BOILING THE FROGS SLOWLY - ACQUISITION INTEGRATION AT GEHC

Spring semester 2013
Master thesis, 30 hp
Department of Business Studies
Abstract

The purpose of this paper is to investigate what cultural changes can be observed in an acquired company’s corporate culture in one unit that is integrated in the acquiring company’s routines - but not physically integrated. This research aims to contribute to the understanding of post-acquisition situations in the long-term. To fulfill this purpose, the following questions were to be answered: how do the employees at the acquired (but not physically integrated) company unit experience the corporate culture seven years after the acquisition, and how do they feel knowing their unit will be transferred to the same location as the acquirer company? Answering these questions, an exploratory qualitative case study of GEHC in Uppsala was implemented with fourteen employees interviewed at GEHC Boländerna and the unit in Fyrislund. The results revealed that the culture at the acquired unit today is partly changed and the core values are no longer prominent to the same extent, despite being deliberately maintained by the employees. There is also a partly negative attitude towards the physical integration, as the last parts of the acquired company’s culture will entirely disappear as the employees will be divided into different departments once they move to Boländerna.

Key words: Acquisition, integration process, corporate culture, core values and cultural integration.

Acknowledgement

Firstly, we would like to express our gratitude to our supervisor Lena Zander, for her guidance during this semester. Secondly, we would like to thank all our interviewees. Without their help, this investigation would not be possible. Last but not least, we are very thankful to our seminar group for suggestions to improvements and to Oliver Gee, for proof reading our paper.
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1. Introduction

1.1. Introduction

“They say that if you put a frog into a pot of boiling water, it will leap out right away to escape the danger. But, if you put a frog in a kettle that is filled with water that is cool and pleasant, and then you gradually heat the kettle until it starts boiling, the frog will not become aware of the threat until it is too late. This story is often used as a metaphor for the inability of people to react to significant changes that occur gradually” (The Boiled Frog).

The story begins in 2004, when the American company General Electric (GE) acquired a subsidiary of the British company Amersham, located in Sweden, and became General Electric Health Care Life science (GEHC). The new company was located in Boländerna in Uppsala, Sweden, in Amersham’s old premises. In 2006, GEHC acquired the Swedish company Biacore located in Fyrislund in Uppsala. It was a friendly acquisition, despite some employee opposition towards the acquisition and the integration. Parts of the company were integrated and moved to Boländerna. From the beginning, GEHC wanted to physically integrate Biacore, but encountered problems as the research and development (R&D) unit needs a clean area where the air is pure. It was decided that the R&D unit would not be physically integrated but kept in Fyrislund where it was originally located. Today, seven years later, GEHC decided to physically integrate the R&D unit and move it to Boländerna, where the rest of GEHC in Uppsala is located, despite the difficulties. The saying about the boiling frogs can be related to the Fyrislund unit, as changes have occurred gradually. Furthermore, GEHC in Uppsala has an American history with parts from the British culture that come with the culture of the earlier acquired company Amersham, which, together with Swedish Biacore, has a common history from the Swedish company Pharmacia. In addition, the sizes of the companies are of significant difference. Cultural differences due to diverse nationalities of the companies may affect the integration process, lead to cultural crashes and difficulties in cooperation (Styhre et al., 2006), and differences between firms can unable an efficient integration process (Haspeslagh & Jemison, 1987).

1.2. Research background

In earlier years, investigations about mergers and acquisition (M&A, onwards called acquisition as that is the focus in this paper) achievements and disappointments have focused on the financial and strategic sides, and only lately have started to pay attention to more “soft”
aspects, such as psychological and cultural. The concept organizational culture was included in the acquisition literature in the beginning of the 1980s (Cartwright & Cooper, 1996). Some focused on cultural fit (Cartwright & Cooper, 1993), while others focused on the human and cultural difficulties that occur due to differences in organizational cultures (Buono & Bowdich, 1989; Sales & Mirvis, 1984).

In 2001, Marks and Mirvis tried to understand the managerial performing that differentiates successful from disappointing outcomes, as three out of four acquisitions fail to accomplish their financial and strategic goals. Ten years later, Marks and Mirvis (2011) studied the human factor in acquisitions, describing how it can affect the failure or success rate, and develop key research questions and answers that can help improving acquisition results in both financial and human terms. Several investigators agree that the main reason numerous acquisitions do not bring long-term success is because they require a well-developed cultural integration preparation that is missing (Marks & Mirvis, 2011) or because of cultural differences (Buono & Bowditch 1989; Cartwright & Cooper, 1993; Nahavandi & Malekzadeh, 1988, and Sales & Mirvis, 1984).

Cultural integration and the acculturation process are widely discussed in connection with acquisitions. Elsass and Veiga (1994) wrote that the acculturation procedure occurs when one organization is acquiring another and the two organizational cultures change and combine. Furthermore, Nahavandi and Malekzadeh (1988) argued that the level of accordance between the acquirer and the acquired organizations’ favoured acculturation modes will influence the level of acculturative anxiety. Marks and Mirvis (2011) put forward a framework for how human resources can cooperate with business partners in handling acculturation in acquisition. They first study the connection between cultural distinction and acquisition result, how cultures appear when mixed together, and the reasons and phases of culture conflicts (Marks & Mirvis, 2011).

Organizational restructuring and change may be needed after an acquisition. Barkema and Schijven (2008) argue that “initial integration is inevitably suboptimal and that, as a result, acquisitive growth decreases an acquirer’s performance, eventually forcing it to engage in organizational restructuring to more fully unlock the synergistic potential” (p. 696). According to Haspeslagh and Jemison (1991), major organizational change may be required to merge all the diverse pieces into an integrated network following an acquisition, meaning
that the position of organizational fit extends further than the actual acquisition. Organizational fit might generate synergistic potential that can only happen through successful integration of the acquired company.

Investigations have been done to examine the initial takeover situation, for example by Guerro (2008). He did a quantitative investigation over a five-year period to study how employee responses differ in an acquisition context, and to demonstrate that it is affected by the acquisition context. He compared two firms, one acquired in a friendly way and one acquired in a hostile way. Employee reactions were more optimistic in the company that was acquired in a friendly manner, and more negative in the company that was the target of a hostile acquisition, the result showed. Furthermore, Sales and Mirvis (1984) investigated the cultural development in an earlier family company with a flat management structure after a hostile takeover by a hierarchical company within another industry, during the acquisition and also three years after.

Integration speed is another debated subject in acquisition theory. Schweizer and Patzelt (2012) write that “fast integration has a positive effect on employees’ motivation to stay with the firm, and that the more the leadership style of their supervisor is characterized as relational, contextual, inspirational, supportive, and stewardship based, the stronger this effect of fast integration” (p. 298). On the other hand, Homburg and Burcerius (2006) argue that speed is most favorable when internal relatedness is high at the same time as external relatedness is low. In other situations, slow integration can be more preferable.

How to acquire human knowledge is discussed by Ranft and Lord (2000). They write about acquisitions of high-tech firms and how to keep valuable human knowledge resources that cannot be bought or possessed and explain that the maintaining of specific human assets is vital for the acquirers’ attempt to expand technological capabilities.

1.3. Problem formulation

Employees are normally proud of their company cultures or at least have learned how to work in them. Through acquisition integration, companies with different cultures merge together. What is first observed are the cultural differences between the firms and what makes the owner company culture special, which can lead to cultural difficulties within the new firm if not managed properly (Marks & Mirvis, 2011).
Organizational culture is today widely discussed in the existing post-acquisition literature as a reason for failure. Another discussed topic is different preferred acculturation modes from the acquirer and the acquired companies’ sides. If integration is not possible without organizational change or restructuring, and if the initial takeover situation as well as if the acquired firm’s employees’ perspective on the acquisition matters for the future employee attitudes have also been investigated. If slow or fast integration speed is preferred and in what situations is also discussed as well as how to keep important employee know-how in an acquired high-tech firm. What is not investigated is the long-term perspective of cultural change after an acquisition, and if the cultural difficulties really are a transient phase or if the two merging cultures will develop in opposite directions if not managed properly. The post-acquisition theoretical frameworks that exist today may also be applicable in a long-term aspect, years after an acquisition where management focus has not been directed at cultural integration?

From the existing literature to be found, our research is aiming to investigate how the corporate culture is changing in an acquired company that today is partly physically separated from the rest of the culturally different acquiring company and now, seven years after the acquisition, will be fully transferred and composited with the acquirer. In this case, the acquiring company is GEHC and the acquired company is Biacore.

1.4. Purpose

The purpose of this paper is to investigate what cultural changes can be observed in an acquired company’s corporate culture in a unit that is integrated in the acquiring company’s routines but not physically integrated. This research aims to contribute to the understanding of post-acquisition situations in long-term aspects. This is partly to contribute with something new in the post-acquisition research since the long-term aspect has not received deserved attention, but also for companies that are active in acquisition and are interested in the long-term perspective.

1.5. Research questions

- How do the employees at the acquired but not physically integrated company unit experience/perceive the corporate culture today, seven years after the acquisition?
- How do the employees at the acquired company experience/perceive that their unit will be transferred to the location where the rest of the acquirer company is located?
2. Theory

The following section will contain theory on the cultural integration and cultural differences in post-acquisition situations.

2.1. Post-acquisition integration

The majority of the acquisition research assumes that the aim of an acquisition is a higher performance and to give value to acquiring firm shareholders (Datta, 1991; Lubatkin, 1987; Zollo & Singh, 2004). Hasperslagh and Jemison (1991) argue that acquisitions have a unique chance to transform firms and contribute to the corporate rebirth. The firm can renew its market position at a high speed that would be impossible through internal growth. The firm can get access to capabilities that it would find tricky to develop on its own and it can leverage the current capabilities into higher positions. Despite this, the meta-analysis indicates that this is not the case; in fact on average the acquisitions fail the initial mission (King et al., 2004). Hasperslagh and Jemison (1991) wrote that integrating two companies after an acquisition is an emotional procedure, but critical for success.

There are four phases that can describe the integration process. The first one is the pre-acquisition phase, in which “the historic influence” such as facts and rumours influence how the two firms perceive each other. For future success, psychological preparation is of importance. The second one is the contact phase, where the employees at the acquired firm first feel shocked and disappointed, and then experiencing feelings of injustice, anger and anxiety. This effect on the employees may lead to unexpected problems. The third phase is the conflict phase and changes that can be perceived as threatening are occurring in the acquired firm. Survival is the main concern of the acquired firm and a “we-they” approach may be adopted, which can increase the conflict. The reactions at the acquired firm can be described by different temporary “acculturation modes”. The fourth and last phase is the adaptation phase, where the situation is becoming more stable and the conflicts and cultural changes are decreasing (Zander & Lerpold, 2003).

