what we discovered from the Emil Lundgren case, was that not only were middle managers a vital link in terms of conveying this vital information but they also played a crucial subjective role of maintaining and even gaining trust throughout the post-acquisition process. By constantly conveying open and accurate information, these middle managers were able to convey the true implications of the acquisition thereby resulting in enhanced levels of trust for the respective unit managers.

A Family Business that Grew out of Its Shoes?

The research indicates that middle managers that have progressed within the Emil Lundgren corporate hierarchy over time, have proven to have closer aligned relationships with their employees, facilitating an advantageous environment for communicating and improving trust. This becomes even more apparent where there is a definite underlying spirit of trust amongst the employees from actually being an existing family business, thus forming the existing platform of competitiveness. The largest cultural shock for Emil Lundgren was to loose the intangible spirited asset of being a family owned business rather than the decision to be acquired from a foreign company. Luckily, the unit managers never identified the acquisition as a threat, but rather as a strategy to cope with the dynamic changes of the market place whilst allowing the existing Emil Lundgren to adapt to global and time competitive pressures. Even though the acquisition was initially turbulent with the family spirit of the business being pushed to the edge, the interpersonal skills of the unit managers facilitated open and honest communication, reducing both employee anxiety and uncertainty.
We conclude that if there is instability at the top of the company, the resulting effect will consequentially be widespread uncertainty throughout the organisation. Individuals with a larger insight into the core of the company and who are also closer aligned with top management will be more affected from the uncertainty. A family businesses success such as this relies on the establishment of fundamental relationships forged from an individual with strong characteristics coupled with the leadership ability to communicate trust throughout the organisation.

**Who Took the Train?**

Despite the turbulence Emil Lundgren faced in the beginning of the post-acquisition, it eventually worked out somewhat smoothly. The fact that some employees expressed less time for integration highlights the fact that the post-acquisition worked out well. The smooth integration can be distinguished in the in general positive behaviours of the members of the organisation. If too many individuals in an acquired company express negative behaviours and never ‘jump on the train’ accepting the acquisition, the company will struggle for a long period of time after the acquisition process and ultimately may be doomed for failure. This indicates that it is crucial that these individuals eventually change their negative perceptions towards the positive, in order to facilitate the integration and remain in the company.

**6.1 Further Discussion**

The increasingly number of Swedish companies that get acquired nowadays enhance the importance of understanding the post-acquisition process. An acquisition involves so much more than negotiations and closing of deals between top management of the involved companies. There are also individuals below the surface that have opinions to express, which never can be neglected. It is important to consider that the deal includes individuals with actual feelings and not artefacts that can be treated just anyhow.

It can be speculated that Swedish companies rather get acquired by foreign companies than domestic. This can be distinguished in the differences of intentions between foreign and domestic companies. Foreign companies tend to have the intention to reach new markets, whereas domestic companies seek new market shares by acquiring competitors.

As previously mentioned, acquisitions of companies increase but also other organisational changes such as flattened organisational structures get more common. Companies cannot escape from the fact that sooner or later there will be changes. It can be argued that companies that already have challenged change processes will have an advantage compared to other companies in the same business. This was argued by the human resource manager in Emil Lundgren who said that many of their competitors recently got acquired and are now going through the process they started six years ago.

In the Emil Lundgren case open and honest communication were the keys to maintaining trust and succeed with the integration. However, can all problems be solved with open communication? It can be argued that open communication might give the opposite effect and the company may fall into the trap and betray themselves.

This thesis only deals with some of all aspects that can be studied regarding individuals’ reactions and experiences in the post-acquisition process.
6.2 Suggestions for Further Studies

After completing this study we have found related areas that could be interesting to study further.

First, it would be interesting to go deeper in the Emil Lundgren case by conducting interviews with the employees to obtain a broader perspective on their experiences. It would also be of value to get top management’s view of the acquisition, what they have experienced compared to the rest of the organisation. Since top managers in the acquired company tend to leave the company we believe that they would provide with useful information and open up new aspects of the acquisition. It would also be interesting to investigate the reason behind why some employees chose to leave the company. This study has only focused on the acquired company, hence it would be interesting to see the acquisition from the acquirer’s point of view.

Further, as mentioned before many of Emil Lundgren’s competitors are at the moment in the post-acquisition process. Since they are competing in the same market it would be interesting to investigate the competitors when they are in the same stage as Emil Lundgren is now and also see how their acquisitions have affected Emil Lundgren’s market position.

Finally, because middle management in acquisition processes is an unexplored area this can be further explored. The middle managers in this study turned out to have high middle management positions. What could be of interest is to investigate middle managers at lower levels in the organisation and their experiences of the post-acquisition process.

