How are family firm characteristics affected by acquisitions?

An initial study in the Gnosjö Region

Paper within: Business Administration

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Jönköping, May 2013
Bachelor Thesis in Business Administration

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Date: May 14, 2013

Subject terms: Family firm characteristics, acquisition, Gnosjö Region

Abstract

Our focus area is family businesses being acquired by larger corporate groups. We will approach the subject from the perspective of a few typical family firms in the Gnosjö Region, which have been acquired by larger corporate groups or venture capital companies. By conducting interviews with both managers and non-office workers of each former family firm, and analyzing each of them in the light of the positive and negative family firm characteristics of Donnelley, the aim is to find a mutual pattern of changes which can be considered typical for acquired family firms in this industrial district. Hence, this study is qualitative and aiming at explanatory. The positive family firm characteristics are personal sacrifice, valuable reputation, employee loyalty, management-stockholder unity, social sensibility, and continuity & purpose. The negative characteristics are conflict of interests, poor profit discipline, immobile marketing and excessive nepotism. Generally, all of the positive characteristics were present in the companies before the acquisitions. Three of these disappeared to a large extent after the acquisitions. Employee loyalty was damaged in the short run but cold at some firms be regained after some time, while valuable reputation and continuity & purpose were just slightly affected by the acquisition. The negative characteristics conflict of interests and immobile marketing were also present before, but were removed almost entirely after the acquisition. On the contrary, poor profit discipline and excessive nepotism never occurred in the companies from the beginning. This may possibly be the result of large influence from the Spirit of Gnosjö. Resulting from the analysis, a list of guidelines has been constructed for both companies approaching the situation of being acquired and companies that are to acquire family firm in the Gnosjö Region.
Acknowledgements

First of all, we would like to thank our inspiring and enthusiastic tutor, Anders Melander. Without your help and guiding hand our thesis would not have become as focused as it turned out. Many were the times when you broadened our perspective and helped us to take the thesis one step further. Thank you once again!

We would also like to thank the opponents during the four seminar sessions. Without your help we would not have been able to develop and improve our thesis. Thank you!

The most important factor for realizing this thesis is the interviews we were able to conduct at a number of companies. Without the companies’ cooperation and genuine support there would not have been any thesis at all. So we are deeply thankful and humble to you!

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Jönköping International Business School, May 2013
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1 Introduction

This section is an introduction to the thesis as a whole. Hence, it gives an overview of the topic, chapters and content of the paper.

This thesis will wander in the field of family firm characteristics\(^1\), specified to acquisitions in the Gnosjö Region. The subject is of interest because this industrial district has been widely explored in terms of the Spirit of Gnosjö, but little is known about the impact acquisitions have on the family firm characteristics. An investigation of the phenomenon in this specific region would, hence, give valuable information on how regional companies can approach and handle an acquisition. Academically, this research is of special interest as an initial touch on the topic, conducted in a narrow region, will produce an angled starting point for continuing the refinement of research within the subject, both in other industrial regions in Sweden and abroad.

The report is divided into 10 chapters. The background will provide the reader with all the relevant background information needed for understanding the thesis, as well as a description of its limits and our chosen perspective. The problem and purpose describes the reason for writing this thesis. In the method chapter, the practical execution of the writing process is described along with our methodological decisions. The theoretical framework guides the reader through a selection of related theories, which are the foundation for analyzing. In Data & Results, the reader will be presented with the outcome of the interviews, to gain firsthand empirical information. The analysis will merge the theoretical framework and data collected. Towards the end, there will be a concluding chapter, giving light to the most important findings and presenting a list of guidelines for family firm acquisitions. In the discussion the validity and importance of this thesis will be highlighted along with a brief note on how the subject could be approached in future research. Finally, we will also include a personal reflection on our writing process.

2 Background

In order for the reader to understand the scope and content of the thesis, the topic is introduced and some definitions are also given in this chapter. The family firm, acquisitions and the concepts around Gnosjö are explained, followed by a gathered view on the topic: leading way to the problem section. Delimitations

\(^1\) We define “family firm characteristics” as aspects of the family-owned or family-managed firm, which differentiates the family firm from non-family firms.
to the scope are also presented along with the perspective which
the thesis is presented from.

2.1  The Family Firm

It is generally accepted that there is a distinction between family firms and non-family
firms. Something in the family involvement makes the family firm special and at some
points advantageous to other firms. It is also one of the most intuitive forms of business
ownership, as half of all businesses in the world are family-owned. Furthermore, the other
half of the world’s businesses are also indirectly affected through the influence by family
members of employees (Chua, Chrisman & Sharma, 1999). This sets the background to the
importance of understanding how family businesses work.

Even though research about family firms is limited within overall management research
(Chrisman, Chua & Steier, 2003), there is a large range of theories on how to describe the
family firm. To begin with, the phenomenon as such can be expressed with many terms,
which often can lead to confusion about the subject: what is, for example, the difference
between family firm, family enterprise and family business? Actually, they are similar descriptions
to the same thing: this becomes evident when one takes a quick overview of how scholars
use two or all of the terms as equal to one another in publications (Donnelley, 1964; Chua
et al., 1999; Chrisman et al., 2003; Miller & Le-Breton Miller, 2005; Nordqvist & Melin,
2010). The phenomenon will be referred to as family firm in the continual of this report.
Furthermore, there is a clear confusion among both researchers and professionals about
the definition of the family firm, where there are as many definitions as there are individual
opinions. Hence, there is a disagreement about the correct definitions to the subject (Chua
et al., 1999), but most suggested definitions complement each other as they emphasize dif-
ferent sides to the matter. Bernard (1975) defines the family firm as “an enterprise which,
in practice, is controlled by the members of a single family” (p. 42), whereas Churchill and
Hatten (1987) leave it more open with the definition that “what is usually meant by family
business... is either the occurrence or the anticipation that a younger family member has or
will assume control of the business from the elder” (p. 52). Other researchers focus more
on the family having power over operations and leadership succession (Davis & Tagiuri,
1985; Handler, 1989; Dreux, 1990), while yet others are more focused on the direct owner-
ship (Donckels & Frohlich, 1991; Lansberg, Perrow & Rogolsky, 1988). Evidently there are
many sides to this coin of the family firm, and Chua et al. (1999) summarize that generally
the family firm can be defined as a firm which is either family owned and family managed, family
owned but not family manager, or family managed but not family owned. In this thesis we choose to
define the family firm as a firm which is family owned and/or family managed.

2.2  Acquisitions

Acquisitions are often studied along with mergers and strategic alliances as a group of stra-
egies for business growth and renewal (Cartwright & Cooper, 1992). To describe acquisi-
tions further, it is the situation when one firm conducts a buyout of another. In other
words, an acquisition describes the situation when one firm chooses to buy more than 50% of another firm, thus, increasing their total business capacity as a strategy for business growth and renewal. In both the academic and the professional arena, most focus is put on the largest of the acquisitions, while most acquisitions are of small-scale between or of small- and medium-sized firms (SMEs) (Mason & Harrison, 2006).

In this report, the field of acquisition theory will be used as a factor which affects family firm characteristics in SMEs. Furthermore, we will put emphasize on the acquired firm (instead of the acquirer) and how it changes internally in the aftermath of the acquisition.

2.3 The Gnösjö Region

The Gnösjö Region is a geographical area in the southern part of Sweden which consists of the four municipalities Gnösjö, Gislaved, Värnamo and Vaggeryd. The name is originated from the well-established term the Spirit of Gnösjö. The region, sometimes also referred to as the GGVV Region, is famous for its high level of entrepreneurship, especially within the manufacturing industry. With its approximately 84,000 inhabitants the region has more than 4600 registered limited companies (GnosjöRegion.se, 2013). Gnösjö municipality alone has about 10,000 inhabitants and about 350 manufacturing industries. These figures make the region the most well-known industrial district in Sweden (Wigren, 2003). The Gnösjö Region could even be considered the only real industrial district in Sweden (Brulin & Halvarsson, 1997). Noteworthy is that it was the region with the highest economic growth in Sweden during the 1900’s (Wigren, 2003).

2.3.1 The Spirit of Gnösjö

The Spirit of Gnösjö is a rather diffuse definition of a cultural phenomenon (Sjöstrand, 2008) that has contributed to establish the Gnösjö Region as a very successful industrial district (Sjöstrand, 2008). Many people and authors have tried to define the Spirit of Gnösjö but found it hard to put a clear definition to it. Wigren (2003) states that the Spirit of Gnösjö is about formal and informal cooperation in networks of business owners. It is also about solidarity and helpfulness between employers, employees and the community; as well as a “positive envy” among the entrepreneurs meaning “If he can - so can I.” This envy is not negative but instead constructive (Helling, 1995).

Despite its level of abstraction, the term is known to most people in Sweden and it is also featured in Nationalencyklopedin (the Swedish National Encyclopedia): “The Spirit of Gnösjö is the name for the spirit of enterprising that prevails in the municipality of Gnösjö in Småland, and the neighboring municipalities of Gnösjö. In this region, self-employment is a way of life that dominates the community. This implies that the local authorities, banks, and trade unions conform their way of working to the way the enterprises work. The district has, for Sweden, a unique industry and a low level of unemployment.” (Nationalencyklopedin, 1992).
2.4 Family Firm Acquisitions in the Gnosjö Region

Recent studies in the Gnosjö Region have focused mainly on the Spirit of Gnosjö, with only limited focus on acquisitions and external ownership (Sjöstrand, 2008; Wigren, 2003). When acquisitions have been studied, their impact on the Spirit of Gnosjö has been the main or only focus, instead of family firm characteristics as this thesis is focusing on. It seems to us, family firm characteristics have not been emphasized at all. We believe it has simply been “shadowed” by excessive focus on the Spirit of Gnosjö.

In the 1970’s and 1980’s, approximately 5-10 % of the family firms in Gnosjö Municipality specifically were acquired by external actors. During the 1990’s acquisitions were limited in number, but after the millennium shift there has been an increase in acquisitions in the region again (Sjöstrand, 2008). With this information as a background there are many interesting aspects of the subject. In the next chapter, we will narrow down the focus and give a more specified problem statement. But first, we will explain the limits and perspective of the thesis.

2.5 Delimitations

To narrow down the scope of the thesis we decided to exclude some variables. We are writing the thesis examining the perspective of the acquired company and not analyzing the process from the buyer’s eyes. The thesis does not investigate acquisitions outside the Gnosjö Region: because we wanted to put the Spirit of Gnosjö as a constant factor among the case studies to enable a better analysis.

We will not investigate the complications created by the family losing power and/or control over the firm. We will not investigate the complications between the new and old owner. We will not investigate or analyze the level of involvement among the family members before and after the acquisitions, further than to mention it. We will not investigate what happened in the acquired firm during the acquisition, but limit our focus to before and after.

2.6 Perspective

We will study the topic from the perspective of the family firm organization. When identifying changes in the aftermath of the acquisition, we will look to the original organization within the family firm. From the eyes of both blue and white collar workers, as well as top management: all within the original family firm.

3 Problem & Purpose

This chapter describes the chosen problem within the topic, and also contains the purpose with the thesis.
3.1 Problem
Former research in the Gnosjö Region has showed that the Spirit of Gnosjö has transformed as a result of the acquisition of family firms (Sjöstrand, 2008). There is, however, a lack of knowledge about how the family firm characteristics have been affected by the same situation. Better knowledge about this phenomenon might help family firms in the Gnosjö Region and their acquirers in future acquisition situations. The problem is that neither researchers nor professionals know enough about how family firm characteristics change when family firms are acquired.

3.2 Purpose
The purpose of this thesis is to conduct an initial study of how family firm characteristics are affected when an external actor acquires a family firm. Simultaneously, the aim is to identify mutual patterns of changes in the family firm characteristics among the studied firms, which are supposed to be the foundation as we construct general guidelines for family firm acquisitions.

4 Method
This section is a description of the way the research was conducted. It also gives reasons to why a specific design and certain methods were chosen.

4.1 Research Approach
There are two types of approaches to research method. Depending on what kind of data the research handles, either the qualitative or the quantitative approach can be chosen. For “soft” kinds of data, the qualitative approach is assumed more suitable: dealing with a logical interpretation of the collected data. When the collected data are of the “hard” kind, the quantitative approach is favorable. This second approach is associated with precise measurement and often involves numerical data (Harnow Klausen, 2006).

The purpose of this thesis was approached with a qualitative method. This approach was selected because the purpose requires an in-depth data collection and comprehensive, profound analysis. These data need to answer many, rather difficult, questions. To be able to find out what really happens within an organization before and after an acquisition, going only to annual reports or documents to get answers is not enough. The goal was rather to capture employees’ and managers’ personal feelings and opinions about the matter. How they felt during the process and why they felt that way. To be able to gather this kind of information, a quantitative approach was at an early stage put out of the picture, also because the purpose is not designed for finding statistically measurable or correct data. The question was instead put on how to be able to gather all these soft data in a secure and exhaustive process.
4.2 Research Design

4.2.1 Case Study Strategy

The empirical data will be collected through the study of four companies in the specified industrial region.