After concluding the acquisition, the integration process begins and carries on until the acquired firm is integrated to the preferred cooperation level by the acquiring company. There are some major objectives during an integration progression; the first one is to complete analytical activities that were not completed before the acquisition, the second one is to implement actions to physically integrate the target, and the third and last one is to rebuild the company into a stronger, more competitive organization that can attain strategic and financial
goals (Schweiger & Lippert, 2005). Physical distance can be explained as two areas being divided by geographic distance (Magnusson & Boyle, 2009). Several authors are investigating physical distance and its impact on the organizational performance and the focus in these investigations are physical distance across borders (O'Grady & Lane, 1996; Evans & Mavondo, 2002, and Ghemawat, 2001). High physical distance can lead to difficulties and limit the communication efficiency, especially in an international relationship (Rosenbloom & Larsen, 2003). Cultural, economic, and legal environments differentiate ways of performing business (Rosenbloom & Larsen, 2003; Klein & Roth 1990). Furthermore, Harris and Brewster (1999) discussed the coffee machine system, which is possible in small physical distance situations and means that employees or managers talk to each other by the coffee machine and discuss business ideas. Furthermore, Pettinger (2005) wrote that social connections and relations between colleagues generate a “team identity” for employees that decrease employee turnover. This team identity also creates an atmosphere which affects the customers, as “being sociable with colleagues demonstrates workers’ ability to be sociable with customers” (p. 39).

2.2. Integration speed

Normally it is argued that fast integration after an acquisition is preferable as it diminishes uncertainty among employees at both the acquiring and the acquired firm. Therefore, fast integration decreases employee turnover and has a positive effect on employee commitment and motivation to stay with the company (Schweizer & Patzelt, 2012). On the other hand, Homburg and Bocerius (2006) argue that slow integration can be more appropriate in some situations and refer to social identification. Employees will compare their new group to their earlier co-workers, prior to the acquisition, and if the new group seems different, they will prefer to stay in their old group, meaning the new group will not be easily developed. In those situations, longer time of preparation in form of mutual studying and trust building may be needed (Homburg & Bucerius 2006). Furthermore, Schweizer and Patzelt (2012) wrote that development of trust in the new organization and in its management can be a time consuming task. Also, in adaptation to the new organizational culture, new rules and norms may be hard to understand during fast integration processes.

2.3. The connection between national culture and corporate culture

Culture is “a pattern of basic assumptions - invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration - that has worked well enough to be considered valid and, therefore, to be taught to new
members as the correct way to perceive, think, and feel in relation to those problems” (Schein, 1985, p. 9). Cultures in organizations are about the way members make sense of their experiences in the organization, the way they define and interpret the situations they are in, in order to be able to act in a meaningful way (Bijlsma-Frankema, 2001). Many beliefs and behaviors of individuals in organizations (or countries) are a result of their culture or collective programming of their minds (Hofstede, 1980).

National culture and corporate culture are often said to be connected. One of the most known models to explain the connection between the two cultures is the onion model. The “onion” layers in the onion model indicate the cultural levels and assume that the cultural integration occurs at every level. This means that the national culture will have an effect on the corporate culture (Nummela, 2004). The national culture is reflected in the individuals, their ordinary life and the common activities (ibid.). Hofstede (1983) has researched how culture can vary among the nations. Consequently he came up with the four cultural dimensions used to measure and understands the cultural distances between the country borders. Later on, this measurement system by Hofstede will be explained further.

The organizational level is the next level in the onion model. This level represents the organization culture. The strength of the organizational culture lies in the degree of homogeneity in the beliefs and perceptions of the members (Schneider et al., 2002). The culture of the organization has brewed for a very long time, and is deeply engraved in the members of the organization. Every corporate culture has individual characteristics and is very mirrored by the national culture (Nummela, 2004). Schein (1989) stresses that when we study organizations we have to use our access to historical data. Meaning that the answers to how organizations look today can be described by looking at their history, that is, where were they founded and who were the former leaders.

2.4. Culture differences from national level

National culture is likely to shape values and beliefs of the individuals. It becomes obvious that the national culture will affect the corporate cultures since organizations are built up by individuals. Hofstede came up with the method of measuring the cultural distance. In his study he used four cultural dimensions to explain the cultures of approximately 70 countries (Nummela, 2004).
The first cultural dimension is “individualism and collectivism dimension”. This dimension indicates what the relationship between individuals and their associates in the society looks like (Hofstede, 1983). Cultures that score high on the individualism scale most commonly put themselves before the group. Conversely, cultures that score high on the collectivistic scale will focus on the interest of the group first (Hofstede, 1983).

The second dimension deals with the “power distance dimension”. This dimension describes the equality among individuals within numerous levels of power and status. If the power distance is high, then the power equality will be low among individuals and will be concentrated among a few people high up in the hierarchy. The opposite goes for cultures with low power distance, where the equality among individuals will be high. In such cultures, in contrast to high power distance, the subordinates can question the decisions and power by the higher authorities (Hofstede, 1983).

The next dimension is “femininity and masculinity dimension” and refers to the mindsets of the individuals by the distribution of emotional roles between the genders. The cultures that score high on the masculinity scale are associated with competitiveness, materialism, ambition and power. The opposite goes for culture that scores high on feminism scale, in this case the focus lies more in building relationships and the quality of life rather than financial and career rewards (Hofstede, 1983).

The last dimension explains the “high/low uncertainty avoidance dimension”. Individuals who come from high uncertainty avoidance will feel more anxiety and panic when dealing with organizational reconstructions and similar situations where the outcome is not known and can have a negative impact on the future. Laws, rules and regulations are set up in order to avoid the uncertainty (Ferraro, 2002; Hofstede, 1983; McSweeney, 2002). The low uncertainty avoidance cultures have a different attitude towards uncertainty. Changes, for better or worse, do not threaten the individuals in those cultures; accordingly these individuals are most likely not driven by rules and loyalty (Ferraro, 2002; Hofstede, 1983; McSweeney, 2002).

2.5. Organizational fit

An important issue in a post-acquisition situation is how well companies fit hand in hand and can be merged after an acquisition is identified as an “organizational fit”. Particularly significant is the management approach (Datta, 1991). Efficient integration can be difficult to achieve as differences between firms (Hasespilagh & Jemison, 1987) and cultural differences
between firms occur due to differences in national culture (Hofstede, 1983). Styhre, et al., (2006) investigate cultural difficulties that can occur between Anglo-American and Scandinavian cultures, based on Hofstede’s (1983) cultural dimensions. Styhre et al. (2006) write that Scandinavians favour collectivism, cooperative decision making, and casual relations, while Anglo-American culture gives emphasis to hierarchy, transparency in decision making, incentives for individuals, and reward systems. Typical British and American work life is defined by being formal, with a hierarchical organization structure, and favouring competition, while Swedish culture is more likely to favour egalitarian, informal and non-hierarchical ways. Cooperation between these cultures implies a degree of anxiety due to difficulties joining the cultures to a homogeneous Scandinavian tradition (Styhre et al., 2006).

Sales and Mirvis (1984) write about the cultural difficulties that may occur between a minor flat- and a large hierarchical company after an acquisition. In their investigation, the organizational differences resulted in ethnocentrism and pride of their management philosophy, where the employees at the acquired firm became unwilling and unable to see things from the acquiring firm’s perspective. At the smaller firm, the strong people-orientation and family feeling was highly valued, the management style was open and employees could go to the real source if in need of information, not needing to go through hierarchies. Decision-making took time and alternatives were considered. The acquiring firm was more profit-oriented and described as political. Decisions were taken by the head of a division; right answers existed and were handed down in the hierarchy. The acquired company adapted acquiring firm’s ways of doing business and reporting, even if the employees felt that they spent too much time doing paperwork, as opposed to running their operation.

2.6. Corporate culture and historic influence

Organizational culture “encompasses the way things get done in an organization. It represents the shared goals, norms, and ideologies held by a given organization and its members and includes the set of important, often unstated assumptions, beliefs, and values that guide an organization’s business practices” (Marks & Mirvis, 2011, p. 861).

One of the strongest methods for leaders to navigate teams and inspire their progress is by using a solid understanding of the past. This approach can lend a sense of identity to the group, while helping the leaders use lessons from the past as explanatory tools to give
perspective, hurdle challenges, and solve problems. Leaders must find nuggets of useful information from the organization’s past in order to shape their culture. When it comes to the process of decision making, everyone involved is a historian (Seaman & Smith, 2012).

2.7. Core values

Core values can be classified by terms such as loyalty, justice, honesty, respect, integrity and trust (Dahlgaard-Park, 2012). Morris et al. (2002) argue that unless an organization’s ethical thinking is being reflected by the organizational core values, the firm will not easily offer a proper environment for employees. Values can be explained as an instrument to meet challenges, to arrange institutions in order to affect behaviour (van Marrewijk, 2004) and to attain company goals as well as promote employee accomplishment of personal objectives (Ferguson & Milliman, 2008). Core values are accountable for setting up the basic policies for definition of relationships and strategies among a variety of groups (Duh et al. 2010) and work as a guide for solutions to ethical problems in employees’ daily lives (Morris et al., 2002). Researchers argue that values impact organizations, for example; guiding organizational decision making and offering a framework for integration attempts, motivating and inspire employees in connection with the organizational vision, and providing moral guidance (Ferguson & Milliman, 2008).

2.8. Acculturation

When two autonomous cultures meet, the culture in one or both groups must be changed, and this is known as acculturation (Berry, 2005). Berry (2005) argues that “these cultural and psychological changes come about through a long-term process, sometimes taking years, sometimes generations, and sometimes centuries. Acculturation is a process of cultural and psychological changes that involve various forms of mutual accommodation, leading to some longer-term psychological and sociocultural adaptations…” (p. 699). Culture shock, on the other hand, can result from when buyers and acquired companies favour different acculturations forms during acquisition. Negativity, stress, and conflicts may arise when this occurs, compared to something of a smoother transition when the two agree (Nahavandi & Malekzadeh, 1993).