6.3 Acknowledgements

We would like to thank our tutor, Ethel Brundin, for help and support throughout the thesis process. We also want to thank Tomas Müllern who with his great interest in the area of middle management has contributed with helpful support. Further we like to thank all opponents with their constructive criticism and inspiration.

Finally, the greatest thank we would like to direct to the respondents in Emil Lundgren, for dedicating time to be part of this study.
References


References


References


References


Appendices

Appendix 1 – Interview Guide Human Resource Manager, English

- Did you work in the organisation at the time of the acquisition? What was your role before the acquisition? How long have you worked in the company? What is your role now? How has your work changed?
- How many levels of executives did you have over you before the acquisition? How many employees did you have under you? How does it look like today?
- Did the number of employees decrease as a consequence of the acquisition?
- What are your tasks and responsibilities as human resource manager?

The Post-Acquisition Process

- How were you involved in the post-acquisition process?
- Which expectations did you have on the acquisition when you got to know about it? Have these expectations been fulfilled?
- Did you go through any kind of education connected to the acquisition?
- How long time did the implementation process take (from decision till fully completed)?
- Did it take long time between the first discussions till the decision?
- What was your reaction when the acquisition was announced?
- How did the middle managers react towards the acquisition?
- How were these reactions handled?
- Are there still things that need to be worked with?
- Which factors do you think have been most important in the post-acquisition process?
- In which way has the acquisition favoured the company?
- How did you experience the post-acquisition process?
- Do you think that the organisation is integrated now?
- Did policies and practices change since the acquisition? Did you adopt Vinci Group’s policies and practices?
- How were the changes planned? With Vinci Group?
- Do you think that the acquisition process could have been carried out differently?
- How was the employee turnover before the acquisition? Did it change after the acquisition?
- Which role did top management from Vinci Group have in the post-acquisition process?
- When after the acquisition was announced did the change work start?
- Did anyone from the management in Emil Lundgren leave the company when you have been employed? Do you know why? How did this affect you?
- Did you experience any culture clashes?

Middle Managers

- What was middle management’s role before the acquisition? What is their role today? Did their tasks change?
- Did the middle managers go through any kind of education in connection to the acquisition?
- How was the employee turnover before the acquisition? Did it change after the acquisition?
- Did you experience culture clashes? How did this affect middle management?
Appendices

- Did the employees express feelings during the acquisition? For example uncertainty about losing their jobs?
- What do you think has been the most common reaction among the employees? Loyalty, compliance, voice, neglect
- What do you think the reactions might depend on?
- How were middle management informed about the acquisition?
- Did the middle managers adapt to the situation?
- How do you ensure that the employees trust in your actions?
- Was information by any time kept back from the employees in order to decrease uncertainty?
Appendices

Appendix 2 – Interview Guide Human Resource Manager, Swedish

- Hur länge har du jobbat i företaget? Vad var din roll innan uppköpet? Vad är din roll nu? Har dina arbetsuppgifter förändrats?
- Hur ser organisationsstrukturen ut för Emil Lundgren? Hur såg den ut innan uppköpet?
- Hur många chefsnivåer hade du över dig och hur många under dig hade du innan uppköpet? Hur ser det ut idag?
- Minskade antalet anställda som en konsekvens av uppköpet?
- Vilka uppgifter och ansvarsområden har du som personalchef?

Uppköpsprocessen

- Hur var du involverad i uppköpsprocessen?
- Vilka förväntningar hade du på uppköpet när du fick reda på det? Har dessa förväntningar uppfyllts?
- Har du fått genomgå någon form av utbildning kopplat till uppköpet?
- Hur lång tid tog implementationsprocessen, dvs från att det blev bestämt till dess att uppköpet blev klart?
- Gick det lång tid mellan första diskussionerna fram till beslut?
- Hur var din reaktion när uppköpet blev klart?
- Hur var reaktionerna hos mellancheferna då uppköpet blev bestämt? Ge exempel
- Hur hanterade du dessa reaktioner?
- Finns det fortfarande saker som behöver bearbetas?
- Vilken/vilka faktorer anser du har varit viktigast i uppköpsprocessen?
- På vilket sätt har uppköpet gynnat företaget?
- Hur upplevde du uppköpsprocessen?
- Har policies och praxis ändrats sedan uppköpet? Har ni tillämpat Vinci Groups policies och praxis?
- Hur planerades de förändringar som uppstod vid uppköpet? I samarbete med Vinci Group?
- Anser du att processen efter uppköpet kunde ha skett på ett annorlunda sätt?
- Vilken roll har ledningen i Vinci Group varit i processen efter uppköpet? Mycket eller lite påverkan?
- När efter att uppköpet gått igenom började ni med förändringsprocessen?
- Tycker du att organisationen är integrerad nu fem år efter uppköpet?
- Har någon i företagsledningen lämnat företaget under tiden du varit anställd? Skedde det i samband med uppköpet? Vet du varför? Hur påverkade detta dig?