4.2.1.1 Strategies for Gathering Empirical Data

There are multiple ways of gathering data in case studies. Shadowing means that the researchers follow the daily work of employees at the companies. This would be a suitable approach to find exact information about how the situation looks today. However, for the limited width of the thesis, it would be too complex and time consuming to carry out. Handing out surveys among a large amount of employees on each company would give the opinion and impression of the whole, but it would not give the in-depth information that the purpose of this thesis require. Instead, conducting in-depth interviews with a limited number of employees at each company will both give a slightly varied result and narrow details important for making a correct analysis.

4.2.1.2 Interviews

The interview questions were written in a standardized template connected with the theoretical framework of our thesis: Donnelley’s characteristics of a family firm (you can read more on the theoretical framework in chapter 5). The reason for standardizing is that we wanted to be able to draw common conclusions and compare the outcomes of the different acquisitions. The questions are attached in Appendix 1; however, note that the interviews were not restricted to the structure of the pre-set interview questions but we followed the flow of the interview in order to create a comfortable setting for the interviewed persons to feel confident with us and be outspoken.

4.3 Selecting Sample

The scope of companies was narrowed down to companies within the Gnosjö Region that have been acquired by a larger external actor. The larger external actor could be either a corporate group or a venture capital company. A list of all limited companies in Gnosjö municipality was created at the industrial communication site GnosjoRegion.com. Since the authors had knowledge in which companies had been acquired in the municipality, different companies that matched the set of criteria could easily be selected.

4.4 Getting Access & Anonymity

Contact with the different suitable companies was established via e-mail, where a first presentation about our thesis was sent out. The e-mail also contained the question if the company was interested at all in participating in our research. Some companies did not reply at all and some replied that they had an interest but they wanted more information about what their role would be and how much time they should make available for us. Af-
ter approximately three weeks after the e-mail was sent out all companies was contacted by a telephone call. During this telephone call the field of study was presented again, the companies roles in this research was made clear and we asked again if the companies wanted to participate or not. All telephoned companies wanted to participate and accepted to be interviewed. It was at an early stage made clear that the companies would be treated under total anonymity in the thesis. This decision was taken to be able to make the interviewed staff comfortable with revealing negative aspects with the current owner and the acquisition. Because of this decision, the information presented about each company in the result and analysis chapter will be very limited in order to not convey their identity.

4.5 Process of Data Collection

4.5.1 Primary Data & Related Research

The primary data of this thesis is the interviews with employees at the companies. Also financial data from the companies have been used a little to create a thorough overlooking picture. The second source of information is research about related subjects. This type was primarily found by the use of online academic search tools and from our university library. Additionally, we also use financial data from the interviewed companies: this gives a good overview.

4.5.2 Interview Approach

For each company we interviewed, we chose to interview at least one employee at manager-level and one employee at production-/warehouse-level, because their differences in education and experiences are assumed to have given them different perspectives to the acquisition and its course of events. A second criterion was that the interviewed employees needed to have been employed in the family firm since before the acquisitions.

We wanted to adjust the questions according to our perception about the level of education and former experiences among the managers and non-office workers. Therefore, the managers were asked more questions about corporate governance and financial matters, which were excluded in the non-office worker interviews.

When we conducted the interviews we visited the firms and sat down with one employee at a time. First, general questions about the employee and his/her first thoughts on the acquisitions were given. Then, we started to get more specific and went through questions regarding each family firm characteristics of Donnelley. To conclude, there was a brief discussion about acquisition theory and the Spirit of Gnosjö. Each interview lasted between 30 and 90 minutes. In a total there were 8 interviews on 4 different companies.

After the first review of the empirical findings, we decided to conduct three complementing telephone interviews of shorter duration, to secure statements from the previous interview sessions.
4.5.3 Analysis Process

In order to reach plausible conclusions, the following process for analysis was used. First, the interview transcripts were reviewed, analyzed and summarized according to company belonging, to find general features for each interviewed company. Second, these individual analyses were compared to the theoretical framework of Donnelley. Then, a combined analysis of these comparisons was conducted as a step to find similarities and differences between the companies: creating a general picture of how family firm characteristics in the studied companies are affected by being acquired. As a final step, this general picture was used to develop a group of general guidelines to consider for future family firm acquisitions in the Gnosjö Region. Figure 1 shows the complete chain of analysis.

![Diagram](image)

Figure 1. Process of Analysis. Model created by the authors of this thesis: Elin Johansson & Edvin Lindqvist, 2013.

4.6 Credibility of the Research

One important aspect of writing a good bachelor thesis is the point to which the work can be considered correct, trustworthy and truthful to reality. While initializing this project we were well aware that our background in the Gnosjö Region was both a curse and a blessing: we already had a lot of in-depth information about the context, but we also had to be open to new truths and be critical about our own biased perspective. There is a large risk that the results of this research would have turned out differently if an outsider to the Gnosjö Re-
gion had performed it. But on the other hand, we believe we might have been able to see patterns which other people would not have seen, and therefore enriching the research with something unique. The issue of conducting an objective interpretation and analysis may also be affected by our personal connection to the context. We do not claim our work to be 100 % truthful and it should not be judged as such. However, we strongly believe we are onto something here, which can be further researched for approval or dismissal.

5 Theoretical Framework

This section goes through the related research we have used, which will aid the primary data in the analysis process. First, there is a short description of several theoretical frameworks for family firm research, focusing on family firm characteristics. Second, a theory evaluation shows what characteristics are most agreed upon and important. As a summary of the section, the theoretical framework used in this thesis is specified and motivated.

5.1 Theories about Family Firm Characteristics

5.1.1 Donnelley

Studies on the family firm may highlight varied dimensions of the topic: from the relationship within the family, to financial results in comparison to non-family firms, and to patterns of organizational structure among a large range of family firms. Furthermore, since the 1960s, the specific characteristics the firm receives from being a family firm have also been moderately discussed. With his lifelong experience of family firm ownership and management as the foundation, Robert G. Donnelley (1964) published an article concerning the positive, the negative, and the consideration-worthy aspects of the family firm.

5.1.1.1 Positive Characteristics

The positive characteristics he presents from his study of fifteen successful family firms are personal sacrifice, valuable reputation, employee loyalty, management-stockholder unity, social sensitivity and continuity & purpose (Donnelley, 1964). These characteristics are also called Strengths to Seek. The personal sacrifice made by the family towards the results of the firm is a positive characteristic as it gives that extra endeavor in completing the work for the day or the generally enhanced work effort, that the non-family firm may find it hard to substitute when the deep personal relationship to the firm is absent. The family’s reputation and name is a source for the continued business, as when customers and subcontractors associate the firm with the positive repute of the family it gives improved external relationships. Outside parties may also find it easier to relate to the firm due to the fronting family. Further on, as the family of the firm has its strong personal relation to the business, other employees might find it encouraging and motivational. The loyalty among employees might, in other
words, increase their feeling of responsibility towards the firm as stimulated by the family’s close relationships to the firm. Usually, when decisions are made in family firms the lead time is shorter in compliance with the cut off stages for approval. As the family is both the owner and the manager of the firm (creating a management-stockholder unity in the organization), decisions do not have to run through numerous meetings with long discussions, but can instead be done e.g. around the family dinner table (Nordqvist, 2011). Due to the family being just that, a family, the personal connection to society and the surrounding community gives a positive long-run perspective towards the management of the business as well as an enhanced reputation among external parties. This social sensitivity also lets the social aspects of running the business influence the firm more extensively. The final of Donnelley’s six positive characteristic of the family firm, concerns the shared values and beliefs among the family members as well as their continual perspective and approach towards the business. Commonly seen is a joint vision for the firm, along the generations of the family, giving the advantage of goal resoluteness.

5.1.1.2 Negative Characteristics

Donnelley’s four negative characteristics of the family firm are conflict of interests, poor profit discipline, immobile marketing and excessive nepotism (Donnelley, 1964). The negative aspects are also termed Weaknesses to Avoid. Generally, there is a risk that when the family is personally attached to the firm, a conflict between the family’s private interests and the firm’s best interest may occur, resulting in unfavorable decision-making for the firm. This can be avoided by the family if they actively take the firm’s perspective to the business and if they are aware that this problem may arise. Having a poor profit discipline is also commonly found in family firms, which have a lack of interest in or focus on delivering a stable yearly profit margin, instead concentrating on e.g. quality and excessive improvement. This may be a weakness to the firm if they have several consecutive years of financial losses, resulting in liquidity problems. The weakness contained in immobile marketing is the inability for family firms to take advantage of market opportunities and growth potential. This is due to the personal interests of the family standing in the way, for any reason. E.g. the family wants to avoid involvement of external investors in their “baby”, causing the firm to miss out on an obvious business opportunity. Due to the personal relationship to the firm, the family may find it safer to mostly involve only relatives, resulting in excessive nepotism. This can be avoided by giving the problem awareness and actively working against the ties of blood overriding expertise.

5.1.2 de Vries

This almost 50 years old article of Donnelley has been the foundation for many following research projects. Among all, the Dutch professor Kets de Vries (1993) presents a list of good and bad news for family firms. Many points of de Vries’ advantages are alike with Donnelley’s Strengths to Seek, but de Vries (1993) does not mention the personal sacrifice or social sensitivity. However, de Vries suggests the addition of a greater degree of resilience in hard times, resulting from a willingness among family firms to work harder and plow back profits. Likewise, he argues that family firms have more possibilities for great success,
compared to non-family firms. As a final difference, he also emphasize the great advantage the firm receives as family members are exposed to “early training” about the firm and its nature. This is something that is impossible for non-family firms to conduct as their employees and managers cannot have the same relation to the business.

5.1.3 Miller & Le Breton-Miller

Both Donnelley and de Vries view the competitive advantage from the broad perspective of what family firms do. This kind of perspective can also be seen in Miller and Le Breton-Miller’s (2005) theory of the 4 C’s: continuity, community, connection and command. The first aspect implies that family firms, which are aware and actively developing their mission & vision, are better opted to succeed in the long-run management of the firm. Further on, when firms work to nurture a cohesive internal culture in the organization, employees and managers will feel more motivated and, hence, perform better. Miller and Le Breton-Miller (2005) also mention the relationship towards outside parties as a major opportunity for competitive advantage. By using the family reputation and long-term approach on doing business, the family can create valuable and strong relationships with subcontractors and customers in a personal way, which non-family firms are unable to do. The last C is command, displaying the importance of using the independent power over the company when managing: being bold and courageous in a positive way that bureaucracy and organizational inertia prevent from non-family firms. When using the 4 C’s, a very important thing to consider, as compared to Donnelley’s and de Vries’ views, is that the four aspects must be used in a combined way in order to reach the full competitive potential of the family firm.

5.1.4 Sirmon & Hitt

Even though the perspective of what family firms do seem to give good insights, there are other scholars who instead put focus on how family firms use what they have. Grounded in the resource-based view, Sirmon and Hitt (2003) present five resources and attributes that may also give competitive advantage to family firms. Human capital concerns the knowledge, skills and capabilities of the human resources within the firm; all the employees. Thanks to the family-influenced organizational culture, the human capital can be better used in family firms. Social capital concerns the relationships among the employees and is also positively affected by the family-influenced culture. Patient financial capital concerns the long-term investment perspective the family has, letting the capital work longer within the firm and, thus, increasing the potential for growth and success. Survivability capital concerns the personal and persistent desire the family has to sustain the business, as opposed to the much looser relationship between non-family firms and their employees/managers/owners. Governance structure & costs concerns the often lowered agency costs seen among family firms, as a result of their unique governance structure, which is difficult for non-family firms to replicate.
5.1.5 Carney

The way family firms use their resources is connected with the corporate governance of the business. Carney (2005) talks of the control rights of the family as a base for three tendencies of the family firm that give competitive advantage towards non-family firms lacking the unique corporate governance structure. The first tendency is parsimony: as the family is involved in the business with their personal wealth, they are extra careful and provident about taking costly risks and wasting capital on irrelevant business. Managers at non-family firms may be careful due to their own job being at risk when playing risky business, but they still do not have the same connection to the firm as families have to theirs. Personalism is the second: when the manager and owner is the same person, it is easier to avoid bureaucratic inertia and to create a clearer vision for the business with the personal opinion of the owner-manager, which for obvious reasons is difficult for non-family firms. The third tendency is particularism: this comes from the family’s authority to override patterns within the organization and instead impose their personal view on particular situations. It is widely known that this type of actions can be of negative impact on the business, but used wisely it may help seize opportunities that common logic and business standard are not able to detect or seize.