There are many types of acculturation during an acquisition (Marks & Mirvis, 2011). Zander and Lerpold (2003) claim that there are three prominent types of acculturation after an acquisition: cultural assimilation, transformation, and separation. The assimilation often revolves around a stronger company buying a weaker one, thereby absorbing them without
problem (Zander & Lerpold, 2003; Marks & Mirvis, 2011; Nahavandi & Malekzadeh, 1988; Elsass & Veiga, 1994; Marks & Mirvis, 2011). Cultural transformation sees neither company willing to shed their own culture, often working to incorporate key elements of each company’s culture to make something of a mixed bag – thereby appeasing both parties. This is often a result of a successful beginning of the integration process and a positive historic influence (Zander & Lerpold, 2003; Marks & Mirvis, 2011; Nahavandi & Malekzadeh, 1988; Elsass & Veiga, 1994; Marks & Mirvis, 2011). Thirdly, the cultural separation sees an acquired firm refusing to co-operate or budge when it comes to their own culture which they highly value, a situation often based on a negative historic influence (Zander & Lerpold, 2003; Nahavandi & Malekzadeh, 1988; Elsass & Veiga, 1994).

2.9. Cultural integration

The process of acquisition, more often than not, results in failure. This can be chalked up as a result of acquisitions typically focusing on financial conditions rather than questions of personalities and cultures (Gilkey, 1991). While certain acquisitions may look like the perfect fit on paper, clashing cultures can mean that imbalances occur, and employees of an acquired firm must endure the pressing of the buying firm’s culture no matter what (Bijlsma-Frankema, 2001). Typically the acquisition affects the employees at the acquired firm in a deeper way than the employees at the acquirer firm, as the acquirer transfers its culture into the acquired company and shifts take place in systems and in the culture (Marks & Mirvis, 2001). These sudden shifts in environment and culture can have strong impacts on staff members, often resulting in lost staff, unforeseen retirements, or rifts among frustrated employees. Furthermore, a team that’s not pulling in the same direction on a culture front is likely to be less engaged, less productive, and disloyal to the company and its brand (Buono & Bowdich, 1989). Turnover can soar during such periods (Walsh, 1988), particularly hard hit are senior managers (Hambrick & Cannella, 1993), who can feel that they have lost their grip on the controls and can find themselves facing the ”conquering army syndrome“, which Datta and Grant (1990) explain as a feeling of helplessness, distrust, and even hostility.

While cultural change is no fast-moving occurrence, company success often depends on it and so the concept is should be highly valued (Buono and Bowdich, 1989). When it doesn’t function, or when it is ignored, employee/employer relations can suffer – often resulting in negative consequences for the company, its productivity, and its future (Schein, 1989). Productivity losses can be a result of an acquisition, when two different subcultures have to
work together, and when top management fail to implement changes in structure and culture required making the new firm successful in its environment (Bijlsma-Frankema, 2001). Setting is a key to improving or even enforcing a smooth transition of cultures during an acquisition. Behavioural change among employees is a later step, only to be pushed for when the workers properly value the company, and have a strong communication with managers (Buono & Bowdich, 1989). If these potential problems are ignored, or if an acquisition is rushed, then companies are at a risk of finding themselves trapped in a somewhat hopeless divide of “them and us” – where a kind of segregation has sometimes permanently driven a wedge between the two groups. It takes firm and proper management to make such sentiments vanish, sentiments which are often based on cultural pride which are hard if not impossible to shake, particularly if left to fester. They can lead to confrontations within the company, and worse, to decreased performance and output from the company itself (March & Olson, 1975; Gagliardi, 1986).

2.10. Social identity theory and stress theory

In the act of an acquisition, variables come into play, such as motivation and trust, but also social identity theory, and stress theory. Identity is a critical aspect of this, as employees who perhaps once found themselves mirrored by their company’s identity may no longer feel this is the case (Larsson & Lubatkin, 2001). A social identity can be identified as “that part of an individual’s self-concept which derives from his knowledge of his membership of a social group together with the value and emotional significance attached to that membership” (Tajfel, 1978, p. 68). Cultural adaptations can mean that workers lose that identity feeling during the process of being acquired. Change within the company can often lead to employees deciding to stick with their own identity, thereby creating rifts or even their leaving of the company. The acquiring firm has its work cut out for it in the process of acculturation, especially considering the sometimes fragile nature of people and their concept of social identity (Van Knippenberg et al., 2006; Guerrero, 2008). Acquisitions do not often take place between parties of equal power (Ashford, 1988), therefore stressful situations may appear and that can be connected to stress theory. The employees feeling of stress and insecurity are depending on the level of threat in the situation and the risk for job cuts etcetera (Cartwright and Cooper, 1993; Guerrero, 2008).

2.11. Integrating R&D and high tech units

The spread of integration, like many aspects of acquisition, is not carried out to the same degree across the board. R&D, for example, is a different beast when it comes to integrations,
particularly with management keen to keep an eye on the possibility for creative chaos. Too many chops and changes can be detrimental to this, especially with acquiring firms keen to keep costs low and efficiency high (von Zedtwitz et al., 2004). Bower (2001) argues that the organic nature of biotech means it is difficult to integrate in the first place. Disruptions can occur in the pursuit of clean acquisitions, especially toward the strongly ingrained habits of scientists and engineers (Nerkar & Paruchuri, 2005). These disruptions can be anything as simple as the presence of new colleagues, to as concrete as new locations, but even through the fact that the company has been changed (Buono & Bowditch, 1989). Organizational autonomy needs to be preserved and even prioritized if the innovative capabilities of fine minds are to be maintained (Ranft & Lord, 2002; Schweizer, 2005).
3. Methodology

The following section will contain documentation for how the research is designed, how empirical data was obtained, reasons behind literature choices, and method criticism.

3.1. Research design

The classification of the research purpose is exploratory, as this paper aims to seek new insights and to assess the phenomena of long-term post-acquisition in a new light. In exploratory research, the exact character of the problem is uncertain (Saunders et al., 2009). Several times during the process of writing this paper, the direction was changed as new information appeared.

The research type of this paper is a mixture of inductive and deductive approach. Inductive reasoning is moving from specific observations to broader generalizations and theories, while deductive reasoning works the other way, from the more general to the more specific (Blaikie, 2000). The interview questions were created from theory regarding the cultural integration, cultural differences, corporate culture and core values, as these was the main areas of the investigation, and this can be seen as a deductive approach. After the interviews, the theory section was changed and rephrased to suit the interviewees’ answers and to contribute to the analysis, as in an inductive approach.

This research will be carried out as a qualitative case study of GEHC in Uppsala. A case study is used to get a deep understanding by an empirical investigation of a particular phenomenon. The research is implemented in a real life context, based on multiple sources of evidence. A single case, as we will use, may be chosen because it is characteristic or because it offers an opportunity to observe and analyze a phenomenon that not many have investigated before (Saunders et al., 2009). In a case study, multiple sources of data are often used, for example in form of documentation, archival records, interviews, and observations (Baxter & Jack, 2008). Interviews and observation are appropriate ways to collect information in a qualitative study, as the aim is to understand behaviour, values, and attitudes of people (Lundahl & Skärvad, 1999). This paper is based on a multi-method qualitative study, where more than one collection technique is used with associated analysis technique (Saunders et al., 2009). Interviews and company documentation in form of company song lyrics and an acquisition map from GEHC are used as qualitative data, and the data is analyzed in a non-numerical way.
The time horizon of this research is one snapshot showing how the acquired unit looks today in case of corporate culture, but flashbacks from the time of the integration will be included to describe why the corporate culture looks as it does. A “snapshot” taken at a particular time is called cross-sectional and can be used for qualitative methods. Many case studies are based on interviews conducted over a short period of time (Saunders et al., 2009). The interviews were conducted in a semi-structured way, which means that the questions were adjusted to the flow of the interview and questions could be added during the interview (ibid.). The interviews were ended with unstructured questions to give the interviewees an opportunity to talk freely about the topic area, to make the interviewees explain and develop their answers.

The analysis will be built from the theory, and there will be a comparison and discussion around the connections between the theory part and the empirics, to reach insight into a long-term post-acquisition situation. The analysis will be built from different main subjects; the culture of Biacore, the culture of the Fyrislund unit today, the unwillingness to change and the reasons behind this resistance, where the upcoming physical integration is also taken into account. These areas are discussed to find answers to the research questions and to contribute to theory.

3.2. Data collection

The biotechnological and pharmaceutical industry was chosen for this investigation as it is an industry growing through acquisitions and is recognized by rapid innovation, high technological complexity, and very specialized skills and know-how. The fast speed and the great magnitude of the evolution in technology can deprive firms from developing their own technologies and capabilities to keep up with the competitors and remain fierce in the competitive industry (Schweizer, 2005). Acquisitions are one of the most dramatic moves that reflect the strategy at the business level. The corporations that perform the acquisitions can instantly gain access to desirable technologies, products, distribution channels and anticipated market position (Auster & Sirower, 2002). Motivations for acquisitions on the managerial level included both horizontal and vertical integration, gaining market power, geographic expansion, efficiency gains, sharing the resources and last but not least the diversification (Schweizer, 2005).

The company GEHC in Uppsala was chosen for this investigation because it is a company within the pharmaceutical industry that is growing mostly through acquisitions which gives different possible acquisitions and acquired companies to explore. One advantage to
investigating GEHC in Uppsala is that the company is located within close distance from Uppsala University. The reason behind investigating Biacore as the acquired company is because it gives a chance to look into a post-acquisition situation in a long-term aspect where the integration process is still partly active in a specific unit several years after the acquisition.

People at various positions within the company will be contacted to get diverse points of view in order to get a varied account on the current company culture. People will also be interviewed at both GEHC in Boländerna and in Fyrislund, to get different perspectives of the acquisition and integration process, even though this paper is written from the perspective of the employees in Fyrislund. Employees relevant to the investigation are defined as those who can give us a closer insight to how they have perceived the changes in the corporate culture of the acquired firm and how the culture in Fyrislund is perceived today. However, the interviews at Fyrislund were focused on the culture there today and the upcoming physical integration, while the interviews in Boländerna were focused more on the history of the company and the acquisitions. Furthermore, when we are writing about Biacore, we are referring to the culture and ways of the company that no longer exist, and when we are writing about the Fyrislund unit, we are referring to the culture of the unit today.

To find our interviewees we used snowball selection, which means that we found our interviewees through contact with other employees, who in their turn contacted or recommended other employees they thought had sufficient information for our investigation, and so on. Hence the developing “snowball” effect (Noy, 2008). The “snowball” selection started with Malin Sjöberg, the finance manager at GEHC in Boländerna (See Table 1.), who was contacted after holding a lecture about post-acquisition integration at GEHC at Uppsala University. She recommended other employees to speak with at Boländerna and in Fyrislund. Other interviewees were found through professional networking site LinkedIn and then contacted by email, and those employees in their turn recommended other employees to contact. Peter Ehrenheim, the former CEO of GEHC life sciences, was found through articles written about him in newspapers, and he was contacted by email where he was asked to participate in an interview to which he responded positively. He also recommended that we contact Erik Walldén, the former CEO of Biacore.
Interviews were conducted at GEHC in Boländerna and at GEHC in Fyrislund.

Research sample:

| Interviewees at GEHC Boländerna - All employed at GEHC since before acquisition of Biacore |
|-----------------------------------------------|------------------------------------------|------------------|
| Name             | Position                                      | Earlier employed at |
| Malin Sjöberg    | Finance Manager, Project Harmony             | Biacore           |
| Anonymous        | Administrator (also worked in Fyrislund after acquisition) | Biacore           |
| Peter Ehrenheim  | Global Manager, GEHC Life Sciences, until 2011 | Amersham         |
| Karsten Fjärstedt| Commercial Strategy Leader                   | Amersham         |
| Anonymous        | Manager Assistant                             | Amersham         |

| Interviewees at GEHC Fyrislund, earlier employees at Biacore |
|-----------------------------------------------|------------------|
| Name             | Position                                      | Employed         |
| Anders Fält      | Manager of research products                   | 1994 – present   |
| Helena Vesterberg| Project leader                                  | 2000 – present   |
| Anders Karlsson  | Project leader                                  | 1994 – present   |
| Stefan Lofas     | Engineer                                       | 1990 – present   |
| Ola Sjölander    | Engineer                                       | 1992 – present   |
| Anita Larsson    | Engineer                                       | 1987 – present   |
| Anonymous        | Engineer                                       | X – present      |
| Anonymous        | Engineer                                       | X – present      |

Table 1. Interviewees.

All but two interviews were conducted as face-to-face discussions at the interviewees’ offices in Boländerna and in Fyrislund. The interview with Ehrenheim was conducted as a telephone interview and one of the anonymous interviewees from the Fyrislund unit answered the questions in writing as that was their requirement to be interviewed. The interview questions were sent to our supervisor before the interviews, and we slightly changed and clarified the questions after the first interviews. Each interview took about 30-60 minutes depending on how long the interviewees had agreed to participate. All interviews were recorded.

Before performing the interviews, it was problematic getting in contact with potential interviewees. Converse to our expectations, it was easier to find employees in managerial positions who were willing to take part in this investigation than those who were not in managerial positions, some of whom asked for a confidentially agreement and indicated that they were not sure what they were allowed to talk about. Other employees, both in managerial and non-managerial positions, denied the request to participate because of time constraints.
Secondary data was a useful source to answer the research question. Literature was used mainly from the key areas; acquisition, cultural integration, national culture, and corporate culture. As there is already a lot of existing literature in these areas, we primarily used articles written by known authors in order to increase the credibility. In the theory section, literature about cross-border acquisitions is used. The acquisition of Biacore was not in particular a cross-border acquisition as GEHC already existed in Sweden and increased its business, but as Biacore needed some local requirements due to their local customer network, literature about cross-border acquisition can be usable. Newspaper articles from “Ny Teknik” and “Pharma Industry” together with the official GEHC website and company documentation were used in the creation of the case and in the empirics. These sources created a sufficient background to the case of GEHC. The introduction and the case were also sent to the former CEO of Biacore, Erik Walldén, for a control of the facts.

3.3. Research credibility

In order to create credibility and to decrease the risk of getting the answers wrong, particular attention was paid to reliability and validity. Reliability is about how well the collection and analysis technique will lead to dependable findings (Saunders et al., 2009). The limitations of this study could be biased answers given by the interviewee. Given this, the employees could have provided answers that they thought were expected. Furthermore, given the fact that the interviewees are currently employed by the firm in question there is a possibility that their answers will portray the firm in a favourable light. The risk for receiving biased answers will question the trustworthiness of the research, and to decrease this risk, the interviewees have the choice of being anonymous. Another threat is that employees’ memory can fail as the acquisitions took place several years ago.

For populations that are difficult to reach, as in our case, snowball sampling can be a possibility (Saunders et al., 2009). To increase the reliability and decrease the risk for homogeneous sample which is an underlying cause for bias in snowball selection (Saunders et al., 2009), we started the “snowball” selection from several directions. Furthermore, the same interviewer was always asking the same questions to make sure that the questions were asked in the same way. We both listened actively to all the interviews to see that the answers were perceived in the same way and cooperated to ask complementary questions.

The reliability can also be questioned as we are investigating the company core values. Core values can be more Public Relation objectives than something that the companies are actually
using as guidelines. Because of this, we asked the interviewees about the company’s core values, but also about the values that they are experiencing in their daily work. Furthermore, core values are not always stated, or the respondents might not remember the stated values of the companies. In these cases we also investigated the perceived core values by the employees.

Validity is about if the findings really are about what they are supposed to be. One way to increase validity is, as mentioned earlier, to not only interview top managers as this may present the situation in a favourable light.

3.4. Research ethics

The general ethical matter is that the research design should not expose those we are researching (the research population) to embarrassment, harm, or any other difficulties (Saunders et al., 2009). One of the employees explained that the employees at GEHC were not encouraged to express any negative feelings towards the company. All interviewees have voluntarily agreed to answer our questions and know that this is a paper that will be accessible online. We asked all our interviewees after the interviews if we could use their names in our paper and those who refused have been written in as “anonymous”, with no more than their job title as description. Furthermore, after the interviews, we found that some of the answers and results could be perceived as offensive or sensitive, and the discussion of if it would be ethical to use the interviewees’ real names was raised. As most of the interviewees agreed on using their full names in the paper, we decided to go ahead and use the names as planned.

3.5. Method criticism

Qualitative studies can be criticized and one of the reasons is that errors can occur in the sample selection. There is a risk that the wrong people are interviewed and that the wrong questions are asked. In an interview implemented like a conversation, it is easy to use body language, for example, or indications to control the interviewee in a certain direction (Svenning, 1999). The capability to investigate and understand the situation in a case study is limited by the numbers of, in this case, interviewees from which data can be collected (Saunders et al., 2009). When not interviewing all employees at a company, as in this case, it is difficult to know how this will affect the result as it is not possible to more than assume that their answers would have been the same as the interviewees’ answers. When we refer to the employees in the case or in the analysis, we refer to the interviewed employees, and when we
are referring to the employees’ perspectives in the research questions, we also refer to the interviewed managers as they are also employees.

The interviews were held in Swedish as that is the mother tongue of our respondents. We wanted the conversation to be as natural as possible and we wanted the respondents to be familiar with the terms we were using. Our translation might decrease the reliability of the paper as some words are not directly translatable and have another meaning or strength in English or Swedish.

Our interview with Peter Ehrenheim was carried out on the telephone, an interview method that has been criticized, as this is not optimal. Telephone interviews can be shallow, and this is one reason why they are not used very much in academic studies (Svenning, 1999). In telephone interviews, it can be especially difficult to read body language and facial expressions, for example.

3.6. Theory criticism

Criticism has been directed towards Hofstede's (1991) four-dimensional model, by McSweeney (2002) among others. McSweeney argues that the model homogenizes entire populations instead of taking the heterogeneity of each nation into account. McSweeney also states that Hofstede made his assumptions based on employees at a single company, and that these employees cannot possibly represent an entire nation. Hofstede’s study was made at IBM's subsidiaries around the world and because of that it has been discussed if the cultural dimensions really only apply on differences in corporate cultures and not on national cultures (McSweeney, 2002).

Onwards, theories of acculturation have developed over the years, which posit various acculturative outcomes. Ngo (2008) criticizes this development and suggests that “the interchangeable use of the terms assimilation and acculturation in many acculturation theories also points to the persistent melting pot discourse. Furthermore, many acculturation theorists have not explicitly reflected upon their ontological and epistemological orientations and biographies, and how these impact their work” (p.1).

Furthermore, Marks and Mirvis (2011) argue that there are many insights in the area of “organizational change management” literature, but that most of them, including their article, are building upon Lewin’s (1947) classic model about group dynamics, without bringing contradictions.
Harris and Brewster (1999) write about the “the coffee-machine system”, and discuss how international selection of expatriates really works. They argue that a typical situation for finding appropriate expatriates is spontaneous discussions between employees by the coffee machine. This paper has no focus on international selection, but we still refer to “the coffee machine system” as we argue that similar situations may occur in various businesses.
4. The case of GEHC Uppsala

The following section will contain the findings from the semi-structured interviews, as well as a brief overview of the history of GEHC.

4.1. General Electric and General Electric Health Care

General Electric’s Health Care Life Science has a long history. In fact, Malin Sjöberg, the finance manager, is even more succinct in tracing the company’s past: “The history of GE began when the light bulb was invented by Thomas Edison in 1876”, she says. When Edison finally released his prototype for an incandescent lamp almost 150 years ago, it was indeed the birth of more than just a light bulb. The discovery led to him starting a company of his own, GE, a decade or so later. From there, the company spawned a global range of technology, financial services, media, and even health care. GE boasts seemingly anything and everything from medical training services and aircraft engines to security technology and power generation. The company employs over 300,000 staff members across the world to make it all possible (Thomas Edison @ GE, 2013). One of GE’s larger subdivisions is the Health Care (HC) unit, which is headquartered in Buckinghamshire in the UK and is worth $14 billion. The unit is among the world’s biggest players when it comes to both healthcare and biotechnical fields, and employs over 47,000 people in more than 100 countries (GE Life Science, 2013).

4.2. How GE Health Life Sciences Came About

The General Electric Health Care’s Life Sciences unit generates around 10 percent of the total GEHC revenues (Dineen, 2010) and looks more specifically into areas such as the ground level research into cells, proteins, drug discovery, and the tools to support the production of pharmaceuticals (GE Healthcare Life Sciences, 2013). The Uppsala unit’s history stretches back to Pharmacia, a pharmaceutical and biotechnological company founded just over 100 years ago in Stockholm. Pharmacia’s breakthrough was thanks to dextran-based products that were instrumental in functioning as a replacement for blood plasma blood transfusions. These products put Pharmacia on the map in terms of expansion possibilities. By the turn of the half century in 1951, Pharmacia took on new territory and moved north to Uppsala in the hopes of bridging the physical gap between the company and its researchers (Östberg, 2003).

The biotechnology subdivision of Pharmacia, called Pharmacia Biotech, joined forces with Amersham Life Science in 1997 and changed its name to Amersham Pharmacia Biotech, and later just Amersham Biotech. By 2001, the company saw another minor name change and
became Amersham Biosciences, keeping the work running on the old stomping grounds of Pharmacia at Boländerna, in eastern Uppsala. It has now become the city’s largest private employee. Amersham started in the UK in 1946 for the development and manufacture of radioactive isotope tracers and specialized in radioactive materials to be used in medicine, scientific research and industry. Their leading work revolved around radioactive isotope tracers, prompting massive leads into molecular biology and ultimately DNA sequences (Amersham, 2013).

GEHC Life Sciences was born when GE acquired Amersham Biosciences in 2004 for $10 billion, with the CEO of Amersham, William Castell, named CEO for the new company (We are GE Nordic Region, 2011). The 10 billion dollar affair was carried in order for GE to acquire a safe extension into a new business that was not affected by the economic cycles, Boländerna’s Commercial Strategy Leader Karsten Fjärstedt explains. After GE took on Amersham, the new company shifted its focus toward health care. Finance Manager Malin Sjöberg adds that GE was looking to broaden its business and that Amersham was doing very well in medical technology.

4.3. The culture of Amersham

Amersham, with its origins in the UK, had a business culture that has even been likened to the British Empire itself, at least according Boländerna’s Commercial Strategy Leader Karsten Fjärstedt. He says that the long decision-making times and the lack of delegation down the line summed up the culture in Amersham. Furthermore, ever since the company merged with Pharmacia in 1997, some interviewees believe that there are some traces of a flatter and more entrepreneurial culture that comes from Pharmacia.

4.4. GEHC acquires Biacore

Biacore was initially known as Pharmacia Biosensor back in 1984 and was a fully-owned subsidiary of Pharmacia with approximately 100 employees in year 1989, explains Erik Walldén, the former CEO of Biacore. Five years into its existence, the company launched its first instrument. The company has turned a profit every year since 1994. Biacore’s reputation was made and fortified by its claim as a global leader when it came to measuring molecular binding reactions (History, 2013).

Pfizer, a multinational pharmaceutical business that joined forces with Pharmacia in 2003, (Pfizer and Pharmacia Merger, 2013) was the major shareholder in Biacore and, finally in 2006, sold all the 41.0 percent shares in Biacore to GE Healthcare (See Figure. 1) (History,
2013). Former Biacore CEO Erik Walldén explained the move in the following manner: “By combining Biacore, a global leader in protein interaction, with GE’s wide product-offering it is possible to accomplish more significant solutions in the community of life science.” He also added that Biacore would benefit from the wide resource base that GE would have to offer, and as a result would grow and expand further (Statement of the Board of Directors of Biacore International AB in relation to the public cash offer for the shares of Biacore International AB, 2006).

![Diagram of company history]

**Figure 1. The history of the companies.**

4.5. Acquisition of Biacore - from the perspective of the interviewees

Malin Sjöberg, the finance project manager in Boländerna, said that GEHC is always hungry to acquire new business and in 2006, the company was once again browsing for new opportunities. Boländerna’s Commercial Strategy Leader Karsten Fjärstedt adds that this time they were looking for either something in line with their current business or a rather game-changing plan that would open up new markets and provide new opportunities. Consequently in 2006 GEHC acquired Biacore, for 3.2 billion Swedish kronor (Engelmark, 2006).

According to Fjärstedt, GEHC’s management believed that Biacore was a company that would be easy to integrate because of the knowledge GEHC already possessed in the business of Biacore. He added that the management of GEHC saw the possibility to further develop Biacore and make it grow using GEHC’s considerable resources. Anders Karlsson, a project manager at GEHC in Fyrislund, believed the acquisition would provide more continuity for a small company since Biacore was publicly listed and was accordingly dictated by the conditions on the market. He believed that GEHC could add security for Biacore, since they
were very dependent on the success of the developed products, as the company was not diversified into several businesses.

According to Fjärstedt, the commercial strategy leader, as a life science products company, Biacore appeared to be a perfect business for GEHC to acquire. Biacore was running a successful business boasting cutting-edge technology. He also believes the common history between GEHC and Biacore played a small part of the acquisition. He claims the common history stems from the time before Pharmacia merged together with Amersham before GEHC acquired Amersham. Sjöberg, the finance manager in Boländerna, believes that Biacore was a very attractive company to GEHC because of its high margins. The former CEO of Biacore, Erik Walldén, adds that GEHC needed to grow, and saw Biacore for what it was - a successful company with a steady growth.

4.6. Integration of Biacore

When it comes to integration of Biacore, the interviewees expressed different opinions. The integration speed is what differs the most in their answers. The answers depend on where in the organization the interviewees have most experience. Fjärstedt, the commercial strategy leader, claims it took longer than two years to integrate Biacore while Finance Manager Malin Sjöberg believed it was integrated quickly (barely a year, she claims) in comparison to other firms that GEHC had previously acquired. She explains that the payment occurred in August of 2006 and by April 2007 they were already functionalized, meaning that the finance and sales organization were integrated. According to Sjöberg, the different opinions come down to varying experiences and positions held by her colleagues during the integration.

Sjöberg herself worked previously at Biacore and was quickly thrown into GEHC after the acquisition and started working with both the integration of Biacore and later as a finance manager. She explains that she was quickly forced into the GEHC culture since she was working so closely with the integration team. However, the R&D unit of Biacore was integrated much slower than the rest of the units, she adds. She says that it is very common to leave that unit aside during integration because of feeling the need to give workers there the space to carry on and continue developing their projects. The other units like supply chain, service organizations, and the support functions such as finance, legal and IT were moved fast and integrated very quickly, Sjöberg explains. Fjärstedt, on the other hand, refers to the R&D unit of Biacore. There, he claims the integration was slow and still remains incomplete. With
his in-depth experience in the R&D unit, he explains that the distant location of the unit meant the process was slower.

Sjöberg explains that the goal from the beginning was to physically integrate R&D too, but the more knowledge GE acquired about the R&D production site in Fyrislund (approximately two kilometres from Boländerna), the more they understood that they could not move the unit due to the cleanliness of the air in the “clean rooms” that was hard to accomplish on the production site in Boländerna. Sjöberg explains that it resulted in approximately 100 employees staying in Fyrislund who kept their own culture and carried on with business as usual.

Former GEHC CEO Peter Ehrenheim, who was at the time working as a division manager in GEHC and was responsible for the acquisition of Biacore, added his own perspective from slightly higher up in the hierarchy, confirming that the contrasting answers were merely reflections of the respective colleagues’ fields of experience. He agreed that the R&D unit was taking much longer to integrate than the rest of the units.

According to Ehrenheim, the aim was to quickly take over the administration functions such as finances and Human resources. This was done with great speed but the integration of the R&D unit was decided to be kept intact from the beginning, which resulted in a slower integration in comparison to the rest. He adds that the integration of R&D has been much slower than the rest, and he even wonders if it will ever be fully integrated.

Another subject that came up during the interviews was how the employees at Biacore received the news about the integration that followed the acquisition. Finance Manager Malin Sjöberg points out that the lack of knowledge caused distress among the employees. She adds that many felt uncertainty about keeping their jobs as well as insecurity in changing their old routines. Several employees agreed that the news about the acquisition came as a shock, and Anders Fält, the manager of research products in Boländerna, adds that he noticed employees started to worry when they heard the news. Former GEHC CEO Peter Ehrenheim shared with us one of the employees’ reactions: “It felt like we were hijacked by pirates...” However, Ola Sjölander, an engineer at Fyrislund, says that the employees at Biacore already had some experience of what it was like working at Pharmacia. He believes that the integration was somewhat easier to bear knowing that GEHC was carrying some of Pharmacia’s old culture.
4.7. The culture of Biacore

All the interviewees shared similar opinions on the core values and corporate culture of Biacore. Boländerna’s Manager of research products, Anders Fält, believed that Biacore had a strong culture, with a strong focus on the products. Boländerna’s Commercial Strategy Leader Karsten Fjärstedt explains that it was a company that was just like a family, everyone knew each other and bureaucracy was avoided at all costs. This, he says, resulted in great flexibility and free hands. Erik Walldén, the former CEO at Biacore, agrees that the employees who were transferred from Pharmacia to Biacore were appreciating the less bureaucratic culture at Biacore that gave them more freedom in comparison to their previous work.

Furthermore, Walldén added that the culture stemmed from the fact that Biacore was a spin-off from Pharmacia, where the core of the business was something everyone genuinely loved and believed in. Walldén explains that the Biacore culture was not a consequence of being a small company, but rather a consequence of the love for the product. Meanwhile, Fjärstedt adds that the company not only believed in supreme customer service but also in extremely customized service, where all the clients were treated like family members. He adds that Biacore had more than 250 customers, and almost all of them were known by the staff members. If any client ever needed help, he says, the workers would not hesitate to drive all the way to the customers and provide customized service. According to Fjärstedt, Biacore had almost a 100 percent customer retention.

Malin Sjöberg, the finance manager, contributed with a clear image of the in-house relationships between colleagues. Everyone knew the business of everyone, and was always helping each other. She explains that if someone became sick, another staff member could just “jump in” and do their job. The focus was always on the product. And it was the staff members’ love for the product that held them together. Accordingly the group performance was more highlighted rather than the focus on the individual. All the interviewees agree that the group’s performance was more important than the individual success and the careers of the workers. Not only was Biacore internally known for its superb customer service and passion for the project, it was also renowned for the non-existing hierarchy and the speed of the decision-making process. Sjöberg says that it was a matrix organization and thus was easier and faster to make decisions and easy to get through to the manager and the CEO.

Anita Larsson, a research engineer at Biacore, explains that the decisions were made in close contact with those concerned. She adds that the departments had their own power to make
decisions and could lay their hands on their own budget. “The difference to now is that the department and the head of the department lack the authority to make decisions”, she explains. Furthermore the atmosphere was internally described as very informal since problems could be solved quickly by gathering the needed staff in “problem solving groups”. Another significant fact that was mentioned by one interviewee was the time the employees could take off work to spend on their own research projects, which he feels was both accepted and encouraged.

Another internally very often mentioned and appreciated aspect of the Biacore culture came in the form of the famous summer and Christmas parties at Biacore. During these parties a group of employees would sing songs about the management at Biacore, according to Sjöberg. She adds that despite the fact that the songs were often very raw and expressed the employees’ opinions, there were never problems in performing them to the management. Biacore was somewhat aligned with the Uppsala student culture, she states.

4.8. The remaining Biacore culture in Fyrislund

The interviewees at GEHC in Boländerna disagreed on how much the core values and the culture of Biacore have changed after being acquired by GEHC. Boländerna’s Finance Manager Malin Sjöberg argued that Biacore has almost completely adopted the GE culture. However, Fjärstedt, the commercial strategy leader spoke from the R&D department perspective again, claiming that Biacore kept 40 percent of its old culture, gained 25 percent of a mixed culture, as well as 35 percent GE culture. Peter Ehrenheim, the former CEO at GEHC Life sciences, on the other hand, was certain that the more time passed, the more the newly hired employees would dilute the Biacore culture. Ehrenheim reasoned, with reference to the R&D unit in Fyrislund, that physical distance would remain a barrier in the challenge of bringing in a new culture. He believes that the culture in Fyrislund will never acquire GEHC culture as long as they remain un-integrated physically. He believes that if R&D had been shifted from the beginning, it would certainly not look the same as it does today.

However, in Fyrislund the employees could provide us with more in-depth knowledge about how much of the old Biacore culture remains at their site today. “We are not culturally integrated, despite the fact that we are fully integrated on paper,” explains Anders Karlsson, a project leader at Fyrislund. He referred to the informal way employees still act today, and how hard it is to wash away their history. According to him there is still 20 percent of old Biacore culture left, consisting of mutual respect and support for each other together with curiosity for
the product. However, Helena Vesterberg, another project manager in Boländerna, explained that Biacore has lost some of the “us” feeling. She clarifies that staff members were more caring toward each other before the integration took place. She adds that when employees speak about the unit in Boländerna they use the words “them” while using the word “us” for her own team, which is also the case from Boländernas perspective. This is despite the fact that all the reporting and systems are completely integrated. On further reflection, she added: “We still work differently from those in Boländerna, you can notice that if you have worked over there at some occasion, we are still the ones out there on the prairie.” Some employees add however that they are no longer there for each other as they once used to be. Fält, the research manager in Fyrislund, meanwhile, argues that many employees sense the “them and us” feeling when considering the unit in Boländerna. In his opinion this is a result of the physical distance between the two units. Fält believes that Biacore is integrated, but adds that they have not utilized all the benefits with GE. He believes that Biacore lacks the job rotation GE has to offer.

The excellent customer retention during the Biacore times is no longer present to the same extent, nearly all of the interviewees claimed. Larsson, an engineer at Fyrislund, explains that the first thing GEHC did when Biacore was acquired was saving on the application specialists that were working closest to the customers. She adds that the customers lost some of their trust as Biacore could not provide the same competence as before. However, at the Fyrislund site there are still those who really work hard to satisfy the customers and keep the same relationships they once had, explains an engineer. He claims that some employees still go and provide help for the customers, however not nearly as much as before. Karlsson, the project leader at Fyrislund, meanwhile, explains that the team still tries to hold on to the customer focus, and puts the customer first. He claims the employees try to hold on to the old beliefs as much as they can.

Larsson has a somewhat more negative view of the entire situation. When it comes to Biacore’s cutting-edge technology and strong innovation force, she claims “there is not much left of it”. Biacore has not come up with anything new since the acquisition, she adds. “I think we lost out when we were acquired by GEHC,” she says. The former CEO of Biacore, Erik Walldén, explains that Biacore had a goal to come out with new instruments every year, and he agrees that not much has happened since the acquisition. Nearly all the interviewees in Fyrislund say hampered efficiency was the biggest difference before and after the acquisition. The negatively affected efficiency is related to the increased time that every procedure takes
since the acquisition by GEHC. Larsson explains that it can now take several days to post a parcel, due to all the procedures involved. The idea of the parcel sums up everything after the acquisition, she adds. “It was like someone poured gravel into a machine,” she laments. Sjölander, an engineer at Fyrislund, states that the support functions like the purchasing department and the IT unit are no longer there to provide support in the same way. As a result he feels that the employees have to do all the work by themselves. He adds that it was much easier to have one man around on the job who could solve the problem quickly, rather than wasting energy on finding the right person for the job. One interviewed employee disagreed with the individual grading system that Biacore applied after the integration. He believes that before the rating system, workers knew that everyone would do their best. Now, according to him, the employees come up with trendy words about themselves that they know are required by GE.

Nearly all of the interviewees agree that they do not receive the same amount of knowledge after the acquisition. One example told by some of the employees is the high customer retention that the staff was proud of before. Nowadays, some of the staff members believe that they are not equally aware about how the products and services are perceived by their customers. Karlsson, a project leader at Fyrislund, explains that while it is not kept secret as such, it is in fact just not as shared as it used to be. Sjölander mentions that the employees are no longer as aware about how the business is going and how much sales they are making. All the interviewees shared the same picture about the change in both the speed of the decisions and in the authority. They explain that the during Biacore times, the manager could just be around the corner. Today even the minutest details such as small orders have to be confirmed by someone. “Earlier we just called and ordered for ourselves, now the company that we order from has to pretty much be examined by the FBI, and it can take months,” explains one of the engineers.

When it comes to the summer and Christmas parties, today organized by GEHC, Sjöberg, the finance manager at Fyrislund, notices they are not as many people attend as in the past. Several employees in Fyrislund mention however that they are organizing their own potluck-parties in Fyrislund, where they still kept the tradition of performing songs about the management, but just not as “inappropriate” as they once were. Sjöberg mentions that the songs that the Biacore employees used to perform to the management would not really work in the GEHC culture. In Sjöberg’s opinion the song lyrics would not be as “appreciated” by the GEHC management due to the rough characteristics of the songs.
None of the interviewees could answer if Biacore would be worse off financially if GEHC hadn’t acquired them. Nearly all the interviewees however did mention that Biacore was well off before the acquisition, and that it was probably for that reason that they were acquired. According to one engineer, the employees expected the sales to go up after the acquisition, and were surprised when they barely moved. One possible explanation is that Biacore could not keep its original sales team in the new unit, and instead one of GEHC’s sales teams that had less insight started to sell their products. And finally, nearly all the interviewees knew at least someone who quit before GEHC acquired Biacore as they feared the consequences of being acquired by a giant. According to one engineer, many of the key sales staff quit when they found out about the acquisition.

In the opinion that we received during the interviews, the employees expressed truly warm feelings towards the culture of Biacore, despite the fact that several of them saw new opportunities at GEHC. The Biacore spirit is noticeably “still living” on site in Fyrislund, with workers constantly slowing the pace for a quick chat when passing each other in the hallway. We were also greeted by nearly every single bypassing employee and experienced the convenience of working under the same roof, as it took no longer than a couple of seconds to walk between the offices of the interviewees. During our interviews at GEHC in Boländerna we could relate to the comfort of working in a small company since we had to walk between buildings in order to meet the people we were going to interview.

4.9. The culture of GE

The Finance Managers at Fyrislund, Malin Sjöberg, explains that goals and objectives are a very big part of the GEHC culture. Goals are set up within the organization to later be followed up and made sure that they are fulfilled. All the correspondents in Boländerna described the culture of GEHC similarly. It is a company where decisions take an extremely long time to make and where there are constant follow-ups to the goals set earlier. The individual performance is very important, and must be reported to the higher power as often as is deemed necessary. If an employee showed worsening results, reports could occur as frequently as once a day, explain some of the employees.

Due to the “suing” culture in the US, the company has to err on the side of caution, hence the increased controls. Sjölander, an engineer at Fyrislund, adds that since the acquisition, the employees have had to attend many compulsory “irrelevant courses”, despite the fact that the courses may have been unrelated to the work of the employee. Peter Ehrenheim, the former
CEO of Biacore, says that the culture is rather individualistic, where the individual performance is more important than the performance of the group.

When it comes to decision-making, GEHC is known to have decisions coming from above, with staff members told to abide by the rules. Fjärstedt, commercial strategy manager at Boländerna, explains that everyone has to do as they are told, despite the small degree of flexibility. Walldén adds that this kind of control and monitoring is often required in big organizations in order to ensure efficiency and proper functioning.

4.10. How GE is imposing their culture on Fyrislund

Sjöberg, the finance manager at Boländerna, explains that in the beginning of the integration around August 2006 there was a dedicated integration team for Biacore. Sjöberg worked full time together with a small team from GEHC healthcare on Biacore integration. She adds that this integration team was focusing primarily on the administrative tasks. A spirited letter was sent to every employee that makes sure that they know about the rules and routines of GEHC. “You can get fired if you don’t follow the rules and regulations,” one of the employees says. According to most interviewees, GEHC has not deliberately tried to change the culture of Biacore, rather it changed all the rules and regulations. Vesterberg, a project manager at Fyrislund, added that GEHC has so far done little in order to create a united “we” culture. According to her there are common meetings with the unit in Boländerna, and plenty of information being shared. However, there is still a feeling of being forgotten, she adds.

4.11. The coming up move from the prairie to where it all happens

It has been announced that the unit in Fyrislund will be moved to join the rest of the site in Boländerna later in 2013. All the interviewees agree that the culture made up of familiar atmosphere, trust and loyalty to their customer will be completely crushed once they will start swimming in the big ocean of Boländerna. “All the staff here can still bump into each other in the corridors and accordingly keep some of the old beliefs alive,” said one of the interviewees. Vesterberg, the project manager in Fyrislund, adds that once the Fyrislund team moves to Boländerna they will be distributed over a large area and there will be little left of what’s left of the old Biacore culture. She explains the positive aspects related to the move by saying that the employees will end up “where it all happens” and accordingly will become less isolated. She adds that they will no longer bump into each other in the cafeteria like they can do today at the Fyrislund site. It’s clear, however, that all the correspondents in Fyrislund feel more positive about moving to Boländerna now than they would have seven years ago. “It would
have been more shocking in the beginning,” one anonymous interviewee said. Today however, it is easier for the staff members to see some of the benefits that can come from migrating into the “big ocean”. Interestingly, the positive attitude lies primarily with those who have had the most contact with the unit in Boländerna, and the ones slightly higher up in the hierarchy (such as project managers). The employees with very little contact with the unit in Boländerna believe that they have had a long time to get used to the idea, and that it has made it easier to deal with the thought of giving up the Fyrislund site.
5. Analysis

The following section will contain our analyzed results derived from the empirics and the theory section.

5.1. The culture before the acquisition and today

5.1.1. The culture of Biacore

The culture that used to represent Biacore is something the employees take great pride in, as Marks and Mirvis (2011) explain that due to employee pride, a company’s own culture will become even clearer and more distinct when imposed by a different culture. This phenomenon was also apparent during the interviews with Biacore since all the interviewees could make sharp distinctions between the cultures of Biacore and GE. Seaman and Smith (2012) argue that the history of the company will shape its future culture, problem-solving tools, and the motivation of the employees. This connection can be observed when looking at the history and the culture of Biacore. Biacore was, according to the employees, founded and held together by the passion and the interest for the product, and had therefore developed a familiar culture and a strong group connection.

Internally, Biacore was considered to have a strong culture with core values that reflected the employees’ relationships, loyalty and overall identity. All the employees interviewed agreed that Biacore had high-perceived core values that were highly important when it came to their behavior and decision-making. Those interviewed agreed that the focus of the company was to work together as a group in order to deliver the best possible quality in terms of product and customer service. This resulted in high worker-loyalty where the group achievement was more important than the individual success. A company’s culture steers how it operates according to Schein (1985), who argues that any apparent beliefs and values are also brought to life by the culture. Morris et al. (2002) claim that loyalty, respect, and integrity are some of the elements that can identify a company’s core values, while Duh et al. (2010) explain that these core values form the relationships within a company. Morris et al. (2002) add that ethical core values will also provide a moral environment for the employees and van Marrewijk (2004) argues that these values will influence the behaviour of the employees.

5.1.2. The culture of the Fyrislund unit today

The majority of the employees interviewed agreed that the unit in Fyrislund was fully integrated in terms of the administrative integration, however, claimed that the unit did not
entirely share the culture of GE in Boländerna. Nearly all the interviewed employees and especially those in Fyrislund, believed that there were still some significant differences in the atmosphere and attitudes between the two units. Some of the interviewees in Fyrislund said that they were still sometimes spoken of as the ones “out there on the prairie”. What in fact was described by the interviewed employees that created the distinctions between the two units was the somewhat familiar culture where loyalty and love for the product could still be found, even if a few claimed that the culture is no longer as “loyal” and familiar as earlier. Some also mentioned that the customer focus is not as prioritized as it used to be, despite the fact that several of the interviewees claimed that it was still a big part of their culture that they intended to keep. The employees at the Fyrislund site also decided to continue holding their own parties (despite the parties organized by GEHC), and keep singing their “raw” songs about the management. In other words, it is still possible to see traces of the Uppsala-student culture that once ruled in Biacore. The “us and them” feelings that can emerge between the employees of the emerging firms are discussed by March and Olson (1975) and Gagliardi (1986). The authors argue that these feelings can only disappear with proper management, and if not properly managed can grow into aversive feelings and trigger a vicious cycle. This has been observed in Fyrislund where some of the employees expressed strong negative feelings towards GE’s management of the Fyrislund unit, and the willingness to keep their old Biacore culture intact. However when the interviewed employees in Boländerna considered the culture at their site, they confirmed that there was nothing left of the old Biacore culture, since they were spread out and had quickly adapted to the GE culture.

The internal opinion at the Fyrislund site was accordingly that they were not culturally integrated, since there was still a distinction between the two units. The employees explained that they were very fond of their familiar Biacore culture and were keeping it deliberately. This is done in order to avoid the rather hierarchical and bureaucratic culture of GE that the majority of the employees did not always believe was most suitable for their unit. The employees in Fyrislund believed that their unit became rather inefficient after the acquisition. What makes this interesting is that GE, being a very large company, relies on a bureaucratic culture in order to ensure efficiency and functioning of the company. However, when this bureaucratic culture of GE intervened with the “free spirited” culture of Biacore, the efficiency and productivity in the Fyrislund unit declined. This shows that what is efficient in one company can become inefficient in another company. Sales and Mirvis (1984) write that the employees of the acquired company they studied (with a flat organization) spend
more time on paperwork rather than focusing on their operations after the acquisition by a large hierarchical company. During the interviews with Fyrislund similar observations were noticed as the employees spent loads of time on reporting and looking for the “right person to talk to” instead of focusing on their initial work. The employees also claimed that the management never worked with the cultural integration and this could have resulted in “inefficient efficiency” where the employees of Fyrislund experienced a loss of productivity since GE’s rules and regulations were just “copy-pasted” on their unit. Bijlsma-Frankema (2001) stress that productivity losses during acquisitions have two explanations, the dislike among the employees of the two different cultures that have to work together, and the lack of management when it comes to provide unity during the implementation of changes in culture of the acquired company.

5.2. The unwillingness to change

5.2.1. Conflict phase, Cultural separation and Ethnocentrism

Since the unit in Fyrislund today is still holding on to their old habits seven years after the acquisition and as the majority of the interviewees are still not positive towards the final physical integration, the situation can be assimilated to the conflict phase explained by Zander and Lerpold (2003). During the conflict phase the acquired firm is threatened by the acquirer and will keep fighting in order to retain its original culture. The conflict phase is also distinguished by the “we/they” attitude that emerges in the acquired firm, where the acquirer becomes known as “they” and is associated with an intruder. The social identity theory can also be applied as an explanation to the resistance to change in Fyrislund, since Tjajfel (1978) stresses that the social identity comes from the individual’s self-concept that stems from his experience of a social group. Larsson and Lubatkin (2001) explain further that the employees can be mirrored by their company’s identity. Van Knippenberg et al., (2006) and Guerrero, (2008) argue that the cultural adaptations during an acquisition can create a loss of the identity feeling during the acquisition. As a result, during an acquisition the employees can often decide to keep their own identity by creating rifts or in worst case even leave the company.

Further on, cultural separation, one of the main types of acculturation, could be another explanation for why an acquired company is willing to keep its own culture intact. Zander and Lerpold (2003), Nahavandi and Malekzadeh (1988), and Elsass and Veiga (1994) write that cultural separation describes a scenario where the acquired firm insists on maintaining its culture and fights against assimilating to any other culture. The authors explain that one of the
reasons for resistance could be explained by a negative historic influence. This can be connected to Pharmacia, where Erik Walldén, the former CEO of Biacore, explained that employees that were transferred from Pharmacia to Biacore appreciated the less bureaucratic culture at Biacore that gave them more freedom in comparison to their work at Pharmacia.

5.2.2. Differences in the corporate culture

Another explanation for why there is still a resistance towards the physical integration in Fyrislund could lie in differences of the corporate culture between the two firms. The majority of GEHC employees interviewed described the company as having a typically American culture, with a slight lean towards British culture and even some remains from the Swedish culture of Pharmacia. Meanwhile, Biacore was argued to have a typical Swedish culture internally. Nummela (2004) explains the connection between the national and corporate culture by stating that the national culture resides within the individuals and their ordinary life. Styhre et al. (2006) studied the Anglo-American and Scandinavian cultures, and concluded that the Scandinavians are leaning more toward collectivism and shared decision-making in comparison to Anglo-American culture that is recognized by hierarchy and the higher focus on the individual and competition. The findings of Styhre et al. (2006) are reflected in how the employees described the culture of Biacore and GE. The majority of the interviewees described Biacore as having had a familiar culture where the group was more important than the individual and the decisions were more spread out in the company. The culture of GEHC was internally described as more hierarchical with more focus on the individual success and concentration of power at the top of the hierarchy.

Furthermore, Sales and Mirvis (1984) discuss that the ethnocentrism that can emerge from the realization of the organizational differences from the acquired company’s perspective (when a large hierarchical company acquires a smaller one) can result in resistance to change in acquired company. This makes it rather remarkable since this could be applicable to our case, as Erik Walldén, the former CEO of Biacore, stresses that the strong familiar culture of Biacore was not affected by the relatively small size, but stemmed rather from the history of the company. This implies that the resistance to change could have occurred regardless of the size and structure of the acquirer.

5.2.3. Physical distance

Some employees mentioned that they feel forgotten and indicate that they experience a feeling of disappointment, which can be a result of the insufficient cultural integration due to
underestimated cultural differences. There are only two kilometres between the Fyrislund unit and GEHC in Boländerna. Rosenbloom and Larsen (2003) write that large physical distances can lead to difficulties and limit effective communication, especially in an international relationship. Typically, investigations about physical distance and its implications for business are focused on cross-border physical distance. The distance in this situation is rather small. Perhaps underestimated distance can be one reason for the insufficient cultural integration, as the management may have thought that it was unnecessary since the units are so close to one another.

The negative opinion expressed by the employees when it comes to a physical integration to Boländerna can be explained by the stress theory, which claims that the feeling of insecurity depends on how fast they believe that the situation is threatening and dangerous to themselves. According to Hambrick & Cannella (1993), some, especially older managers, get a feeling of helplessness, hostility, and distrust in connection with integrations because it often results in them losing some of their control. This is yet another explanation of why some of the previous managers at Biacore are still slightly bitter about the acquisition. Another possible explanation is that the employees that had no contact with the Boländerna unit feel fear towards the unknown and see GE as a bureaucratic giant.

5.2.4. The physical integration

One interesting discussion is whether the integration is still going on in Fyrislund. Schweiger and Lippert (2005) write that one objective for a company to be integrated is to execute actions to physically integrate the target. The atmosphere at the Fyrislund unit is still negative towards the acquisition and employees seem to still be in the conflict acquisition phase, which should be a temporary phase according to Zander and Lerpold (2003). One reason for this can be that the integration is still partly ongoing and will not be completed until the physical integration is implemented. In this case, the integration is not fast but in fact rather slow. Schweizer and Patzelt (2012) write that adaptation to a new organizational culture may be hard to realize during fast integration processes and that a slow integration may be preferable. This can be related to the story about the boiling frogs in the introduction, which means that people may react more positively to change over a longer time.

However, not everyone in Fyrislund was negative towards GEHC and the physical integration to Boländerna. In fact, a few of the employees that earlier worked at Pharmacia feel, opposite to what is mentioned earlier, more positive towards the GE culture and the physical
integration to come. These employees explain that GEHC has some of Pharmacia’s old culture since Pharmacia has a common history with both Amersham and Biacore. Nahavandi and Malekzadeh (1988) and Elsas and Veiga (1994) support this notion, and write that a positive historic influence can increase the acquired firms’ interest in interacting with the culture of the acquirer. The employees with a history from Pharmacia can also be connected with another acculturation level than the other employees, namely the cultural transformation level, as they have a positive historic influence from GEHC in Boländerna and therefore are more willing to interact with the acquiring company. This becomes truly interesting when considering that the rather bureaucratic culture of Pharmacia could simultaneously be one of the reasons why the employees express a resistance to change in the first place.

In addition, the employees that are working in both Fyrislund and in Boländerna, or are working primarily in one unit but frequently have errands in the other unit, are more positive to the physical integration than the employees working at the Fyrislund unit alone. Pettinger (2005) writes that social connections and relations between colleagues generate a team identity. The employees working in both units already have a feeling of safety and team identity in Boländerna, and are primarily positive to the physical integration due to decreased travelling between the units. As they are already used to the culture of Boländerna, they are not as attached to the culture of the Fyrislund unit as the employees only working in Fyrislund. The employees in Fyrislund displayed a feeling of sadness as the familiar culture and the team identity of Biacore that still can be sensed in Fyrislund will disappear in connection with the physical integration. They will no longer be able to meet by the coffee machine every day.
6. Conclusion

The following section will contain answers to our research questions followed by our thesis contribution, limitation of the results, and suggestions for further research.

6.1. Conclusion

The purpose of this paper is to investigate what cultural changes can be observed in an acquired company’s corporate culture in one unit that is integrated in the acquiring company’s routines but not physically integrated. To fulfill this purpose the following questions were to be answered: how do the employees at the acquired but not physically integrated company unit experience the corporate culture today seven years after the acquisition, and how the employees at the acquired company experience that their unit now will be transferred to the location where the rest of the acquirer company is located?

The culture in the Fyrislund unit today is changed and the core values of Biacore are no longer prominent in the same way as they once were. Employees do not hold the possibility of having the same closeness and contact with their customers as before, as the customer relations are now managed from the unit in Boländerna. Another strong core value of Biacore had to do with the familiar culture within company, which the employees are still struggling to maintain. This is difficult when different business functions are not available in the same building; they can no longer turn to someone sitting next door when they have something to ask, as diverse functions are located in Boländerna. The familiar culture has decreased gradually, but still there are some parts left, for example in the form of their staff parties with the traditional Biacore songs written by the employees. The cohesion within the group is also still strong among the earlier Biacore employees and one can sense their positive feelings towards the company that no longer exists and its history that created the culture. From the perspective of the employees in Fyrislund, there is a "them and us" feeling between them and Boländerna, and the Fyrislund unit is still to a degree the small unit "on the prairie", feeling partly forgotten by the acquiring company. The reason behind this may be inadequate and not properly managed cultural integration due to underestimated distance by the management. The inadequate cultural integration has among other things lead to “inefficient efficiency” as GE’s regulations were “copy-pasted” onto the small unit of Fyrislund, which resulted in the employees focusing more on paperwork instead of their operations.

There is a somewhat negative attitude towards this final step, the physical integration, as the last parts of the Biacore culture that employees struggled hard to maintain will disappear as
the employees will be divided into different departments in Boländerna. However, the interviewees are more positive about the physical integration today than they would have been if the transfer had been implemented in connection with the acquisition, as it then would have come as a shock. Just like the saying about the boiling frogs, the gradual change will create less resistance to opposition. Furthermore, if physical and cultural integration is postponed to give the employees time to get used to the cultural changes, one suggestion could be to gradually let them be a part of the new team through regularly or at least occasionally contact.

6.2. Thesis contribution

As noticed within our conclusions, underestimated physical distance can still lead to opposition even seven years after the acquisition. This proves that distance, no matter how far, should be taken into consideration under an integration process. Our findings contribute to the existing literature by adding on the importance of small distance, to earlier investigations about cross-border physical distance implications on business.

Existing theory argues that temporary employee opposition and cultural clashes can occur after an acquisition. Our case, however, proves that time could be insignificant and that opposition and cultural clashes between merged firms are not diminished by time, and accordingly not temporary, which creates even more emphasis on the importance of proper management. Furthermore we argue that one reason behind the lack of proper management is the underestimated physical distance, which, according to existing theory, leads to insufficient cultural integration that trigger a vicious cycle and further develops the opposition. Therefore, our contribution also serves as a support for the earlier findings regarding the importance of cultural integration by the management; however we argue that the cultural integration should remain important regardless of the time passed after an acquisition and the distance between the two companies.

6.3. Limitations

- Focus in this paper has been the integration process and no deeper discussion about the acquisition process and how the motives behind the acquisition could have affected the integration process outcome has been implemented.
- This paper is investigating the cultural changes of the unit in Fysilund, and does not consider the financial aspects of the integration process and choices, or the success of the company in other terms than culturally.
• Mostly of our interviewees are earlier Biacore employees that also worked at the Fyrislund unit after the acquisition. That means that this investigation and the result primarily will have the perspective of the employees at Fyrislund and not the perspective of GEHC as a company.

• Furthermore, the authors may be biased and affected by the employees in Fyrislund, partly based on compassion and partly because these employees are the main source of data in this investigation. The authors can also be biased based on cultural differences and the Swedish point of view that this paper is developed from. This may increase the compassion for the employees at the Fyrislund unit, as that culture can be perceived as more Swedish, and the culture of GEHC can be perceived as more American. Therefore the authors’ Swedish, possibly ethnocentric point of view may affect the result.

• This investigation is made as a qualitative study with fourteen interviewees at one company in one industry. Further research is needed to make the result more generalizable.

6.4. Suggestions for further research

Suggestions for further research could be similar studies in other companies and in diverse industries to find out different aspects of long-term post-acquisition situations. A similar study can also be applied on a company where proper cultural integration has been implemented after the acquisition, to ensure that proper management is the solution to post-acquisition cultural integration difficulties. Another suggestion is to do a long-term post-acquisition study in the pharmaceutical industry, with a quantitative method, to reach a larger sample and come to a more generalizable result. A future investigation can be done after the physical integration of the Fyrislund unit to observe the cultural changes that came about for the employees that moved from the Fyrislund unit to GEHC in Boländerna.
7. References

Books


**Journals**


Internet sources


Appendix

Appendix 1. Interview questions - GEHC Boländerna

1. What is your story? (Where did you work, what position do you have?)
2. Why did GEHC acquire Biacore and Amersham

Integration process

3. How did the integration process work?
4. Were the companies (Amersham & Biacore) integrated at a different speed? Are there both fully integrated today?

Biacore

5. How would you describe the corporate culture of Biacore before the integration? British? Was it based on the history of the company?
6. Did Biacore have stated core values before the acquisitions? If not, what would you say the core values of the companies were? Did the core values: help guiding decision making, work as motivation and work as moral guidance? Can you provide examples?

Amersham

7. How would you describe the corporate culture of Amersham before the integration? British? Is it based on their history?
8. Did Amersham have stated core values before the acquisitions? If not, what would you say the core values of the companies were? Did the core values: help guiding decision making, work as motivation and work as moral guidance? Can you provide examples?

GEHC

9. How would you describe the corporate culture of GEHC? Is it based on the history of the company?
10. What are the core values of GE? Do the core values: help guiding decision making, work as motivation and work as moral guidance?
11. Are the core values important in the everyday work, or mostly commercial (PR)? Are the stated core values something that the people in the company are using in their work and used as guidelines? Do the stated core values agree with reality? Provide examples, similarities and differences between the companies.
Acquisition and today
12. Was there a clash in the corporate culture or in the core values when the companies were acquired?
13. Cultural differences between US, Sweden, and UK? GE is an American company how does it reflect on the hierarchy, decisions.
14. Were there problems later in the process? When, where, how? Example? From whose perspective? Did the companies do anything about it? Were there things you thought would be complementary, but that wasn’t?
15. How does it look today at GE in Uppsala? Are there any stated core values/what core values help guiding decision-making, work as motivation, and work as moral guidance?
16. Did Amersham and Biacore adapt to the corporate culture and core values of GE? Are there still parts of the corporate culture and core values of Amersham and Biacore in the company today or only the GE culture?

Appendix 2. Interview questions - GEHC Fyrislund

1. What is your current position at GE today? What kind of work is in focus of your unit?

2. When did you start working at Biacore? Have you previously worked at GEHC/Amersham?

3. How did you and your co-workers experience the announcement about the acquisition of Biacore? (E.g. did you look forward to it or was it of a concern?) What was considered to be positive and negative? Did your concerns/expectations come true?

4. How did you experience the corporate culture at Biacore before the acquisition? (E.g. how was the atmosphere at the company, what values were present?) Was work performed in teams or rather individually, was the focus on the group or the individual?)

5. How did you experience the decision making at Biacore? (E.g. fast/slow decisions, easy/hard to get in touch with managers)

6. What does the corporate culture look like today at GE? (E.g. fast/slow decisions, easy/hard to get in touch with managers)

7. Which are the biggest differences that can be observed at GE in Fyrislund today, in comparison to Biacore before the acquisition (reporting systems, staff parties?)
8. How was the unit in Fyrislund affected by the acquisition and the integration up till now? Do you believe that you unit is fully integrated today?

9. How many employees worked at Biacore before the Acquisition?

10. Approximately how many are still working at your unit today of those that worked at Biacore before the acquisition? If any staff quit why did they do so?

11. How many staff from GE started to work on your unit when you were acquired?

12. What has changed since the acquisition/integration? How has GE tried to impose their corporate culture on yours? (E.g by hiring an integration team, hire staff/managers from GE, changed the way you worked?)

13. Did you experience any cultural clashes between GE and Biacore during/after the integration? If yes, is it due to the different heritage of the companies? Provide examples.

14. Is there an “us and them” feeling present between the unit in Fyrislund and Boländerna? Provide examples.

15. How big is your exchange with the unit at Boländerna today? Do you often visit their unit; are they often visiting your unit? What kind of communication is there, and how is this communication expressed?

16. Are they any plans to move the unit in Fyrislund to Boländerna (If yes, why is there a need to move the unit, why now? How does this affect you? Would it be considered positive or negative? Is it considered more positive or negative now then earlier?)

17. How do you think Biacore would look like today if they did not get acquired?

18. Would you like to add something else?

19. May we use your name in out thesis?