Mellanchefer

- Vad var mellanchefernas roll före uppköpet? Vad är deras roll efter uppköpet?
- Ändrade arbetsuppgifter?
- Har mellancheferna genomgått någon form av utbildning kopplat till uppköpet?
- Hur såg personalomsättningen ut innan uppköpet? Förändrades den efter uppköpet?
- Har det uppstått problem med kulturskillnader? Ge exempel! Ex rutiner, sätt att vara, företagsklimat etc. Hur har det påverkat mellancheferna? (rutiner, rapportering etc)
Appendices

- Uttryckte de mellancheferna känslor under uppköpet? Tex osäkerhet om att förlora jobbet? Hur hanterades detta?
- Vad anser du har varit den vanligaste reaktionen bland mellancheferna efter uppköpet – aktivt motstånd (protesterar), passivt motstånd (), passivt stöttat uppköpet (fortsatt som vanligt), aktivt stöttat företaget.
- Vad tror du reaktionerna kan bero på? Hur har reaktionerna påverkat ditt arbete/agerande?
- Hur informerades de anställda om uppköpet? Ge exempel
- Hur har mellancheferna anpassat sig till situationen?
- Hur ser du till att mellancheferna har förtroende för det du gör?
- Har information någon gång undanhållits för att minska osäkerhet?
Appendix 3 – Interview Guide Middle Managers, English

- Did you work in the organisation at the time of the acquisition? What was your role before the acquisition? How long have you worked in the company? What is your role now? How has your work changed?
- How many levels of executives did you have over you before the acquisition? How many employees did you have under you? How does it look today? How many employees is it on your unit today?
- Did the number of employees decrease as a consequence of the acquisition?
- What are your tasks and responsibilities as middle manager?

The Acquisition Process

- How were you involved in the post-acquisition process?
- Which expectations did you have on the acquisition when you got to know about it? Have these expectations been fulfilled?
- Did you go through any kind of education connected to the acquisition?
- How long time did the implementation process take (from decision till fully completed?)
- Did it take long time between the first discussions till the decision?
- What was your reaction when the acquisition was announced?
- Are there still things that need to be worked with?
- Which factors do you think have been most important in the post-acquisition process?
- In which way has the acquisition favoured the company?
- How did you experience the acquisition process?
- Do you think that you have got clear instructions about what to be done during the acquisition process? Did you get more instructions from the management in Emil Lundgren or the one in Vinci Group?
- Do you think that the organisation is integrated now?
- How was the employee turnover before the acquisition? Did it change after the acquisition?
- Did anyone from the management in Emil Lundgren leave the company when you have been employed? Do you know why? How did this affect you?
- Did you experience any culture clashes?
- Have routines and repertoires changed related to the acquisition? What does this mean for the employees? What happened if the employees did not follow these new routines and rules?

Middle Managers

- What kind of changes have Emil Lundgren been through earlier?
- Have these changes been of help during the acquisition? How?
- Are you involved in the strategic planning?
- Which decisions do top management take and which do the unit managers take?
- How are you affected by the actions from the employees?

Employees

- How did you perceive the reactions and attitudes from the employees during the acquisition?
- Did the employees express feelings during the acquisition? For example uncertainty about losing their jobs?
Appendices

- How was this managed?
- What do you think has been the most common reaction among the employees? Loyalty, compliance, voice, neglect
- What do you think the reactions might depend on?
- How has the reactions from the employees affected your work/acting?
- Have employees on different levels of the company reacted differently?
- Did you communicate with the employees in diverse manners depending on which level the belonged? How?
- How were the employees informed about the acquisition?
- How have the employees adapted to the situation?
- Was it difficult to distribute tasks?
- Have there been changes in the employees’ tasks after the acquisition?
- Did the employees go through any kind of education related to the acquisition?
- How do you ensure that the employees trust in your actions?
- Was information by any time kept back from the employees in order to decrease uncertainty?
Appendices

Appendix 4 – Interview Guide Middle Managers, Swedish

- Arbetade du i organisationen när uppköpet skedde? Vad var din roll då? Hur länge har du jobbat i företaget? Vad är din roll nu? Hur har ditt arbete förändrats?
- Hur många chefsnivåer hade du över dig och hur många under dig hade du innan uppköpet? Hur ser det ut idag? Hur många anställda på din enhet idag?
- Minskade antalet anställda som en konsekvens av uppköpet?
- Vilka uppgifter och ansvarsområden har du som mellanchef?