5.2 Theoretical Evaluation

To find out which theoretical framework is most suitable for our study we look at the five frameworks we have just presented. There are a total of 25 aspects and many of them are similar. To find what categories of aspects the researchers agree upon the most we chose to group them according to similarity (a more thorough description of the grouping process can be found in Appendix 2). This resulted in the following 9 groups:

<table>
<thead>
<tr>
<th>1. Long-term perspective</th>
<th>2. Decision-making, power &amp; control</th>
<th>3. Family sacrifice &amp; risk-taking</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Continuity &amp; Purpose (Donnelley)</td>
<td>• Management-stockholder unity (Donnelley)</td>
<td>• Personal sacrifice (Donnelley)</td>
</tr>
<tr>
<td>• Long-term orientation (de Vries)</td>
<td>• Greater independence of action (de Vries)</td>
<td>• Greater resilience in hard times (de Vries)</td>
</tr>
<tr>
<td>• Continuity (Miller &amp; Le Breton-Miller)</td>
<td>• Less bureaucratic &amp; impersonal (de Vries)</td>
<td>• Parsimony (Carney)</td>
</tr>
<tr>
<td>• Survivability Capital (Sirmon &amp; Hitt)</td>
<td>• Command (Miller &amp; Le Breton-Miller)</td>
<td>• Personalism (Carney)</td>
</tr>
<tr>
<td></td>
<td>• Particularism (Carney)</td>
<td>• Particularism (Carney)</td>
</tr>
</tbody>
</table>
As can be seen, there is a large common emphasis on long-term perspective as well as decision-making, power & control. Also family sacrifice & risk-taking, motivation & organizational culture and external relations are included in many of the frameworks. Then there is a smaller focus on financial benefits, extraordinary knowledge, employee structure and organizational structure. When deciding what theory is covering the most emphasized categories one can see that both Donnelley and de Vries are present in the five categories most agreed upon. However, de Vries also emphasize aspects which the other researchers do not agree upon (according to their frameworks) while most researchers agree upon Donnelley’s positive family firm characteristics. Our conclusion is that it would not be wrong to use any of the presented frameworks, as they are all quite similar. Therefore, we find it suitable to use Donnelley’s theoretical framework, which is also convenient as the interview questions were structured according to that framework before we had done this investigation of frameworks. In short, it is not wrong to use Donnelley’s framework, and it fits best with the information we retrieved at the interviews, so that will be the theoretical framework used in the analysis.

Furthermore, we believe it is important to contrast the positive aspects with the negative side of being a family firm. Therefore, we will also include Donnelley’s negative characteristics of the family firm in the theoretical framework. This will give a less biased view of the family firm. As being natives from a region with strong family firm traditions, we are quick to judge the positive sides of the family firm as something good, which all firms should

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>• Employee loyalty (Donnelley)</td>
<td>• Valuable reputation (Donnelley)</td>
<td>• Financial benefits (de Vries)</td>
</tr>
<tr>
<td>• Family culture as a source of pride (de Vries)</td>
<td>• Social sensitivity (Donnelley)</td>
<td>• Patient financial capital (Sirmon &amp; Hitt)</td>
</tr>
<tr>
<td>• Community (Miller &amp; Le Breton-Miller)</td>
<td>• Connection (Miller &amp; Le Breton-Miller)</td>
<td></td>
</tr>
<tr>
<td>• Social Capital (Sirmon &amp; Hitt)</td>
<td></td>
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</tbody>
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<table>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Knowing the business (de Vries)</td>
<td>• Human capital (Sirmon &amp; Hitt)</td>
<td>• Governance structure &amp; cost (Sirmon &amp; Hitt)</td>
</tr>
</tbody>
</table>
strive towards. Likewise, we quickly judge the negative sides as only bad. We are aware of this twisted point of view, and are actively trying to be open to the opposite possibility (the positive being negative, and vice versa). Hence, we are open to the possibility of the family firm characteristics to be nuanced, as opposite to definite.

5.3 Summary of Theory

After evaluating the five theoretical frameworks presented in section 5.2 we concluded that it would be most suitable to our study if we used Donnelley’s positive and negative family firm characteristics. The following six positive and four negative family firm characteristics are the foundation for the analysis.

Positive:

1. **Personal sacrifice** - the family’s tendency to have a large personal sacrifice
2. **Valuable reputation** - the family’s reputation in community, influencing the firm
3. **Employee loyalty** - high loyalty among family members positively affecting loyalty among other employees at the firm
4. **Management-stockholder unity** - the owner and the manager being one person or closely related people, resulting in short decision paths and times
5. **Social sensitivity** - responsiveness to society’s opinion
6. **Continuity & purpose** - the long-term perspective, and the united vision within the family

Negative:

1. **Conflict of interests** - conflict between satisfying the needs and interests of the firm or the family
2. **Poor profit discipline** - family firms’ tendency to not always give yearly profits, thus, it might result in economic problems in short-run
3. **Immobile marketing** - lack of knowledge in markets, marketing and advancement
4. **Excessive nepotism** - the tendency to hire family members (who do not have a proper level of knowledge and/or experience) instead of suitable external workers

6 Data & Results

*In this section we present the results from the interviews: first, a general picture for each company, then their combined perspective to the family firm characteristics. Second, there is a brief note on their perspective on the Spirit of Gnosjö.*

6.1 General Perceptions of the Acquisitions

The following subsections (6.1.1-6.1.4) will present the general information of the studied companies. The tables give basic information about each, followed by a summarized ver-
sion of the employees’ perception of the acquisitions. This is step 2 in the analysis process (see Figure 1, page 8).

### 6.1.1 Company 1

<table>
<thead>
<tr>
<th>Type of Business:</th>
<th>Metal Manufacturing Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Revenue:</td>
<td>500 MSEK</td>
</tr>
<tr>
<td>Number of Employees:</td>
<td>300</td>
</tr>
<tr>
<td>Year of Acquisition:</td>
<td>1983</td>
</tr>
<tr>
<td>Employees at Acquisition:</td>
<td>Approx. 100-120</td>
</tr>
<tr>
<td>Family involvement</td>
<td>Owned by four brothers</td>
</tr>
</tbody>
</table>

This company has had a variety of owners, both corporate groups and venture capital companies since the first acquisition in 1983, which makes the situation rather complex to analyze. The company was first sold due to one of the family members having a severe disease, and they wanted to solve the owning issue before his death.

After interviewing both a sales manager and a non-office worker from the production it was easy to draw some overall conclusions on how the acquisition affected the company.

The general, most remarkable benefit with the acquisition was the rapid growth in export activity. This had to do with several reasons but mostly it was due to the fact that all of the new owners have historically been working in, for the acquired firm, new and unexplored markets. The family firm had some export activities before the acquisition but together with external competencies in exports and new contacts in unknown markets provided by the new owners, the company could create an effective export department. In general, the new acquisition gave the company a bigger focus on how to approach and develop new and existing markets, which was a key to reach a higher growth.

The company has been able to deliver a stable profit margin during all the years, which made it rather easy for the company to deal with a profit demanding external owner. Today, they are claiming that they are able to act independently and that they possess a high
power over their strategic issues and investments. The sales manager states that “the only duty towards the current owner is to pay off the loan that they bought us for”.

A clear fact is that the decision paths within the company were automatically extended after the acquisition since the company often has to provide budgets and investment support to the owner. This may sound solely negative but there are also positive aspects according to the interviewed sales manager. The organization becomes naturally less flexible but it also means that investments are based on accurate calculations rather than guesses and “gut feelings”. Besides the extension of the decision paths, the core negative aspects with becoming owned by an external actor were showed at an early stage during the interviews. There was a higher grade of reinvestment when the company was family owned due to the fact that the owners wanted to have as low profit margins as possible at the time for the financial statements. The reasoning behind this strategy was that the owners wanted to invest the profit in the company instead of taxing the profit margin. The investment pace was affected the most when the company became part of a larger corporate group and when it had to compensate losses for other companies within the group. Other negative aspects that especially was experienced at the production department, was that the non-office workers felt like they had a small and insignificant role in a big environment and they often felt more secure before the acquisition when they were able to establish a personal relationship with the owners.

### 6.1.2 Company 2

<table>
<thead>
<tr>
<th>Type of Business:</th>
<th>Wholesaler</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Revenue:</td>
<td>100-150 MSEK</td>
</tr>
<tr>
<td>Number of Employees:</td>
<td>25-30</td>
</tr>
<tr>
<td>Year of Acquisition:</td>
<td>2000</td>
</tr>
<tr>
<td>Employees at Acquisition:</td>
<td>15</td>
</tr>
<tr>
<td>Family Involvement:</td>
<td>Owned by several employees. One of them held 50% of the shares and his wife and sons worked in the company.</td>
</tr>
</tbody>
</table>

This wholesaler has been part of two different corporate groups since the first acquisition in 2000 and they are still acting as an independent legal unit. At this company the CEO and
a non-office worker were interviewed. The CEO has held this position since he started to work for the company eight years ago. One of the major benefits of being a part of this corporate group is, according to the CEO, that his company can use favorable contracts with suppliers established by the corporate group. The corporate group uses its size and power to negotiate good deals in terms of purchasing for their own companies. Another benefit with the acquisition was that the new owner modernized the organization, especially when it comes to information technology. The owners before the first acquisition did not have the financial strength to take these investments. Not all employees liked the fact that the company was being sold to an external actor, especially non-office workers. However, this suspicion towards the external owner is now completely gone, according to the CEO. The first new owner was not the most optimal solution for the company; the owner demanded a lot but did not provide any resources. It is natural that the current owner demands its fair share of financial resources but they also provide useful resources as mentioned above. The company has been able to invest a lot recently and the CEO cannot really identify any negative aspects with the acquisition in the situation today. “We have doubled our revenue and been able to hire more people”. The non-office worker also says that the growth has been one of the most positive things with the acquisition. Another positive thing according to the non-office worker is, as the CEO mentioned as well, the good purchasing prices that the corporate group can provide the company with. However, he says that the familial feeling that was created before the acquisition can sometimes be hard to maintain.

6.1.3 **Company 3**

<table>
<thead>
<tr>
<th>Type of Business:</th>
<th>Metal Manufacturing Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Revenue:</td>
<td>150 MSEK</td>
</tr>
<tr>
<td>Number of Employees:</td>
<td>100</td>
</tr>
<tr>
<td>Year of Acquisition:</td>
<td>1999</td>
</tr>
<tr>
<td>Employees at Acquisition:</td>
<td>100</td>
</tr>
<tr>
<td>Family Involvement:</td>
<td>Owned by two brothers. One of them sold his shares to the other, who then stayed as the only owner and CEO for a couple of years before selling his shares as well.</td>
</tr>
</tbody>
</table>
This company was sold in 1999 and is, since the acquisition, owned by a public traded corporate group. Interviews were done with the CEO, the Construction Manager, a non-office worker from the production department and two former employees. All interviewed experienced the acquisition except the CEO who started to work for the company in conjunction with the acquisition. The owner is a conglomerate with the purpose of acting as a safer collective investment scheme for its owners. This gives, according to the CEO, the company an opportunity to act as an independent unit. Furthermore, he says that the biggest advantage with this owner is that they are financially strong and, thus, are willing to provide financial resources to the company. This has been shown especially on the company's increased export activities. After the acquisition the company is now present in several markets with both sales and production facilities. The interviewed employees all agree that the decision paths now are longer, which leads to longer lead times in the decision making. The CEO claims that the owner is not excessively bureaucratic but with this type of owner there are always some reports, budgets and support to provide. This creates a certain sense of formality. Before the acquisition the employees could just walk in to the CEO's office, suggest an idea and the CEO could decide on investing right at that moment.

In general, the employees felt a sense of uncertainty during the acquisition. There was a major concern that the company would become totally top-down managed. The Construction Manager claims that this concern soon disappeared when thorough information was provided about the situation. A positive aspect perceived by the non-office worker was that things were allowed to take more time before the acquisition. Problem-solving could be done with several staff members, which gave a sense of a being in a big family. There is not much time for that today, instead you need to ask a manager or solve the problem by yourself. Furthermore, he claims that they have reached a higher efficiency but they are working in a more stressful environment. Despite this, he likes the new organization because you are given more space to take own responsibilities. The feeling of working in a tight team was one of the positive things with the company before the acquisition according to one of the interviewed. He continues by saying that a lot of the joy of working disappeared when the owner was not physically present anymore. He also sees a problem in the fact that the current owner has no feelings or emotional bonds towards the local community, which means that the owner could basically shut down the unit without feeling any responsibility towards society. However, he also says that the resources provided by the external owner had a positive impact on growth. Another interviewed talks about a familial feeling before the acquisition and that earned money stayed within the company. Even in this interview the aspect of a more secure feeling among the employees before the acquisition was brought up, also that it was positive that the company took a larger social responsibility towards the community before the acquisition.

**6.1.4 Company 4**

<table>
<thead>
<tr>
<th>Type of Business:</th>
<th>Metal Manufacturing Company</th>
</tr>
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</table>

18
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Revenue:</td>
<td>5590 MSEK</td>
</tr>
<tr>
<td>Number of Employees:</td>
<td>2000</td>
</tr>
<tr>
<td>Year of Acquisition:</td>
<td>1979</td>
</tr>
<tr>
<td>Employees at Acquisition:</td>
<td>40-50</td>
</tr>
<tr>
<td>Family Involvement:</td>
<td>Owned by two brothers. One of them stayed as the CEO for several years after the first acquisition.</td>
</tr>
</tbody>
</table>

This company was first acquired in 1979 and the new owner was an external corporate group. The company was then sold again and since then the owners have been different venture capital companies. The interviewed employees have all been working for the company since several years before the acquisition so they have a solid experience of the development of the company. Today one of them works as a production technician and one as a project manager for the company's properties. They claim that the company was given more resources to be able to maintain and increase the rapid growth that the company was facing at the time of the acquisition. The new owners have provided knowledge and capabilities of opening doors to new export markets which have been the foundation for the big market share that the company today holds. After the acquisition, the company created a more structured organization and hired more white-collar workers, which was one of the foundation stones for the development of the company. The Production Technician says that the company got a smooth transition because the former CEO/owner continued as CEO for several years after the acquisition. This made the employees feel more secure and the company could be managed somewhat like it was managed before the acquisition.

The interviewed staff at this company experienced longer decision paths after the acquisition. Before the acquisition, the owners could take an investment decision during a coffee break. This was not possible after the acquisition and the amount of paperwork before an investment has increased during the years according the interviewed employees.

6.2 Perceptions of the Family Firm, and its Characteristics

The following sections (6.2.1-6.2.10) contain a combined description of the studied companies’ perception of the family firm characteristics and how they changed after the acquisition. This is step 3 in the analysis process (see Figure 1, page 8).
6.2.1 Personal Sacrifice

A genuine personal sacrifice by the owners has been present at all interviewed companies before the acquisition. The most common perception of personal sacrifice is that the owner or owners came back to the facility in evenings to stay for another shift or sometimes even as long as for two more shifts. According to the interviewed persons the owners often worked at office level during the days but during periods of high demand they often worked in the production after the first shift. One of the interviewed managers called this a “bellows”, which was used to squeeze out extra capacities during times of increased demand.

Another common personal sacrifice is the one coming from the employees. The majority of the interviewed employees claim that the employees were more motivated to offer personal sacrifice, such as overtime and extraordinary accountability, when the company was owned by a family. One of the interviewed says that he was a close private friend to the owners, which gave the sense of doing something important together and that increased his work motivation. Another interviewed says that it was easier to make personal sacrifices when you knew that you had a closer relationship with your manager. In the cases where the owners stayed as managers after the acquisition the interviewed noticed that the former owners kept their level of personal sacrifices, however, while gradually decreasing them with time. As one of the interviewed said; “The company was still their baby”. One important aspect that disappeared at most of the interviewed companies was the technological knowledge held by the CEO. At all companies that have been interviewed one of the owners worked as the CEO. The CEO could therefore often walk out to the production department and solve different technical issues that arose. This was considered as a secure backup for the employees. The personal sacrifice and expertise from the owners had to be replaced with something after the acquisition when the family had left the company. All interviews show that their sacrifices and expertise was replaced with an extended and more structured organization.

The interviewed employees often claimed that maybe the owners were too afraid to increase overhead costs, in this case white-collar workers. To fill the gaps of knowledge and expertise it was crucial that the organization was extended, and employees with special expertise was hired, that could replace the owners’ personal sacrifices. In some cases there was not much of a structured organization at all before the acquisition. Two interviewed say that the new organization gave more opportunities for own initiatives and that nowadays you are often encouraged or even have to solve arising problems on your own without consulting with managers.

6.2.2 Valuable Reputation

All interviewed employees claim that their companies have a strong and valuable reputation in the community and among their subcontractors and customers. This characteristic is though somewhat difficult to obtain a neutral description of since the different representatives wants to convey a positive picture of today’s situation for his or her company. Despite
this two of the interviewed gave a more neutral picture of the current situation. They said that the company still has a good reputation but it was affected during the 2008 financial crisis. When the company during the crisis had to lay off workers, some people within the company and in the community around automatically draw the conclusion that it had to do with the fact that the company is not run by the family anymore: quite opposite, the interviewed claim that it is probably mostly due to changes in the economic environment. All companies participating in the interviews have increased their workforce after the acquisition except for one, which have decreased their work force at the interviewed facility. This company has worked with outsourcing many production activities that require a lot of man hours, to low cost countries. This decision has automatically led to some suspicious and disappointment among employees resulting in a smaller change in valuable reputation within the local community. One of the interviewed managers claims that the most important aspect when it comes to valuable reputation is to be able to keep the valuable reputation towards the customers and clients since these are the people and organizations that provides you with your salary in the end. Another manager says that the company has been able to sustain its valuable reputation when it comes to always moving forward with technology and investments, account for what has been agreed and never paying any obligations too late. He also says that it is probably easier to have a valuable reputation when the company is still a family business, especially among the employees since they feel safer when they are able to have a personal relationship with the owner.

6.2.3 Employee Loyalty

In this part, a diversity of perceptions can be seen in how owners and relatives to owners at management level affected employees when it comes to loyalty towards the company. In general there are two approaches; some of the interviewed say that they have always been consistent in motivation whether it is before or after the acquisition while some of the interviewed claim that it was easier to be motivated before the acquisition. The interviewed corresponding to the first approach claims that they always want to act professional and therefore be dedicated to the company and its mission. It does not matter who owns the company, you need to show dedication to the company itself not to the owners of the company. One of them also claimed that loyalty and motivation somewhat increased after the acquisition as a result of the company’s financial situation becoming more transparent. This transparency created awareness of how money was created and if it was good or bad financial times for the moment which led to increased purposefulness. The same person also said that the CEO is probably more important than the owner when these two are separate persons and organizations in creating loyalty towards the company among the employees. The people corresponding to the second approach, that it was easier to be motivated when it was owned and managed by a family, point out several reasons why they experienced that. One of the reasons is that it was easier to show loyalty and be motivated when you worked close with the owner. In some way the loyalty from the owner influenced the employees. Another reason is the difference in rewards that could be seen before and after the acquisition. One of the interviewed tells that extraordinary work performances could be
rewarded with for example the owner funding vacations. These kinds of rewards were naturally withdrawn after the acquisition.

6.2.4 Management-Stockholder Unity

All the interviewed employees agree that the fact that management and stockholder being the same before the acquisition contributed to shorter decision paths. At all companies interviewed, the owner was also the CEO, who was in charge over investments. This made the decision path extremely short. This was considered a major benefit when it came to management and stockholder unity. As mentioned earlier, decisions about investments could be made over a coffee break. All interviewed describe the environment after the acquisition as more bureaucratic and investments often need to go through several agencies before a decision can be taken. All studied companies need, to a varying extent, deliver reports, budgets and financial support to the new owner in order to conduct larger investments. Although, most of the interviewed staff say that they still are acting independent, still have short decision paths and that they have managed to create a flat organization. The manager at the interviewed wholesaler says that their owner does not care about what products they are selling, they just care about if the company is making a profit or not. This has made it possible for the company to keep the short decision paths that was successful before the acquisition. An example of this is that the company is able to decide on bringing in newly developed and modern products into their product range on their own without the approval of the owner. This gives them a short time to market in comparison with competitors such as larger wholesalers. A lot of decisions are daily taken in the hallway according to the manager.

6.2.5 Social Sensitivity

When it comes to social sensitivity a diversity of perceptions and different approaches can be seen at the different interviewed companies. All companies except for one talk about that it was important for the owners before the acquisition to, in some way, contribute to the local community. The main reason for wanting to do this was because the owning family was raised in the community and had special emotional bonds towards it. The exception of the interviewed companies says that the only reason that made the company stay in the same rural location when they needed a larger facility was that a local warehouse was being sold to a very low price. It is actually crazy to be located in this rural area according to the interviewed manager. However, the company is today sponsoring local sport clubs, active in a local group whose mission is to improve the community and the company has also achieved an environmental certification. Another social responsibility from the company is that 80% of their employees are from the local community. Another trend that was discovered at three of the companies is that it is difficult to contribute to the community in the way of employing local white-collar workers. The level of people with an academic degree is low in the region and this means that the companies with a larger organization often needs to source college educated personnel from other regions. One of the interviewed says that this leads to a grave loss in tax revenues for the local authorities but he also says
that it is sad because there are a lot of college educated younger people from the region but they often decide to leave the region and its companies after finishing their degree.

Three of the interviewed companies have outsourced production activities to low cost countries after the acquisition. It is difficult to determine if this is solely due to financial matters but one of the interviewed says that he does not think that any production would have been outsourced if the family still owned the company. The owning family had as mentioned earlier, emotional bonds towards the community which made them feel a certain responsibility towards the community. Another interviewed says that the owner before the acquisition was highly respected in the community and was often participating in different political contexts. The things they did or said felt right. He continues and says that the current owner does not care if 20 of the employees’ children play in the local soccer team or participating in the local scout group or not. Before the acquisition, sponsoring to local clubs or groups was a natural part of the company. It was always easy for the employees to walk right up to the owners’ office and ask for funding for their club or group. One aspect of social sensitivity that still lives on at all interviewed companies is that they all want to use local subcontractors if they are able to deliver the same quality and if they are competing with the same pricing as other non-local competitors.

### 6.2.6 Continuity & Purpose

All interviewed agree that their company was managed with a long-term perspective before the acquisition due to the fact that it was a family business and the families wanted stability and long-term survival. When it comes to the question if the long-term perspective is removed or not and replaced with a short-term, more profit oriented perspective the interviewed do not totally agree. The company which is owned by a larger corporate group claims that their long-term success is prioritized because the corporate group’s vision is a stable long-term ownership. The interviewed says that this is the major difference when it comes to continuity between their owner and a venture capital firm. A venture capital firm’s goal is most often to raise the value of the company in a shorter time to then be able to sell it with a profit. This kind of ownership gives a very short approach according to the interviewed. Another interviewed whose company is owned by a venture capital firm says that he sees a problem in the company changing owner after just a couple of years. The company needs to be mortgaged and then pay off the loan and increase its value in these few years. This gives less space for important investments. When discussing continuity and purpose the interviewed often talk about the ability to invest, especially in production equipment and machines with more of a long-term character. All interviewed companies have faced more difficulties conducting these kinds of investments after the acquisition, most often because that the external owner needs to approve the investment.

One of the interviewed managers says that his company has been able to deliver a stable profit throughout the years and this has made them able to make more long-term investments. The owner does not see any reason to interfere with something that is already working exceptionally. A non-office worker says that they are now using “prioritizing lists” on
what the company needs to buy. A list like that did not exist before the acquisition, if you needed something you bought it almost immediately. Another manager says that his company is much more profit oriented today than before the acquisition. The owner sets a goal for the company and if this goal is not fulfilled the owner will react immediately and wonder what went wrong. However, the manager thinks this could be a good thing, especially considering motivation. These requirements from the owner tells that you need to deliver something which leads to that the organization always needs to do its best and improve its performance. On the other hand, the short-term aspect is that the profit the company has made every month disappears to the owner. Another aspect considering continuity and purpose, which has been raised during several of the interviews, is that it is important for the new owner to have clear goals for the company and convey them to all employees. This reduces the uncertainty on all levels within the organization and makes the employees feel like they are a part of the purpose of the company.

6.2.7 Conflict of Interests

When talking about conflict of interests the interviewed often talked about that the companies before the acquisition often used local subcontractors which the owners had some kind of relationship with. However, most of the interviewed also say that the subcontractors needed to be able to deliver approximately the same price and quality as the rest of the competitors (both regional and non-regional).

After the acquisition the companies changed purchasing strategy and started to source raw materials and components from other regions or countries: they wanted to find the best deals in terms of quality and price and they somewhat lost the connection to the region. Two of the interviewed companies say that they have started to use more local subcontractors during the last years. However, it is hard to determine if this is because they want to benefit the region or reduce lead times, or both.

The overall opinion is that the former families managed the companies in a very professional way. They did not make many decisions to benefit themselves but instead prioritized what was most important for the company and its growth and prosperity. One of the interviewed managers says that the family did not have very high salaries or took high dividends. Instead they invested in, for example, new machine or other production equipment. He continues and says that the family often used the same local partners and subcontractors for many years but it was still very important that they could deliver a competitive price. In some cases they had to behave very badly for the family to finish the partnership. If a subcontractor or partner behaved well the company kept the cooperation and invested in an in-depth relationship. Another interviewed manager says that the owners before the acquisition had very high morals which led to that business was conducted very professionally and no direct conflicts of interests occurred.
6.2.8 Poor Profit Discipline

All interviewed agree that a good solid profit has been more prioritized after the acquisitions. However, this is more controlled at some companies and less controlled by the external owner at some companies. One manager says that the only demand from the owner is to continue as they have done in the past and they are experiencing minimum interference from the owner. Another manager says that the owner immediately interferes if profits are not exactly as according to the budget. Nowadays you need exhaustive calculations and budgets for every investment you are taking, while before the acquisition the “gut-feeling” weighed in. That is totally gone now, two managers say. One of them continues and says that in a family business, the members of the family are the ones who are going to take difficult investment decisions. Since the company’s economy is so closely related to the family’s private economy there is a great risk that they are too afraid to take the decision. Another approach when it comes to profit was seen at one of the companies before the acquisition. This company tried to reduce the bottom-line in the financial statement as much as possible by making large investments in raw materials and equipment at the end of every year. This was done to be able to keep as much profit as possible within the company instead of paying big parts of the profits to the government as corporate tax. The backyard could be completely full with raw materials in late December according to one of the interviewed. He continues and says that the approach is totally different today. Now the company wants to show as high profits as possible to display for potential buyers of the company that the profit has not been used. An interesting fact is that three of the companies state that profits was highly prioritized before the acquisition and business was conducted in a very professional way with rational management decisions.

6.2.9 Immobile Marketing

The representatives from the companies all say that the new owner helped the different companies to increase their sales. Often the new owner provided certain knowledge and contacts in new markets, often export markets, which the companies could use to expand internationally. More efforts and investments were put to establish a more structured sales department that acted as a foundation for new and more aggressive marketing efforts. One manager describes an interesting aspect about immobile marketing. He says that the company has historically always been very open when it comes to new business opportunities but he continues and says that it could be that the company misses more business opportunities now than they did before the acquisition. According to directives from the external owner every product needs to deliver a specific profit margin to be accepted. This means that before the acquisition the company could accept a wider range of products. Another interviewed manager says that the owning family decided to dispose the products that they manufactured on a subcontracting basis. This was a marketing and strategic decision done to be able to focus more on the company’s own products. A manager at one of the other interviewed companies says that he thinks that the company he works for was rather unique because it was always managed in a very professional way and in a way that prioritized the growth of the company. A decision was taken to develop, manufacture and sell products within a specific segment, so to a certain extent the company narrowed down
their scope of business opportunities but within this focused segment the company always strove to be the market leader. He continues and says that the corporate group that owned the company at the time right after the acquisition mediated knowledge and contacts in different markets to different companies within the corporate group which was helpful for all companies.

6.2.10 Excessive Nepotism

Interesting enough excessive nepotism only existed to a limited degree at one of the interviewed companies. At this company, family members held different management positions such as purchasing and accounting. This is however, according to the manager, totally gone since the acquisition. The representatives from the other three companies talks about how the sons of the owners had to take regular non-office positions in the production department and there try to proof if they were good material for a management position or not. One of the interviewed even says that nepotism is a very grave misconduct that never existed under any circumstances. He continues and says that the son of the owner even had higher demands than others working at the same level because he had to prove something. Two of the companies have in particular stories about when the owners had directly been saying to different employees that their sons will not have any kind of benefits because of their names. This was not just words; it was also being shown to be applied in both cases. However, one of the managers says that the owners were very careful when hiring white-collar workers, they had to work well with the owners and they needed personal references but he ends with saying that nepotism never existed at all. Another manager says that he have seen children to owners of companies in the region which have been more or less forced to take responsibility and start working as managers at the family business and after that the natural step was to inherit the company. The children in these cases felt that they had a large responsibility towards the family firm.

6.3 The Spirit of Gnosjö

As a closure of each interview everyone was asked to describe what the Spirit of Gnosjö meant for them. All of the interviewed said that it is about small manufacturers helping each other. The help could be shown in several different ways but one of the common ways was that the companies borrowed tools and equipment from each other without any financial compensation. Another way was that if one company had reached full capacity another company in the region could help them with hours in their machinery. One of the managers gave an interesting example: if the company all of a sudden ran out of raw material they could simply drive to another competitor in the community and that company would provide them with the material they needed. Another manager tells about a machinery and equipment dealer that lent new machines to many different newly-established companies and basically said: “Pay the machine when you have the money”. No interest or amortization had to be made; the buyer paid the machine several months after, sometimes even more than a year.
Many of the interviewed said that they think that the involvement of the Spirit of Gnosjö has decreased in the region during the last decades. However, they cannot tell if it actually has decreased in general in the region or if it is because they perceive the decrease because it has decreased generally within the company as an effect of the acquisition. Most of the interviewed say that a more formal organization was created after the acquisition and the new organization made these kinds of helpful activities hard to conduct. Another aspect that have contributed to the possible decrease of the Spirit of Gnosjö within the interviewed companies is, according to two of the interviewed, that most of the managers and white-collar workers are not living in the local community and municipality. This means that managers do not meet up at meeting places outside of the companies such as sport clubs and churches as they did to a large extent a couple of decades ago. Having an external CEO and an external management group means that the company often loses its relation towards the region, according to one interviewed manager.

7 Analysis

In the results, the interviews were presented and structured through the lens of the theoretical framework. In this following section the reader will be guided through the analysis of these empirical findings. The family firm characteristics of Donnelley will be discussed along with the studied companies’ pictures of the changes. Then there is a more general analysis which contains a list of pros and cons derived from the previous part of the analysis, and finally there is a discussion about what guidelines can be created for family firm acquisitions.

7.1 Personal Sacrifice

Donnelley says that many family companies have been built on personal sacrifice and minimal dividends. Family pride and loyalty towards the company have created a foundation for the company to support upon, even if the owners would have been better off shutting down the company and taking regular jobs instead. In the empirical findings of our study we also found that some family firm owners used the same method in hard times. Our studied firms also showed signs of the family’s personal sacrifice “rubbing off” on the employees, creating a corporate culture of taking responsibility and walking the extra mile, as a result of the often occurring personal relationships between owners and employees. Comparing Donnelley’s theoretical description to our findings, it is clear that much of what he describes is what the interviewed people tell, but apart from Donnelley, they put equal emphasis to the personal sacrifice of both owners and employees.

As personal sacrifice is supposed to be a positive characteristic for family firms, it is interesting to find that all of the companies we have studied indeed showed a decrease in personal sacrifice after the acquisition took place. This can either be seen as a direct effect of the disappearing of a close relationship between the employees and the owner, thus, re-
moving the motive for such sacrifice among employees. As both society and the way of doing business change as time passes, the removal of personal sacrifice at the studied firms may also be affected by the changing trends in length of employment and how loyal an employee should generally be. Nevertheless, our study show clear signs that the change of owner structure did have a vital influence on the personal sacrifice, as none of the new owners had a close personal connection to the acquired firm (being purely professional).

7.2 Valuable Reputation

During the interviews focus was partly put on the companies’ valuable reputation in the local community. It is clear that Donnelley’s description of valuable reputation matches with the picture given by the interviewed employees. However, the empirical findings tell us that the valuable reputation of the companies changed during economic downturns where the companies had to lay off employees. It also changed when one of the companies moved some production activities to other locations, especially abroad. After seeing this pattern it is clear that the changes in valuable reputation was affected mostly because of changes in the economic climate and was maybe not only caused by the new owner. Hence, our study shows that the external owner often gets blamed when the company needs to conduct structural changes, such as layoffs. We draw the conclusion that it is probably easier to sustain a valuable reputation if the company is owned and managed by a family, due to the fact that it empowers the firm with a certain immunity. This immunity is based on the society’s tendency to blame the economic turbulence instead of the firm, when society finds the firm friendlier and can relate to it. For an externally owned firm, society seems to find it easier to blame the owner for disadvantageous situations, such as economic downturns, due to the lack of familiarity between society and the external owner.

7.3 Employee Loyalty

A problem with this aspect is that there was a lack of executives at the interviewed companies besides the owning family. Except for the owners, no sons or daughters held executive positions at the different companies. Therefore, focus was in this section put on how the owner created and still creates loyalty among the employees. Our case study shows that the majority of the interviewed felt more loyal to the company when they were able to have a personal relationship with the owner. However, some of the companies managed to sustain a certain loyalty even after the acquisition thanks to transparency in information and financial missions and targets. This transparency increased motivation and loyalty among employees, who were stimulated by more responsibility. It seems that it has been hard to sustain the high loyalty among all employees after the acquisition since all people do not like to operate with more responsibilities: they seem to like structured patterns.

7.4 Management-Stockholder Unity

When talking about management-stockholder unity during the interviews, all interviewed mentioned longer decision paths as the most crucial loss considering the separation of ownership and management. The longer decision paths are also considered to be one of
the major negative effects of the acquisition. The effects of the extended decision paths are often slow decision making and hindrance of investments. One of the interviewed even said that it could happen that investments became obsolete before the decision of investing or not was made. This is, however, an extreme example of one of the negative effects of the acquisition, but it gives an important perspective of how hurtful longer decision paths can be for a company’s flexibility. All interviewed talk about that they still have rather short decision paths and one says they have managed to create a flat organization but the fact is still there: all interviewed state that the decision paths are now longer than they were before the acquisition and the organization is more bureaucratic.

7.5 Social Sensitivity

All of the interviewed companies either only contributed before the acquisition or still contributes to the local community in some kind of way. However, the trend seen at most of the companies is that the sense and emotional bonds towards the local community was heavily reduced after the acquisition. Three of the companies have outsourced certain production activities to other locations after the acquisition: this would never have happened with the family as owner according to one of the interviewed. This statement perfectly describes the family owners’ loyalty towards the region. Other factors, which show that the companies, in general, felt more for the local community before the acquisition, were that local sport clubs and other groups were always funded and local subcontractors were prioritized. One factor that affects the social sensitivity in a negative way is that the management in most cases, at the studied companies, does not live in the local community but travels to work from other regions. This creates a management that does not know the people in the region which leads to less social sensitivity by the company.

7.6 Continuity & Purpose

Our study shows a variety of answers on the question if the companies still are managed with a long-term perspective or not. However, all interviewed agree on the fact that all companies were managed with a long-term perspective before the acquisition. The owners managed the companies with minimal disturbance of personal interests: instead, they prioritized the prosperity and the long-term survival of the company. Many of the interviewed see a problem with the fact that the owner demands a good and solid profit that will eventually disappear from the company to the external owner. When considering this, it is rather logical that all companies was managed with a greater long-term perspective before the acquisition since the former owners took very low dividends and instead reinvested the profits in the companies. It may have been a more clear and practiced long-term thinking before the acquisitions but it is hard to determine if the methods of the former owners was superior the new owners’ methods, when it comes to long-term survival management techniques.
7.7 Conflicts of Interests

The perception of conflicts of interest at the studied companies is related to the social sensitivity aspect of helping local subcontractors. A strong majority of the interviewed employees talk about a certain conflict of interest that often occurred where the owners favored local subcontractors and partners, to whom they often had a personal relation. However, it is important to note that the local subcontractors had to give a somewhat competitive price to be able to get the contract. This is actually the only conflict of interest that the interviewed employees could provide. They all claim that the companies were managed in a professional way before the acquisition, with a clear focus on the companies’ long-term growth and prosperity. The fact that this is the only conflict of interest that could be found is interesting to analyze. Since the companies in our case all operate in the Gnosjö Region, which is characterized by its high industrial growth (mostly thanks to the Spirit of Gnosjö), this negative characteristic is actually a positive one. All interviewed, when asked about the Spirit of Gnosjö, said that it was mostly about helping other companies in the region. This leads to the fact that a negative characteristic of a family company, according to Donnelley, actually helped the Gnosjö Region to become the region in Sweden that had the highest economic growth during the 1900’s.

7.8 Poor Profit Discipline

All of the interviewed employees make it clear that a good and solid profit have been more prioritized after the acquisition. However, the historical view of profit is rather interesting at the studied companies. The purpose of the companies’ profit after the acquisition was to finance the acquisition and to deliver a dividend to the new owners. This ultimately meant that the profits earned was removed from the company to cover specific required returns from the owner and sometimes even help other companies financially within the corporate group. These aspects are the reason why the companies now need to have a higher profit discipline. The companies may have a higher profit discipline now than before and they prioritize good margins, but it is interesting to consider that before the acquisition the owners just require a minimum dividend which meant that most of the profits were reinvested in the company.

7.9 Immobile Marketing

Marketing is something that all of the interviewed agree was one of the things that improved the company most after the acquisition. This is according to our study the major benefit of the acquisitions. The marketing and sales departments were rather poorly developed at all interviewed companies, which meant that the companies missed out on many business opportunities. The new owner often structured the marketing and sales department and provided knowledge and contacts in new export markets, which made it possible for the companies to expand and grow very rapidly. Furthermore, the great majority of the interviewed said that all companies acted professionally in the way of prioritizing growth but they probably did not have the internal strength to expand internationally.
7.10 Excessive Nepotism

Nepotism was actually just shown at one of the companies as mentioned in chapter 6. At the other companies the relatives had to work their way to management level starting as non-office workers at the production department. If the relatives wanted a management position they had to earn it: this was the general perception of how the families dealt with nepotism according to the interviews. This means that our results do not match with Donnelley’s theory. It is very hard to determine why it differs but a theory could be that companies in the Gnosjö Region handle this characteristic in another way than most common family firms do. One of the interviewed said that you are not being valued because of your title or family name in the Gnosjö Region but for what you are actually doing and performing. This could be an answer to why nepotism was hard to find at the studied companies.

7.11 General Analysis

When conducting a general analysis of what the studied companies have experienced and how they behaved before and after the acquisitions, it is important to consider the setting of the companies in our study. The companies are, as mentioned, located in the Gnosjö Region and heavily affected by the Spirit of Gnosjö. When comparing Donnelley’s theory with our study it is shown that two of the negative characteristics of a family business, conflicts of interest and excessive nepotism were not present at the interviewed companies. These two characteristics may not be present in family firms in the Gnosjö Region since they are affected by the certain Gnosjö Region culture. It seems like owners of family firms within the Gnosjö Region tend to prioritize the prosperity of the company more than personal interest to a larger extent than the average family business. It also seems like they tend to have less nepotism than the average family firm.

Since the objective is for the thesis to culminate into general acquisition guidelines applicable for companies facing an acquisition situation even outside of the Gnosjö Region, it is important to construct guidelines based on the characteristics that are not affected by the Spirit of Gnosjö. The above mentioned differences in characteristics due to the companies’ location will, however, not affect a general analysis since the differences cannot really be related to the actual acquisition. There are some general advantages and disadvantages of going from a family-owned and -managed company to being owned by a larger external actor according to our interpretation of the interviews. These advantages and disadvantages have been seen at all of the studied companies and they could therefore be seen as aspects that may be applicable at other companies both in the Gnosjö Region and outside of its borders.

The advantages of the acquisitions can be summarized as:

- More financial resources provided by the external owner:
  - The companies in the study were provided financial resources from the new owner, especially to develop marketing and sales efforts. It was also said
during one interview that the new owner was more willing to make larger and more risky investments to benefit growth than the owning family did. This is a crucial step to take in order to ensure growth, especially in new markets. It seems like this step was hard for the companies to take when they were owned and managed by the families.

- **Increased marketing and sales efforts that led to economic growth:**
  - The new owners were, in all of the cases, prioritizing growth, especially in new and unexplored markets. Three of the companies laid the foundation for export success after the companies were acquired. The new owners structured the sales and marketing department and hired more employees to these positions to make sure that the new and more aggressive marketing efforts led to success, which they did to a large extent in all of the cases.

- **External expertise and knowledge provided by the new owner:**
  - At the studied companies, the external owner in some way brought external expertise to the companies, often in the form of new board members and managers. Contacts to new and unexplored markets were also provided which helped to increase the companies’ export activities.

**The disadvantages of the acquisitions can be summarized as:**

- **Longer decision paths:**
  - One of the most clear and explicit disadvantages with the acquisitions was that the decision paths within the companies increased. Overall, the different organizations became more bureaucratic and less flexible. Since the acquisition, decisions take longer to decide on because it needs to be approved and go through more levels than before the acquisition.

- **Lower degree of reinvestment:**
  - Before the acquisition almost all profit the companies generated was reinvested. This gave a long-term approach in the companies’ strategy and, therefore, the companies’ long-term survivability and prosperity were prioritized. Today the companies’ have to deliver a stable yearly profit to their owners. This is a major difference comparing with how the previous owners just required a minimum dividend every year and instead chose to reinvest.

- **Sense of responsibility for the local community disappeared:**
  - The social sensitivity towards the public’s best and the local community disappeared when the owning families left the companies. The majority of the interviewed employees showed that the owner cared a lot for the local community and the people it consists of. It is interesting to note that it seems like the owners cared so much about the local community that they would not consider outsourcing production activities to other locations even if it would be more viable for the company.

- **Decreased familial feeling:**
Our study shows that the employees felt more acknowledged by the managers before the acquisition. The familial feeling of the organizational culture was more present and everyone felt that they were working in a tight team together with the management. This created motivation and loyalty towards the company, especially since the owners and managers often were people that the employees looked up to. One of the interviewed claimed that the familial feeling is now replaced by a feeling that the employees need to mark their territory instead of working in close cooperation as they did before the acquisition. They are basically afraid to lose their jobs.

- Feeling of anxiousness among the employees:
  - This feeling was especially occurring during the acquisition phase and when the companies shifted owners after the first acquisition. The feeling of not knowing what is to come for the company created a feeling of anxiousness among the employees. One example of why the anxiousness occurred was that the employees were afraid the new owner would outsource production activities, which could make the employees unemployed.

## 7.12 Analysis Discussion

In this section we try to create general acquisition guidelines by processing the characteristics-specific analysis and the general analysis. The objective is to construct guidelines that can be used by all parties in an acquiring situation both in the Gnosjö Region and hopefully also outside of the region. The guidelines are meant to help create a prosperous and healthy organization with minimum disturbance caused by the actual acquisition. The guidelines are divided into two categories: What to seek and What to avoid during and after the acquisition process. What to seek are things the parties should consider to conduct to enable a smooth transaction and to create the best situation for both of the parties. What to avoid are the opposite: things the parties should avoid in order to create the best situation possible.

### 7.12.1 What to seek

During the interviews we noted that most of the employees were concerned with the amount of information the former owners, the acquirer and management were handing to the employees. In those cases where the employees felt satisfied, they also grew a good trust in the situation as well as the new owners. In the opposite cases, uncertainty was high: resulting in low degrees of trust and work motivation. These effects also go hand in hand with the advantages gained from personal sacrifice and employee loyalty. So, the first guideline is about transparency: the openness and information between former owners, new owners and all other people involved in the company. Our study has shown that transparency would better enable a smooth and comfortable environment for the organization to handle the changes imposed through the acquisition.

The second guideline is called transform organizational structure. In the studied firms, personal sacrifice from the family was substituted by expanding the organization, especially on the
administrative side. This is something we want to emphasize for future acquisitions: to put more focus on the new structures that will replace old, and often beloved, ways of doing things within the business. Also make sure all of the employees follow the reasoning behind the new mode of action.

All of the cases showed that the management-stockholder unity was decreased by the acquisition and for some cases it turned out even worse. As the former owner kept his position as the CEO, but did not want to adjust his way of running the business to the new ownership setting, organizational inertia was even more severe. Therefore, we find it important to consider the old CEO’s adequacy. The third guideline is tolerant management: emphasizing the importance of making sure the CEO is ready to work in collaboration with the new owners, and not simply stay with how things were done before.

As some of the studied cases have been acquired multiple times, with a gradually increasing external level of the acquirer, we found that it would be favorable to gradually change the type of owner, going from a family firm to e.g. a smaller, local corporate group and later on to more externally focused owners. This is important in order to give the organization the opportunity to mature into the new ownership setting. We call this fourth guideline take time.

In order to decrease the effects of the negative characteristic immobile marketing, we encourage acquirers and acquired firms to take advantage of market opportunities offered by the acquiring firm. This is the fifth guideline. Export and entrance to new markets were eased by the acquisition for all of the studied companies, along with improved access to networks.

7.12.2 What to avoid

Even though the family firm may have had a poor yearly profit discipline before the acquisition, they did invest a larger extent of the profit instead of taking large dividends each year. This selfless approach to business-owning should not be removed after the acquisition, as it is favorable for the business with high investment rates. Therefore, the sixth guideline is called cutting investments. It means the acquiring firm should let the acquired firm keep with a somewhat similar investment rate, and should not only drive profit from it. This is important as the interviewed employees expressed that if the acquiring firm drains the acquired firm on its profits without giving something in return, employees would lose motivation to continually improve their performance.

Another evident tendency among the studied firms was the prolonged decision paths. The seventh guideline is creating distance. It means the acquiring firm should avoid creating long-going decision paths. Instead, they should take advantage of the short paths already existing within the organization and improve them by developing existing structures and initializing complementing ones. As many professionals would agree upon: a good company has the flexibility of the small firm and the strength of the large enterprise.
Another variable affecting the motivation of employees is the level of independence after
the acquisition. The study has shown that acquired family firms that were allowed to keep a
large degree of local decision-making adjusted better to the new owner, while at the same
time they gave a solid profit return to the acquirer. If local power is reduced the decision
paths will also be extended, which leads to a less flexible company. Therefore, the eighth
and final guideline is cutting power.

8 Conclusions

This chapter will present the conclusions derived from the analysis. First, some general conclusions are presented. Common changes among the companies’ family firm characteristics are conveyed. Second, the general guidelines for acquisitions are presented in a straightforward and concise way.

It seems the studied family firms all changed in a similar way after the acquisition. Among
the positive family firm characteristics, personal sacrifice seemed to have been gradually re-
placed by creation of new structures and an enlarged organization. The valuable reputation
sourcing from the family seemed most likely to vanish slowly as the family was being less
connected with the firm. Instead all of the firms appeared to have become more anony-
mous within the nearby society. Likewise, the social sensitivity seemed to decrease within each
company as the family moved on. In the short run, all firms showed patterns of lowered
employee loyalty, but it seemed a new kind of loyalty was gained as the markets transformed
and employees were given more responsibility. All firms also showed clear signs of in-
creased distance between management and stockholders, with longer decision paths and more
bureaucratic structures. Contrary to the original theory, the continuity of each firm definitely
seemed to have been kept at a long-term focus. However, the related purpose seemed to de-
crease as expected from theory. The negative characteristics conflict of interests and immobile
marketing seemed to be present before the acquisitions, but their negative impact appeared
to be gradually removed from each of the companies after the acquisition as management
and ownership was separated and the acquirer started to invest heavily. Moreover, all firms
gained external expertise from the new owners, along with much needed knowledge and
contacts. Quite the reverse, poor profit discipline and excessive nepotism seemed to never have
been present in the companies from the beginning, at least not to any noticeable degree.

8.1 General Guidelines for Family Firm Acquisitions

8.1.1 What to seek

Transparency - openness and information between former owners, new owners and all other
people involved in the company.

Transform organizational structure - in order to replace the personal sacrifice of former owners.
Tolerant management - make sure the CEO is ready to work in collaboration with the new owners, and not stay with how things were done before.

Take time - the best possible situation would be to gradually change the type of owner, going from a family firm to e.g. a smaller, local corporate group and later on to more externally focused owners.

Take advantage - of market opportunities offered by the acquiring firm.

8.1.2 What to avoid

Cutting investments - let the acquired firm keep with its prior investment rate, and do not only drive profit from them, as that decreases the motivation within the acquired company.

Creating distance - avoid increased decision paths and times by developing existing patterns and initializing new favorable structures.

Cutting power - avoid taking away too much power from the local employees.

9 Discussion

This chapter is a reflection of the thesis, presented from a narrow to a broad perspective. First, the usefulness in the Gnosjö Region is discussed, followed by the usefulness outside of the region. Methodological issues are briefly discussed, as well as lessons learned. Finally, some suggestions for future research relating to this thesis are listed.

9.1 Application and Limitations in the Gnosjö Region

We strongly believe that our guidelines can be applied within the Gnosjö Region. The guidelines are based on our impression of the joint picture from all of the studied companies. Those aspects and characteristics that differed between the companies are not part of the foundation for the guidelines, thus, the guidelines were purely generated by the mutual patterns we found. We imply that using the guidelines, both from the perspectives of the acquirer and the acquired firm will result in a smoother and more successful transition after the acquisition. However, there is a clear weakness that all the studied firms were given much independence even after the acquisition, hence, they did not have to change too much due to the involvement of the acquirer. Thus, an application of the guidelines to an acquisition where the acquired family firm is not given operational independence could result unsatisfactory. However, this is not for certain, as it is still plausible for the guidelines to be applicable even for family firms which are not independent. This needs more research.
Another questionable aspect of our study is the time when the studied firms were initially acquired: 1979, 1983, 1999 and 2000. The fact that the acquisitions took place more than 13 and 30 years ago, respectively, can have aroused two kinds of problems. First, the memory of the interviewed employees may have deteriorated during the years, leaving only selected memories from the point of the acquisition, thus, generating an angled point of view towards the outcome and perception of the situation. This is something you can never measure or make secure, as it is the human factor which is involved. Likewise, it is difficult to ensure the openness and honesty among the interviewed employees: we can only rely on our own perception of the behavior among the employees. However, for most of the interviews, we felt that the interviewed person was completely open about the questions. But as stated before, this is merely our opinion and it could of course have been experienced different by other researchers. Furthermore, there is also a risk that the employees answered our interview questions in a way that portrayed the companies in a favorable manner. The second matter with the long time since the acquisitions were done is how markets and the economy have naturally changed during those years. It might be possible for the guidelines to be valid today, but maybe the economy and general business manners have changed too much during these 13 or 30 years: resulting in guidelines which are not applicable in today’s economic settings. This would be an interesting topic for future research: how is the validity of theoretical models affected by changes in the business world?

In the same way as markets and the economy change, the Spirit of Gnosjö changes too. During our interviews we found that the opinion about the involvement of the Spirit of Gnosjö differs among people within the region. Some believe it to be doomed for extinction, while others simply think it has changed and adjusted to the economic conditions facing the firms in the region. A common belief, though, is that the Spirit of Gnosjö had its glory days some decades ago and is currently in a light kind of coma. Some believe it to arise in the future when economic conditions a favorable again. The changing nature of the Spirit of Gnosjö affects the applicability of the guidelines because it influences the interviewed employees as well as the conditions under which the acquisitions take place in the Gnosjö Region. Due to its abstract nature, we may only speculate on the matter, but we have a vague notion of some kind of involvement or effect on our study. There has not been room in this thesis to develop this further, therefore we cannot know for certain.

9.2 Application and Limitations outside the Gnosjö Region

We believe that our guidelines may be successfully used outside of the Gnosjö Region. When analyzing the empirical material we realized that some characteristics did not match with Donnelley’s theoretical framework and we concluded that it was due to the fact that all studied companies were affected by the Spirit of Gnosjö. However, these specific characteristics were not used when the guidelines were constructed. Considering this, we think that our guidelines could be used during acquiring situations outside of the Gnosjö Region, but it is up to future research to prove if this is truly possible or not. What weakens our belief is that we may have studied a too low number of companies. This fact might make it doubtful to apply the guidelines in other regions with other variables than the Gnosjö Re-
region. Nor did we study failed acquisitions in the region which could make the thesis somewhat biased and “pro-acquisitions”. Another problem that arises when discussing applicability outside of the region is the fact that both we, as authors, and the interviewed employees have a positive attitude towards the Gnosjö Region and the Spirit of Gnosjö. This could make the results and analysis biased (in favor of the Gnosjö Region and the Spirit of Gnosjö as such) since both we and the interviewed may want to convey the most positive aspects with the Gnosjö Region.

9.3 Methodological Issues

Due to our limited knowledge and experience in thesis writing there are a number of methodological weaknesses in this thesis. First, our argumentation for methodological choices we have made during the process is fallible. We did not spend enough time studying theories and books on research method and could therefore not justify all our choices. Second, the investigation for finding the scope of theoretical framework on family firm characteristics may not have been done exhaustively enough: resulting in a theoretical framework which is somewhat biased to the chosen research. The third example of lacking methodological quality is the analysis process model, which we developed ourselves. Hence, it has no academic support for being valid or functional for analyzing the kind of data we have collected.

9.4 Lessons Learned

Mason & Harrison (2006) conducted a study which showed that acquisitions may “have a detrimental impact on economic development in peripheral regions over the longer-term”. Our opinion is that acquisitions in general cannot be stated as positive or negative. All acquisitions are different from each other with different variables such as geographical location and corporate culture affecting how to approach and how to handle the specific acquisition. Another thought that was raised during our analysis was if college-educated employees may affect the family firm. College-educated employees are replacing less educated employees all over the country, especially in the Gnosjö Region, where employers and employees with higher education historically have been few to number. Could this change in staff and knowledge-level at the companies have had an indirect effect on the family firm characteristics?

Another fundamental issue when discussing family firm characteristics is to whom is the positive and negative characteristics really positive and negative? From a strict business point of view, is being a family firm most optimal? This is easy to assume when discussing the characteristics being and not being in the firm before and after the acquisition. By the way the theory is presented you automatically interpret the positive characteristics as something all firms in all parts of the world should strive for. However, as pointed out before, the way of doing business changes with time and is, similarly, also different between regions, countries and continents. Therefore, assuming the family firm characteristics to be absolute in that sense is naive and subjective. We have tried to keep an open mind to this
matter throughout the thesis, but we do not doubt the fact that we have been lured and fell for this tendency several times while writing.

9.5 Future Research

Here are some gaps in our study where future research could fill in.

- Family firm characteristics - are they really advantageous?
- Are family firms in the Gnosjö Region really family firms according to the general academic perception about family firms?
- Is there really a clear distinction between family firms and non-family firms today?
- Compare changes in the family firm characteristics in acquired family firms with non-acquired family firms. (both in and outside the Gnosjö Region)
- Evaluate this thesis by conducting a similar study in other industrial districts. Does it verify the guidelines or does it present other results?
- How has the Spirit of Gnosjö changed during the previous decades, and how does its future look?

10 Reflection on the Writing Process

This section is a reflection on the whole process of writing a thesis, given by the authors. It describes the practical structure of the project and highlights weaknesses and strengths of the authors’ performance. Advice is also given to students who are going to write their thesis in the future.

10.1 Our Writing Process

During the spring semester of 2013 we wrote our bachelor thesis as a concluding university assignment. The project was begun in the end of January and the final opposition seminar took place in the end of May. This gave us approximately four months working half time with the thesis. During the semester, there were also four smaller seminars to encourage us to keep a steady work pace during the whole of the project. Being such an extensive writing project (ending up with about 40 pages, excluding appendices), a good working pace throughout the semester was necessary.

The thesis writing group consisted of Elin Johansson and Edvin Lindqvist. Both of us are born and raised in the heart of the Gnosjö Region and therefore we have the personal experience from the setting of the study. We spend Upper Secondary School together and developed a pattern for collaborating. Then it took four years until we reunited at Jönköping University again to write the bachelor thesis. During this time apart, both of us had the chance to mature and find new perspectives towards teamwork and handling group assignments. This was a major advantage as an open, honest and understanding communica-
tion could be kept between us from the very begin. Throughout the semester, this enabled us to keep a setting without false judgment and irrational quarrels.

With our mutual understanding of how to carry out the work of the thesis, there was always an emphasis on utilizing the time as well as our resources and knowledge. This meant we divided work according to our individual competence areas. Elin had more skills in the sections of method and theoretical framework, while Edvin complemented this with his skills in the empirical area. However, we only divided the main responsibility for each section while we kept a close cooperation about creating all of the content.

In the beginning of the semester we sat down to discuss what subject we wanted to research. At the first meeting with our supervisor we decided to go with something in the area of family firms in the Gnosjö Region. Initial thoughts on the subject were put down on paper and as the semester went by we had regular discussion sessions that sharpened our joint ideas. Generally work ran very smoothly during the project, with the exception for a few unfortunate circumstances. First off, the pressure from simultaneously running university courses was high, which affected the amount of focus we could put on the thesis work. We tried to decrease the negative effects of this by arranging intensive eight hour study sessions where we sat together and focused only on the thesis. Second, in the middle of April, both of us had already begun working at the employments we were going to continue with after graduation. This also hindered our concentration to a great extent, but like the first example, we used intensive study sessions as a method of “getting back into the thesis mood”. The third obstacle we experienced was the school fatigue which struck us at several points during the semester, especially by the time both of us had started our slightly more interesting employments. Here, we did not have any specific strategies other than just pulling through the tough days and hoping for it to pass by quickly. Just a few days before our internal deadline, we were especially tired of it, but then we gained new energy overnight and were luckily able to finish the work in time.

**10.2 Critique on Our Effort**

First and foremost, a clear critique we want to point to our work is the sporadic lack of work. From time to time during the semester, there could be several weeks between our study sessions. This created a distance to the work and getting back in the mood took a lot of time. Along with a general school fatigue, this probably affected the quality of the thesis to a large degree.

Second, the technique of conducting and interpreting interviews on a topic you have clear opinions yourself is risky. It was problematic to keep a objective stand both during the interviews and during the analysis, but on the other hand, probably no person can be one hundred per cent objective in any matter.

Both of us are practical people: writing a thesis about a rather abstract subject with very vague and uncertain conclusions is difficult for us. Likewise, the academic manner of writ-
ing a bachelor thesis is against our instincts of trusting your own knowledge and competence. This internal resistance probably affected the result of the thesis further.

10.3 Points of Success

First, as thesis partners we found that you have to be able to have a high-level discussion about the work without judgment, instead criticizing it as separate from who wrote each sentence. Also our great teamwork-understanding and complementing competences was a great advantage in carrying out the project.

Second, we found that the thesis subject was easier to approach as both of us were already familiar to it at a personal level. Therefore, our advice for future thesis groups is to choose a thesis topic of familiarity or special interest. Then it is easier to pull through even during the most discouraging moments of the writing process.

A third point we felt successful about is the narrowing down of the subject we chose. By limiting the scope of the thesis it was easier to keep focus and do a good job on each aspect of the work. It also helped us to fully grasp the scope at an early stage, which enabled us to use much of our time really carrying out the research. Nevertheless, we did have to kill some of our darlings, such as investigating time phases for each of the case studies.
References


Appendix 1

Frame of Interview Questions for Managerial Employees

Intervju: Managers

1. Generella frågor
- Är det okej om vi gör en ljudinspelning av intervjun?
- Namn (endast för att hålla reda på våra anteckningar):
- Nuvarande befattning?
- Hur länge har du varit anställd på företaget?
- Har du bytt befattning under åren?
- När skedde förvärvet
- Berätta kort om den förvärvande ägaren och den nuvarande (typ av företag, säte osv.)
(samt historian av uppköpare sedan första uppköpet!)
- Berätta generellt om förvärvet
- Processen inför uppköp?
- Processen under uppköp?
- Processen efter uppköp?
- Hur anser du generellt att företaget har:
- gynnats efter uppköpet?
- har det varit olika i perioder
- hur blev det kortsiktigt direktr efter förvärvet? (då)
- har det blivit långsiktigt? (nu)
- hämmats av uppköpet?
- hur blev det kortsiktigt direktr efter förvärvet? (då)
- har det blivit långsiktigt? (nu)
- Hur har budgetering och finansiella resultat förändrats?

2. Generell fakta vi behöver
- Antal anställda i dagsläget
- En generell historia om företaget
- Startat år?
- Hur många anställda då?
- Ägarstruktur från start
- Hur många anställda inför uppköp
- Hur såg styrelsen ut innan uppköpet?

3. Familjeföretagets karaktärsdrag som påverkar verksamheten positivt:
   Personlig uppoffring (personal sacrifice)
   Före förvärv
- Hur uppfattade du ägarfamiljens personliga relation till företaget före förvärvet?
- Minns och kan du beskriva en situation då detta visade sig konkret?
Efter förvärv
- Hur ersattes ägarfamiljens personliga uppförningar (tid, pengar, etc) i den nya organisationen?

Värdefullt rykte och anseende (valuable reputation)
Före förvärv
- Vad hade företaget för kärnvärden innan förvärvet?
- Hur var företagets generella rykte i regionen innan förvärvet?
Efter förvärv
- Har företagets kärnvärderingar lyckats att flytta från familjen till det fysiska företaget?
- Ser du spontant någon förändring i företagets rykte (samhället, företagskrets, kunder etc) direkt efter eller strax efter uppköpet?

Anställda familjemedlemmars lojalitet - hur det påverkar resterande anställda & företaget (employee loyalty)
Före förvärv
- Fanns det många anställda på ledningsnivå inom företaget som inte tillhörde familjen?
- Om ja: Vad fick ni för erfarenheter av det? (Var denna/dessa tillräckligt lojala mot företaget, jämfört med familjemedlemmar?)
- Hur påverkades din arbetsinställning/-moral av de anställda familjemedlemmarnas lojalitetsnivå?
- Kände du någon gång att deras engagemang motiverade dig?
- Upplevde du en större personlig koppling till företaget, tack vare familjens inställning & engagemang?
Efter förvärv
- Vid uppköpet, lämnade några familjemedlemmar företaget? (vid punkten av uppköp)
- Är några familjemedlemmar som var med innan förvärvet, fortfarande anställda inom företaget?
- Uttrycker dessa personer samma lojalitet mot företaget och dess resultat både före & efter?
- Eller har det ändrats i karaktär? (familjens relation till företaget)
- Har fler familjemedlemmar blivit anställda sedan uppköpet? (när som helst sedan uppköp)
- Uttrycker dessa personer samma sorts lojalitet som de som var med sedan före uppköp?
- Hur har din uppfattning av de anställda familjemedlemmarnas lojalitetsnivå ändrats sedan uppköpet? (i olika stadijer/perioder, räknat fram tills idag)

Koppling/förhållning mellan ägare och ledning - enligt beslutsfattande med mera (management-stockholder unity)
Före förvärv
- Hur såg kommunikationen mellan chefer och ägare ut före förvärvet?
- Eller var chefer och ägare samma personer?
- Var beslutsprocessen kortfattad och smidig/lättöverkomlig, kännetecknad av enighet, före uppköpet?
Efter förvärv
- Har separationen mellan ledning och ägande inneburit komplikationer?
Socialt ansvar - familjeföretagets större grad av känslighet gentemot sambällets intressen (corporate interests VS. societal interest) (social sensibility)

Före förvärv
- Upplevde du att företaget någon gång fattade mindre "rationella" beslut, som var påverkade av sociala aspekter i företagets omgivning? Ex: Inte lägga ner eller flytta en ekonomiskt sämre avdelning på en viss plats, pga att samhället där är beroende av arbetsgivaren. Dvs pga socialt ansvar gentemot det egna samhället. (områdesfråga om rationalitet)
  -- Om ja, Har du något konkret exempel på detta?
  Efter förvärv
  - Har företagets beslutsfattande blivit mer resultatfokuserat och mindre kontextfokuserat efter uppköpet?

Företagets syfte och långsiktighet - betyder typ vad vi tror, men med mer gemensamt syfte som "transgenerational vision" också (continuity & purpose)

Före förvärv
- Drevs verksamheten med ett långsiktigt perspektiv innan förvärvet?
- Hur reagerade ägarfamiljen på konjukturförändringar?
- Syntes en gemensam syn på företaget hos de olika familjemedlemmarna?
  Efter förvärv
  - Har förvärvet inneburit ett mer kortsiktigt fokus, för att t.ex. kunna uppnå kortsiktiga ekonomiska mål som ägaren ställer?
  - Ger det trygghet att ha en extern, mer kapitalstark ägare?
  - Om ja, hur har detta visat sig konkret?
  - Vid förvärvet, upplevdes rapporteringsplikten till den externa ägaren som något positivt eller negativt bland de platsanställda?

4. Familjeföretagets karaktärsdrag som påverkar verksamheten negativt:
Conflicts of interests (corporate interests VS. family personal interests, organizational enforcement)

Före förvärv
- Upplevde du att ägarna ibland tog beslut som gynnade dem själva mer än vad de egentligen gynnade företaget? Ex: Väljer en leverantör som ägaren har relation till istället för att välja den för företaget bästa leverantören. (områdesfråga om rationalitet)
  Efter förvärv
  - Uppfattar du dagens beslutsfattande i företaget som rationellt och helt organisationsfokuserat? Dvs, tas beslut enbart utifrån organisationens intresse och fortlevnad?
  - Om ja, kan du beskriva lite mer detaljerat hur du uppfattar skillnaderna i beslutsfattandet? (Spåna på liksom...)
Poor profit discipline (missing the whole picture while getting stuck in focusing on single units of the organization, creating a very high highest but forgetting to raise the lowest. Also about missing out on creating a stable situation of profit margin - generally being unprofessional, suboptimizations)

Före förvärv
- Upplevde du att ägaren p.g.a. ett stort intresse i t.ex. den senaste tekniken, tog obeefogade beslut, som inte bidrog till det generella företagsresultatet på det sätt som beslutet grundade sig på från början? Kan också gälla ex. planering, organisatoriskt utvecklingsarbete, onödiga möten/kontroll, etc...
-- Om ja, har du något konkret exempel på detta?

Efter förvärv
- Tycker du att situationen angående första frågan har förändrats efter förvärvet?
--- Om ja, hur/på vilket sätt?
- Tycker du att detta är en positiv förändring, eller ser du att företaget har tappat sin själ...

Immobile marketing (personal connection to the various parts of the organization, such as products and employees, unwillingness to involve outside parties in handling the family’s “baby” - all this lures the family to miss out on important marketing opportunities and miss seeing market changes)

Före förvärv
- Tror du att ägarens relation till företagets karaktär och/eller produkter hämmade utvecklingen av företaget? Kortsiktigt/långsiktigt perspektiv?
- Uppkom självlara affärstillfällen som familjen ända valde att stå över, pga personliga åsikter/perspektiv?

Efter förvärv
- Mottas affärsmöjligheter med en annorlunda inställning idag, jämfört med före uppköpet?
--- 1. direkt efter?
--- 2. ett tag efter uppköpet?
--- 3. idag?
--- Om ja, hur uttrycker sig skillnaden? Och hur ser du på skillnaden; positivt/negativt?

Excessive nepotism (svägerpolitik; grand de luxe; The advancement of relatives on the basis of family rather than merits)

Före förvärv
- Hur såg anställningsrutiner ut före förvärvet?
- Hur såg arbetssyrkan ut före förvärv (demografiskt), var en stor del av de anställda släktningar till familjen?
- Bestod ledningen endast av familjemedlemmar?
- Hur såg man på att ta in utomstående till till högre befattningar?

Efter förvärv
- Har anställningsrutiner förändrats sedan uppköpet? (direkt, strax eller ett tag efter, INTE idag)
--- Om ja, blev de mer neutrala/rättvisa/unbiased?

5. Acquisition theory:
- Hur tror du att de skilda inställningarna (familjen som ägare VS. extern ägare) har påverkat din egen inställning till arbetet?
- Har du upplevt en förändring i atmosfär mellan de anställda sedan förvärvet, eller inte?
- På vilket sätt (positivt, negativt)
- Hur såg organisationsstrukturen inför uppköp?
- Skedde en omorganisering inom företaget vid eller strax efter förvärvet?
- Om ja, hur såg organisationsstrukturen ut efter uppköp?
- Om ja: Skedde det på den externa ägarens eller f.d. ägarfamiljens initiativ?
- Om ja: Hur möttes denna omorganisation av de anställda?
- Om ja: Hur har vardagen på arbetet förändrats därefter; var förändringen lyckad?

6. Gnosjöandan:
Hur har Gnosjöandans tillvaro/del i företaget förändrats sedan uppköpet.
Hur uppfattas företaget nu av utomstående?
Hur har kontakt med företagsförening och andra företag (både konkurrenter och orelaterade) förändrats?

7. Något du vill tillägga om hur uppköpet påverkade:
- familjen?
- finansiellt?
- de anställda?
- chefer?
- organisationen?

Frame of Interview Questions for Non-Office Employees

Intervjufrågor: non-office workers

1. Generella frågor
- Är det okej om vi gör en ljudinspelning av intervjun?
- Namn (endast för att hålla reda på våra anteckningar):
- Nuvarande befattning:
- Hur länge har du varit anställd på företaget?
- Har du bytt befattning under åren?
- Hur anser du generellt att företaget har:
- gynnats efter uppköpet?
- hämmats av uppköpet?

2. Familjeföretagets karaktärsdrag som påverkar verksamheten positivt:
Personlig upphöjning (personal sacrifice)
Före förvärv
- Hur uppfattade du ägarfamiljens personliga relation till företaget före förvärvet?
- Minns och kan du beskriva en situation då detta visade sig konkret?
Efter förvärv
- Hur ersattes ägarfamiljens personliga upphöjningar (tid, pengar, etc) i den nya organisationen?
- Hur förändrades intervjuens exempel efter förvärvet?
Värdefullt rykte och anseende (valuable reputation)
Före förvärv
- Hur var företagets generella rykte i regionen innan förvärvet?
Efter förvärv
- Ser du spontant någon förändring i företagets rykte (samhället, företagskrets, kunder etc) direkt eller strax efter uppköpet?

Anställda familjemedlemmars lojalitet - hur det påverkar resterande anställda & företaget (employee loyalty)
Före förvärv
- Fanns det många anställda på ledningsnivå inom företaget som inte tillhörde familjen?
- Om ja: Vad fick ni för erfarenheter av det? (Var denna/dessa tillräckligt lojala mot företaget, jämfört med familjemedlemmar?)
- Hur påverkades din arbetsinställning/-moral av de anställda familjemedlemmarnas lojalitetsnivå?
- Kände du någon gång att deras engagemang motiverade dig?
- Upplevde du en större personlig koppling till företaget, till följd av familjens inställning & engagemang?
Efter förvärv
- Är några familjemedlemmar som var med innan förvärvet, fortfarande anställda inom företaget?
- Uttrycker dessa personer samma lojalitet mot företaget och dess resultat både före & efter?
- Eller har det ändrats i karaktär? (familjens relation till företaget)

Företagets syfte och långsiktighet - betyder typ vad vi tror, men med mer gemensamt syfte som “transgenerational vision” också (continuity & purpose)
Före förvärv
- Hur såg du som produktionsarbetare det: drevs verksamheten med ett långsiktigt eller kortsiktigt perspektiv innan förvärvet?
- Märkte du av hur ägarfamiljen reagerade på konjunkturförändringar?
- Tycker du att de olika familjemedlemmarna hade en gemensam syn på företaget före förvärv?

3. Familjeföretagets karaktärsdrag som påverkar verksamheten negativt:
Conflicts of interests (corporate interests V.S. family personal interests, organizational enforcement)
Före förvärv
- Upplevde du att ägarna ibland tog beslut som gynnade dem själva mer än vad de egentligen gynnade företaget? Ex: Väljer en leverantör som ägaren har relation till istället för att välja den för företaget bästa leverantören. (områdesfråga om rationalitet)
Efter förvärv
- Uppfattar du dagens beslutssättande i företaget som rationellt och helt organisationsfokuserat? Dvs, tas beslut enbart utifrån organisationens intresse och fortlevnad?
- Om ja, kan du beskriva lite mer detaljerat hur du uppfattar skillnaderna i beslutsfattandet? (Spåna på liksom...)

Poor profit discipline (missing the whole picture while getting stuck in focusing on single units of the organization, creating a very high highest but forgetting to raise the lowest. Also about missing out on creating a stable situation of profit margin - generally being unprofessional, suboptimizations)

Före förvärv
- Upplevde du att ägaren p.g.a. ett stort intresse i t.ex. den senaste tekniken, tog obefogade beslut, som inte bidrog till det generella företagsresultatet på det sätt som beslutet grundade sig på från början? Kan också gälla ex. planering, organisatoriskt utvecklingsarbete, onödiga möten/kontroll, etc...
- Om ja, har du något konkret exempel på detta?

Efter förvärv
- Tycker du att situationen angående första frågan har förändrats efter förvärvet?
- Om ja, hur/på vilket sätt?
- Om ja, hur/på vilket sätt?

Excessive nepotism (svägerpolitik grand de luxe, The advancement of relatives on the basis of family rather than merits)

Före förvärv
- Hur uppfattade du anställningsrutiner ut före förvärvet?

Efter förvärv
- Förändrades anställningsrutiner efter uppköpet? (direkt, strax eller ett tag efter, INTE idag)
- Om ja, blev de mer neutrala/rättvisa/unbiased?

4. Acquisition theory:
- Hur tror du att de skilda inställningarna (familjen som ägare VS. extern ägare) har påverkat din egen inställning till arbetet?
- Har du upplevt en förändring i atmosfär mellan de anställda sedan förvärvet, eller inte? (direkt, strax, ett tag efter, och idag)
- Om ja: Hur möttes denna omorganisation av de anställda?
- Om ja: Hur har vardagen på arbetet förändrats därefter; var förändringen lyckad?

5. Gnosjöandan:
- Hur skulle du beskriva Gnosjöandans del i företaget före uppköpet?
- Hur har Gnosjöandans tillvaro/del i företaget förändrats sedan uppköpet?
- Hur uppfattas företaget nu av utomstående, ur perspektivet Gnosjöandan?
- Har kontakt med företagsförening och andra företag (både konkurrenter och orelaterade) förändrats, som du ser det?

6. Något du vill tillägga om hur uppköpet påverkade:

50
- familjen?
- finansiellt?
- de anställda?
- chefer?
- organisationen?
Appendix 2

Below, you can find a table listing the agreeability among the theories. Each aspect brought up by the five theoretical frameworks is listed in the left column. If the theory in each column agrees with the aspect, an X is put in that cell. This gives each aspect a number of X’s between 1 and 5. We call this number the agreeability level. The agreeability level is used to determine what groups of aspect are the most important, hence, have the highest agreeability level among these frameworks.

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Table 1. *Agreeability among family firm theories*. Elin Johansson & Edvin Lindqvist, 2013.

When grouping the 25 aspects we looked to their common denominators and found 9 groups as you can see below.

**Grouping of the aspects (the number within the brackets represents the agreeability level of each aspect):**

1. Continuity & purpose (5), long-term orientation (5), continuity (5), survivability capital (5)
2. Management-stockholder unity (5), greater independence of action (5), less bureaucratic and impersonal (5), personalism (3) Command (3), particularism (2)
3. Personal sacrifice (4), parsimony (4), greater resilience in hard times (4)
4. Employee loyalty (4), community (4), social capital (4), family culture as a source of pride (2)
5. Valuable reputation (3), social sensitivity (2), connection (2)
6. Financial benefits (2), patient financial capital (2)
7. Knowing the business (1)
8. Human capital (1)
9. Governance structure & cost (1)