Uppkopsprocessen

- Hur var du involverad i uppköpsprocessen?
- Vilka förväntningar hade du på uppköpet när du fick reda på det? Har dessa förväntningar uppfylldes?
- Har du fått genomgå någon form av utbildning kopplat till uppköpet?
- Hur lång tid tog implementationsprocessen, dvs från att det blev bestämt till dess att uppköpet blev klart?
- Gick det lång tid mellan första diskussionerna fram till beslut?
- Hur var din reaktion när uppköpet blev klart?
- Finns det fortfarande saker som behöver bearbetas?
- Vilken/vilka faktorer anser du har varit viktigast i uppköpsprocessen?
- På vilket sätt har uppköpet gynnat företaget?
- Hur upplevde du uppköpsprocessen?
- Tycker du att organisationen är integrerad nu fem år efter uppköpet?
- Hur såg personalomsättningen ut innan uppköpet? Förändrades den efter uppköpet?
- Har någon i företagsledningen lämnat företaget under tiden du varit anställd? Skedde det i samband med uppköpet? Vet du varför? Hur påverkade detta dig?
- Har det uppstått problem med kulturskillnader? Ge exempel! Ex rutiner, sätt att vara, företagsklimat etc.
- Har rutiner och rapporteringssystem förändrats i samband med uppköpet? Vad innebär detta för de anställda? Vad hände om de inte följde dessa nya rutiner och regler?

Mellanchefer

- Vilka förändringar har Emil Lundgren genomgått tidigare?
- Har dessa förändringar varit till hjälp under uppköpet? Hur?
- Är du involverad i den strategiska planeringen?
- Vilka beslut tas av ledningen och vilka tas av enhetscheferna (mellancheferna)?
- Hur påverkas du av de anställdas agerande?

Anställda

- Hur upplevde du de anställdas reaktioner och attityder under uppköpet?
- Utryckte de anställda känslor under uppköpet? Tex osäkerhet om att förlora jobbet?
- Hur hanterades detta?
Appendices

- Vad anser du har varit den vanligaste reaktionen bland de anställda efter uppköpet? 
  – aktivt motstånd (protesterar), passivt motstånd (), passivt stöttat uppköpet (fortsatt som vanligt), aktivt stöttat företaget.
- Vad tror du reaktionerna kan bero på?
- Hur har reaktionerna bland de anställda påverkat ditt arbete/agerande?
- Har anställda på olika nivåer i företaget reagerat annorlunda angående uppköpet?
- Skedde kommunikation med de anställda på olika sätt på de olika nivåerna i företaget? Hur?
- Hur informerades de anställda om uppköpet? Ge exempel
- Hur har de anställda anpassat sig till situationen?
- Var det svårt att fördela ut arbetsuppgifter?
- Har de anställda genomgått någon form av utbildning kopplat till uppköpet?
- Har det skett förändringar i de anställdas arbetsuppgifter efter uppköpet?
- Hur ser du till att de anställda har förtroende för det du gör?
- Har information någon gång undanhållits för att minska osäkerhet hos de anställda?
Appendix 5 – Questionnaire to Employees, English

The Post-Acquisition Process in Emil Lundgren

We are two students from Jönköping International Business School. At the moment we are writing our master thesis concerning Swedish companies acquired from foreign companies. We would appreciate if you could dedicate some minutes to fill in this questionnaire. Circle the given answer that matches your personal opinion best. Questions without given answers, please write the answer at the line after the question.

1. What position did you have before the acquisition?_________________________________________________

2. What position do you have now?_______________________________

3. How many levels of executives did you have over you before the acquisition?_________________________

4. How many levels of executives do you have now?____________________

5. Have your work tasks changed since the acquisition?
   a. Yes, much
   b. Yes, partly
   c. No, not obviously
   d. No, not at all
   e. Do not know

Which work tasks have changed and how?

____________________________________________________________________________________

____________________________________________________________________________________

6. Have you got any education related to the acquisition?

   Yes    No

   If Yes, what type of education?

   ___________________________________________________________________________________

   ___________________________________________________________________________________
7. How did you experience the acquisition?

   a. Very positive
   b. Positive
   c. Less good
   d. Negative
   e. Neither positive nor negative

Explain your experiences:

_____________________________________________________________

_____________________________________________________________

8. What expectations did you have on the acquisition when you found out about it?

_____________________________________________________________

_____________________________________________________________

9. How have these expectations been fulfilled?

   a. Very good
   b. Good
   c. Satisfactory
   d. Less good
   e. Bad
   f. Do not know

10. How has the information concerning the acquisition been according to your perception?

   a. Very good
   b. Good
   c. Satisfactory
   d. Less good
   e. Bad
   f. Do not know
11. Did you wish to take part of more information during the acquisition process?

   a. Yes, much
   b. Yes, partly
   c. No, not obviously
   d. No, not at all
   e. Do not know

12. Have you at any time during the acquisition process doubted top management?

   a. Yes, much
   b. Yes, partly
   c. No, not obviously
   d. No, not at all
   e. Do not know

   Why?

   __________________________________________________________
   __________________________________________________________

13. Have you been active in the realisation of the acquisition?

   Yes No

   If Yes, how?

   __________________________________________________________
   __________________________________________________________

14. Did you want to be more active in the acquisition?

   a. Yes
   b. No
   c. Do not know
Appendices

15. How long time did it take to adapt to the new circumstances?

   a. Approximately 1 year
   b. Approximately 2 years
   c. Approximately 3 years
   d. Have still not adapted

16. Describe how you experienced the acquisition process with three words:

   __________________________________________________________
   __________________________________________________________

Thank you for your participation!
Karin Nilsson and Elisabet Olofsson
Jönköping International Business School
Appendix 6 – Questionnaire to Employees, Swedish

Vi är två studenter från Internationella Handelshögskolan i Jönköping som nu skriver vår magisteruppsats om svenska företag som blivit uppköpta av utländska företag. Skulle vara till stor hjälp om du kunde ägna några minuter åt att svara på enkäten. Ringa in det svarsalternativ som stämmer bäst överens med din egen uppfattning. Vid frågor utan svarsalternativ, skriv svar på raden efter frågan.

1. Vilken position i företaget hade du innan uppköpet?__________________________________________________

2. Vilken position har du nu?_______________________________________________________

3. Hur många chefsnivåer hade du över dig innan uppköpet?__________________________________________________

4. Hur många chefsnivåer har du över dig nu?_______________________________________________________

5. Har dina arbetsuppgifter ändrats sedan uppköpet?
   a. Ja, mycket
   b. Ja, delvis
   c. Nej, inte påtagligt
   d. Nej, inte alls
   e. Vet ej
   Vilka arbetsuppgifter har i så fall ändrats och på vilket sätt?
   ____________________________________________________
   ____________________________________________________

6. Har du fått utbildning kopplat till uppköpet?
   Ja               Nej
   Om Ja, vilken typ av utbildning?
   ____________________________________________________
   ____________________________________________________
7. Hur upplevde du uppköpet?

   a. Mycket positivt
   b. Positivt
   c. Mindre bra
   d. Negativt
   e. Varken positivt eller negativt

Förklara dina upplevelser:

________________________________________________________________________
________________________________________________________________________

8. Vilka förväntningar hade du på uppköpet när du fick reda på det?

________________________________________________________________________
________________________________________________________________________

9. Hur har dessa förväntningar uppfyllts?

   a. Mycket bra
   b. Bra
   c. Tillfredsställande
   d. Mindre bra
   e. Dåligt
   f. Vet ej

10. Hur anser du att informationen om uppköpet har varit?

    a. Mycket bra
    b. Bra
    c. Tillfredsställande
    d. Mindre bra
    e. Dåligt
    f. Vet ej
11. Hade du önskat att du fått ta del av mer information under uppköpsprocessen?

a. Ja, mycket
b. Ja, delvis
c. Nej, inte påtagligt
d. Nej, inte alls
e. Vet ej

12. Har du under uppköpsprocessen någon gång tvivlat på högsta ledningen?

a. Ja, mycket
b. Ja, delvis
c. Nej, inte påtagligt
d. Nej, inte alls
e. Vet ej

Varför?

_____________________________________________________________

_____________________________________________________________

13. Har du varit aktiv i genomförandet av uppköpet?

Ja Nej

Om Ja, på vilket sätt?

_____________________________________________________________

_____________________________________________________________

14. Hade du velat vara mer aktiv i uppköpet?

a. Ja
b. Nej
c. Vet ej
15. Hur lång tid tog det att anpassa sig till de nya förhållanden?

a. ca 1 år 
b. ca 2 år 
c. ca 3 år 
d. Har ej ännu anpassat mig

16. Beskriv med tre ord hur du upplevde uppköpsprocessen:

_____________________________________________________________
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Tack för din medverkan!

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Internationella Handelshögskolan i Jönköping
Appendix 7 – Organisational Structure

Before the Acquisition:

After the Acquisition: