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Merger and Acquisition: the impact on organizational culture, creativity and product innovation
- A case study

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**Abstract**

The most recent wave of Merger and Acquisition (M&A) sparked by the emergence of Internet and the growing importance of biotechnology, where firms use M&A to integrate innovation capabilities of smaller entrepreneurial firms. This strategy is commonly seen within the medical technology industry, where most research has shown that M&A often destroy those innovation capabilities that made the acquired firm attractive in the first place. This thesis investigates the organizational cultural changes due to an acquisition and its impact on the acquired firm’s creativity and product innovation. The research design of this essay is a qualitative case study based on interviews carried out at a medical technology company that was acquired in 2008. The results of this case study illustrated that the factors that affect creativity and product innovation in a post-acquisition are; communication, time, formalization, money, teamwork and risk-taking, where risk-taking affects product innovation the most.

*Keywords: Merger and Acquisition (M&A), Organizational Cultural Factors, product innovation, creativity*
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1. Introduction

This chapter presents the background to our research area, followed by a problem discussion. Lastly, we present the research question and the purpose of this study.

1.1 Background
In today’s globalized economy many companies are forced to go beyond domestic borders and explore the international market, because of increased competition and saturated home markets. In October 2013 global merger and acquisition (M&A) reached a value of $ 2.3 trillion, an increase of 9% since 2012 (The Economic Times, 2013). Throughout the 20th century, the motivation for M&A has changed. During the first wave, firms were primarily entering M&A to achieve market domination. In the second wave, firms moved towards a vertical integration and product line extension. The most recent wave sparked by the emergence of Internet and the growing importance of biotechnology. Today, firms use M&A to integrate innovation capabilities and to absorb complementary external technological capabilities (De Man & Duysters, 2005). For example, in globalized industries with intense competition, such as the medical technology (medtech) industry, it is common that many leading companies make acquisitions of small technology-based firms to increase their internal product portfolio and to gain profit and meet market demands. The aim is to combine product innovation capabilities of smaller entrepreneurial firms with their own capabilities in commercialization, manufacturing and distribution. However, research has shown that acquisition may damage the innovative capabilities that made the acquired organization attractive in the first place (Puranam, Singh & Chaudhuri, 2009). Moreover, external demands forces leading medtech providers to cut prices, this in turn makes medtech deals more challenging. The innovation-driven cultures of the acquired firm may not easily integrate with companies that stress sales growth and cost control, hence the number of innovative products brought to market is declining (Foley et al., 2012).

Between July 2007 and June 2011, medical diagnostic companies captured the largest amount of the M&A activities (EY, 2012). The popularity of this approach shows that acquisition is a central corporate strategy and an important tool for many multination-
al corporations (MNCs), particularly within the medtech industry. Sweden is a particular attractive market for foreign direct investments especially because of high transparency, uncomplicated legal and regulatory procedures (Business Sweden, 2013). In addition, Sweden is known to have a high level of innovation especially in the life science industry. This has lead to an increased interest in cross-border acquisition of Swedish companies (The Swedish Wire, 2010). As the trend of this type of acquisitions continues it becomes increasingly vital to understand the factors behind the innovation decline.

1.2 Problem discussion
Product innovation is a critical success factor for companies in a competitive and constantly changing market. It is the engine of the most successful companies such as Apple, Google, Honda and Microsoft to name a few (Hess, 2010). However, product innovation is a time consuming process making it hard for companies to stay ahead of competition (Forbes, 2005). This forces companies to adopt external strategies as a source of innovation streams (Puranam, Singh & Zollo, 2006). Many recent studies describe that large firms use an “innovation through acquisition” strategy to grow, meet market demands and to stay competitive (Pech et al., 2005; Karim & Mitchell, 2004). “If you can’t beat them, buy them” became the motto in the boom days of technical advancements in 1990s and the “innovation through acquisition” strategy became a way to stay in the cutting edge (Forbes, 2005). However, most empirical evidences show that acquisitions tend to hurt innovation rather than flourishing it (Ernst & Vitt, 2000; Hitt et al., 1991; Miller, 1990).

It is crucial to understand that firm creativity and product innovation depends on organizational cultural factors such as, the formal organizational structure, internal communication, the existence of proper support mechanisms and its entrepreneurial orientation. It is proved that an open communication, a flexible structure, support mechanisms such as reward systems and entrepreneurial orientation that encourage innovation will breed creativity and innovation within the organization (Martins & Terblanche, 2003). Changes of those factors that an acquisition usually implies could potentially harm the innovative capabilities (Pablo, 1994). Most of the previous research has demonstrated the consequences of M&A on innovation capabilities for the
acquiring firm. Some researchers for example claim that post-acquisition integration create a disruption of established routines and thereby distracts mangers from the task of innovation (Cloodt, Hagedoorn & Van Kranenburg, 2006). Ernst and Vitt (2000) found that key employees for innovation might leave after an acquisition. Although a few studies have been conducted in regards to the subsidiary, and the consequences of M&A on innovation capabilities for the acquired firm (Widaja, 2008; Puranam et al., 2009), but there is a lack of studies that underscore the impact of the actual organizational changes of the acquired firm and how it affects product innovation and creativity.

1.3 Purpose
In regard to the above-mentioned issues, we take the case of a Swedish medical technology company that was acquired in 2008. The aim of this study is to investigate how organizational cultural changes due to an acquisition affect the acquired firm’s creativity and product innovation. Our research is a preliminary study for a new research stream, which connects variables that has not been studied together before.

1.4 Research question
• How do changes of organizational cultural factors such as structure, support mechanisms, entrepreneurial orientation and communication due to an acquisition affect product innovation and creativity at the acquired firm?
2. Theoretical framework

In this chapter the theoretical framework, which our research is based upon is presented. We begin by discussing the effects of M&A on the acquired firm, followed by a theoretical explanation of firm creativity and innovation. Then, the organizational cultural factors of importance for creativity and innovation that are attributes to change during an acquisition will be discussed. Lastly, a model is presented at the end to summarize our theoretical findings.

2.1 Merger & Acquisition: the impact on the acquired firm
Cross-border M&A is a strategy used to establish a wholly owned subsidiary of an already existing facility in a foreign market. Moreover, a horizontal M&A is a transaction of a firm that operates in the same industry, firms that are selling similar types of products (Morschett, Schramm-Klein & Zentes, 2010). This type of cross-border acquisition is the type that will be studied in this thesis.

Companies that engage in acquisition realize that the real challenge starts when the deal is closed and the attention is on how they can best derive value from the acquisition. Whether or not the target company operates in the same or complementary field, it is always necessary to merge the two companies in order to develop synergies and generate value for its shareholders. In 2001, around 70% of all M&A failed due to poor integration of the merged companies (Boot, 2011). The challenges arise because the acquisition involves bringing two different trading relationships, histories, structures and cultures together (Baker & McKenzie, 2011). Typically, cross-border M&As represents a major transition for the acquired organization. Raukko (2009) define the post-acquisition integration as a transition phase that comprises of several changes. Changes refer to the continuous adjustment that an organization does to meet external demands while transition refers to major disruptions to an organization’s business model, product mix, structure and culture (Raukko, 2009). For example, structural integration (the combination of formerly distinct organizational units) as means to achieve coordination will disrupt the target firm’s organizational autonomy (Puranam et al., 2006). Furthermore, some authors argue that personnel changes is the key to acquisition success hence, acquisition often cause substantial changes in the
management of the acquired firm (Cannella & Hambrick, 1993). There is also evidence suggesting that acquisition affect firm growth of the acquired organization. Xiao (2013) states, if entrepreneurial firms are acquired during the stages of early development of innovations, acquisition will have a negative impact on the growth of acquired firm. Although acquisition seems to be a cause of many disadvantages for the acquired firm, there are also reasons to expect that target firms can benefit from cross-border acquisition. Theoretical models predict that acquisition may lead to assets and resources being more efficiently used (Stiebale & Reize, 2011). In addition, it is also proved that target firms that are financially constrained prior to an acquisition are less constrained in a post-acquisition (Erel, Jang & Weisbach, 2013).

Foreign acquisition may also have an impact on target firm’s innovation output. Recent theoretical approaches claim that cross-border M&As are rather conducted to access the acquired firm’s assets than to explore knowledge and skills (Nocke & Yeaple, 2007). Puranam et al. (2006) refer to this as structural integration that enables the acquirer firm to exploit the acquired firm’s technological developments through enhanced coordination. However, M&As might increase innovation efficiency by exploring firm complementarities (Stiebale & Reize, 2011). Puranam et al. (2006) refer to this as structural separation that preserves the acquired firm’s capacity and autonomy for continued exploration and innovation. The choice between structural integration and structural separation is a crucial aspect of acquisition implementation. Furthermore, Pablo (1994) in his study points out that changing the organizational characteristics of an innovative firm will have a negative impact on their innovative capabilities. Other studies claim that key employees of innovation are likely to leave after acquisition (Hitt et al., 1991). Most of the empirical evidences show that acquisitions tend to hurt and not help innovation (Prabhu, Chandy & Ellis, 2005).

### 2.2 Firm creativity and innovation

Creativity can be described as the production of novel and useful ideas in any domain that differs from what has been done before (Amabile, 1996). According to Tang (1998) creativity is the personal ability to find unusual patterns, relations, and produce novel ideas or things. The concept of creativity at organizational level can be defined as the generation of useful and valuable ideas for products, services, processes and
procedures by individuals or groups (Martins & Terblanche, 2003). The latter definition of creativity at organizational level is the one we will be using in our study.

Innovation on the other hand, is described as the collective process of new ideas that are implemented, which breaks through and has an impact on society (NE, 2013). Tang (1998) indicates that innovation in organizations is a process that is mostly carried out as projects, with the aim of utilizing or commercializing an innovative product, process or service. Wang and Ahmed (2004) state “An organization’s overall innovative capability of introducing new products to the market, or opening up new markets, through combining strategic orientation with innovative behavior and process”. This definition of innovativeness is multi-dimensional and includes dimensions such as product, market, process, behavior and strategic innovation. This study will only focus on the dimension of product innovation. Product innovation is defined as a novelty and meaningfulness of new products at a certain time (Wang & Ahmed, 2004). More specific, product innovation can be categorized in two divisions: development of new products, and improvement of existing products. New product development includes the process of bringing a new product or service to the market (White et al., 1988). This is similar to the definition of radical innovation, which is a change of frame or “doing what we did not do before” (Norman & Verganti, 2012). While improvement of existing products could for example, involve change of characteristics, technical abilities or making a product more user-friendly (White et al., 1988). The latter categorization is similar to definition of incremental innovation, which are improvements within a given frame of solution or “doing better what we already do” (Norman & Verganti, 2012). Small entrepreneurial firms often produce break-through innovation while larger firms are better at rationalizing and improving innovations by routinized procedures (Baumol, 2002).

According to the definitions mentioned above, creativity is the ability to make or bring something new into existence, whether it is a new solution to a problem or a new method/device. While creativity is focusing on the ideas, innovation is the part where the ideas are getting implemented and coming to existence. Therefore creativity can be considered as the first approach of innovation.
2.3 Factors of organizational culture that influence creativity and innovation

There are several definitions of organizational culture in the literature. Consequently, there are also several frameworks with different dimensions to describe an organizational culture. Many authors argue that organizational cultural factors can either promote or restrict creativity and innovation (Martins & Terblanche, 2003; Wang & Ahmed, 2004; Tang, 1998). By studying the influence of organizational culture on creativity and innovation we created a model containing factors with bearing influence on creativity and innovation. The factors will be described below.

2.3.1 Structure

An organizational structure can either promote or restrict creativity and innovation. Typically, a flat structure that emphasizes teamwork, flexibility and autonomy will increase an organization’s ability to be innovative (Martins & Terblanche, 2003). Strategic autonomy is the degree to which employees are given discretion and independence to schedule their work and determine how it is done while operational autonomy is the freedom to attack problems (Judge, Fryxell & Dooley, 1997). Kanter (1988) suggests that autonomy facilitate in the idea generation stage of the innovation process. Specialization refers to the degree of differentiation within the organization (Arad, Hanson & Schneider, 1997) and Kanter (1988) indicates that low specialization also facilitate in the idea generation stage of the innovation process. Likewise, Duncan (1979) claim that a decentralized structure where employees solve their own problems facilitates the assimilation of new ideas, thus it contributes to the innovation process. In order to stay viable and innovative, organizations need to be flexible (Judge et al., 1997). Examples of flexibility in the workplace is to make use of job rotation programs, this contributes to a high level of responsibility and adaptability to the external environment (Martins & Terblanche, 2003). Moreover, empowerment is the extent to which employees are granted authority in decision-making, a factor that will encourage people to be innovative (Fernandez & Moldogaziev, 2012). Empowerment according to Bowen and Lawler (1992) is a multifaceted management approach that involves; providing information about goals (e.g. performance measurement and feedback), offering rewards based on performance (e.g. profit sharing and feedback), providing job-related knowledge skills (e.g. training, problem solving) and granting discretion to change work process (e.g. employee participation, self-managed
teams). Therefore, employee empowerment is expected to be positively related to a high level of creativity and innovation (Arad et al., 1997). According to Tang (1998), innovation often starts with an individual that continues with a team, later it involves the entire organization and lastly it extends to the external environment. Martins and Terblanche (2003) underscore similar reasoning and claim that well-established teams that allow a diversity of people to complement one another will also promote creativity and innovation. In contrast, a tall structure that emphasizes e.g. standardization, departmentalization, formalization and centralization will inhibit an organization's ability to innovate (Martins & Terblanche, 2003). Formalization and standardization refers to the extent to which rules, job descriptions and standardized procedures are established in the organization (Morschett et al., 2010). Furthermore, a tall structure also complicates communication and may slow down decision-making (Griffin, 2013).

Following an acquisition, some degree of interorganizational integration and organizational change is necessary. The changes are frequently one-sided, occurring more often within the acquired firm (Pablo, 1994) and the question arise regarding the most effective organizational structure that preserves the acquired firm’s ability to be innovative (Mudambi, R., Mudambi, S.M. & Navarra, 2007). One change following the acquired firm is the structural design, because structural integration enables the acquirer firm to exploit the acquired firm’s technological developments through enhanced coordination (Puranam et al., 2006). Exploitation is a path-dependent mode of learning and the basic purpose of exploitation include greater efficiency of existing products (Li, Y., Li, P.P. & Liu, 2011).

2.3.2 Support mechanisms
Support mechanisms such as reward systems and availability of resources (time and money) will help to breed creativity and innovation (Martins & Terblanche, 2003; Arad et al., 1997). One factor that will encourage innovation is reward system. If creativity is encouraged and rewarded, it will become the dominant way of behaving in the organization. In contrast, emphasis on downsizing and productivity will discourage people from taking risks (Martins & Terblanche, 2003). Time is another factor that is of utmost importance to breed creativity and innovation in the organization (Martins & Terblanche, 2003; Shattow, 1996). Research has shown that overly am-
biguous goals and strict deadlines appear to reduce a unit’s ability to be innovative (Judge et al., 1997). Therefore, employees should be given time to think creatively and experiment (Martins & Terblanche, 2003). Moreover, there is always a financial cost of innovation such as for research and development, therefore, internal source of financing are thus crucial for the implementation of innovation projects (Hottenrott & Peters, 2012).

Programmatic aspects of post-acquisition integration deal with changes of compensations, benefits, policies, staffing, systems, etc. (Bundy, 2007). Access to capital and internal source of financing innovation is commonly an issue for smaller firms that are usually more resource-constrained than the acquiring firm (McKelvie, Wiklund & Davidsson, 2006; Hottenrott & Peters, 2012). An acquisition may result in financial synergy and benefit the acquired firm in many ways. However, in the case of an acquisition, the managers of the various subsidiaries need to compete with each other for resources allocated by headquarters (Mudambi, 1999). Thus it might be difficult to implement innovative ideas.

2.3.3 Communication
Communication is a significant organizational cultural factor that has a positive influence on creativity and innovation (Martins & Terblanche, 2003). Linke and Zerfass (2011) have similar reasoning, they claim that internal communication and intellectual support plays a central role in a creative and innovative business environment. An open-door and transparent communication where people trust each other and allow for people’s different opinions to be heard is an important factor, because it works as a motivator for employees to be creative in a formal organizational setting (Linke & Zerfass, 2011).

Communication is a critical aspect for a successful M&A. Additionally, it is essential for knowledge transfer and innovation capabilities. However, internal communication and culture change is observed to be the hardest to achieve during an acquisition (Harrison, 2013). In a cross-border acquisition, culture distance and the various managerial communication-styles may be an obstacle for clear communication and understanding of one another (Kinnunen, 2009).
2.3.4 Entrepreneurial orientation
Taking risks and experimenting are associated with creativity and innovation. In contrast, too much management control hampers innovation and creativity (Judge et al., 1997). Furthermore, tolerance for mistakes is essential for an organizational culture that promotes creativity and innovation. For example, mistakes can be ignored, punished or perceived as a learning opportunity (Brodtrick, 1997). Feedback is provided by the organization and used to adjust employees’ action (Frese & Fay, 2001). Interpersonal feedback stimulates greater communication of new ideas and facilitate in the idea generation process (Hull & Hage, 1982).

Culture is a key determinant of entrepreneurial orientation (Lee, Lim & Pathak, 2011). Risk taking is one example that has a strong theoretical link with national culture (Hofstede, 1980). Hence, a cross-border acquisition may impact a firm’s entrepreneurial orientation. In fact, one major reason why many M&A fail is that companies tend to underestimate or overlook the cultural differences during the integration process (Boot, 2011). This is particularly true for a sales-driven organization that rather focuses on revenue than capturing synergy (Bundy, 2007). In contrast, acknowledging cultural difference in each stage of the integration process instead highlight the innovation opportunities that arise when a large, mature organization acquires a smaller and more dynamic firm (Denison, Bryan & Guidroz, 2011).

2.4 Summary of the theoretical framework
One stream of literature emphasizes the impact of acquisition on the acquired firm (Raukko, 2009; Puranam et al., 2006; Cannella & Hambrick, 1993). Another stream of literature discusses the organizational cultural factors and their impact on creativity and innovation (Martins & Terblanche, 2003; Kanter, 1988; Duncan 1979; Judge et al., 1997). Few studies have attempted to integrate these two. The model below (figure 1) summarizes our theoretical findings and additionally, connects the two streams of literature. This model will be used as guide in our analysis.
Figure 1: Theoretical framework.
3. Methodology

In this chapter we explain how the research was conducted. We begin with a discussion of our research strategy where we explain the reasons for our choice of research design and method. We then explain the data collection method and how the interviews were conducted. Lastly, we discuss research ethics, research credibility and the limitations of our thesis.

3.1 Research approach

The purpose of this study is to investigate how M&A affects organizational cultural factors of the acquired firm, and how this influences creativity and product innovation. The theoretical framework is developed prior to the data collection. This research approach is called a deductive approach and is suitable when the researcher want to understand why something is happening (Saunders, Lewis & Thornhill, 2009). To be able to answer our research question, we need a deep understanding of the current organizational setting, which is present today, and of the one that was present before. The classification of the research purpose is explanatory where the emphasis is studying a post-acquisition scenario, in order to understand the relationship between variables, characteristic of an explanatory study (Saunders et al., 2009).

The research will be carried out as a qualitative case study at a subsidiary of a medtech company in Sweden. A case study is an “empirical investigation of a particular contemporary phenomenon within its real life context” and most often used in an explanatory study (Saunders et al., 2009). In this paper a multi-method qualitative research approach, where more than one data collection method, will be used (Saunders et al., 2009). Interviews (primary data) and company documentation (secondary data) is what we will use to answer our research question.

3.2 Data collection

The theoretical framework highlighted the effect of M&A on innovation capabilities, the changes that arise due to an acquisition, and the organizational culture factors that contribute to innovativeness and creativity within an organization. Therefore, we are keen to investigate this phenomenon at an acquired company with experience of such
changes. We see the importance of studying the competitive medtech sector since their survival depends on their ability to innovate, also because they account for a large amount of the M&A activities. As our theory explain, many MNCs find that their target lose their innovativeness when they are trying to integrate the companies involved. As we are trying to explain how M&A affect creativeness and innovativeness at subsidiary level, it is important to gain in-depth knowledge from a subsidiary perspective. Therefore, we performed a case study of an acquired medtech company that we want to keep anonymous in this thesis. The company was known for their innovativeness whereas the acquiring firm uses an “innovation through acquisition” approach to leverage from their targets’ innovative capabilities. The acquisition took place in 2008 and we feel confident that this company gave us a deep insight of the above-mentioned phenomenon in an ideal way. Furthermore, the employees that we have chosen for our interviews are managers and key employees that have been working during this transition period and in addition, have good knowledge and insight of products and processes.

Semi-structured interviews are the preferable choice for an explanatory study as in our case. Moreover, semi-structured interviews were carried out, because it was necessary to adapt the questions to the areas of which the respondent were most familiarized with. It was also necessary because we wanted to ask for attendant question to attain full knowledge about the organizational cultural changes and its effect on product innovation and creativity. The interviews were conducted face-to-face at the case company. Questions were asked in Swedish and the interviews took approximately forty-five minutes each. All interviews were recorded with the consent of the respondent. We both were present in all interviews. The interviews were based on topics presented in the model theoretical framework (figure 1). The questions can be seen in appendix 1.

3.2.1 Operationalization
First the respondent was asked general questions e.g. year of employment, position and main area of responsibility. The following questions are in-lined with the theoretical framework. In question 1-6 the respondent was asked to talk about creativeness within the organization and how it has changed due to the acquisition. Question 7-10 involves questions about product innovation, 11-14 questions about the formal struc-
ture, 15-17 includes questions about communication, 18-24 involves questions about entrepreneurial orientation. In the final question, no. 25, the respondent was asked to talk about his/hers perception about the changes that has affected their creativeness and level of product innovation mostly.

3.2.2 Respondents
We began our data collection by conducting a meeting with the site liaison of the subsidiary. This meeting was conducted to attain a rough idea about the problems that the subsidiary had faced during the post-acquisition integration. After this meeting the research topic was finalized. An email was sent out to employees of the management group to schedule appointments for interviews. These people were chosen because they have been working in the organization for longer periods and because they are in charge over projects and products within the organization. A fourth respondent at another hierarchical level was chosen to provide deeper knowledge of the organizational culture from another perspective. The four respondents have different positions and roles within the organization.

Respondent 1: Director, program management; Coordination of the product development process.
Respondent 2: Sr. Director, technology; Pursue development of products.
Respondent 3: Director operations; Manage, allocate and plan the production.
Respondent 4: Supervisor, Manufacturing; Plan over the manufacturing, supervisor of employees in the manufacturing.

3.3 Analysis
We used a multi method approach to analyze the result of both empirical primary and secondary data. The semi-structured interviews that were carried out were in-lined with the theoretical framework, which we used as guide in our analysis. Our empirical results and analysis answers our research question “How do changes of organizational cultural factors such as structure, support mechanisms, entrepreneurial orientation and communication due to an acquisition affect product innovation and creativity at the acquired firm?”
3.4 Research credibility
A good research design is important to reduce the possibility of obtaining wrong answers (Saunders et al., 2009). The reliability refers to which the data collection and analysis technique will yield consistent findings (Saunders et al., 2009). To increase reliability and reduce risk of subject or participant bias, we informed the participants about the nature of the outputs to which the research was intended to lead, and we also stressed that they could choose to be anonymous. Furthermore, we paid particular attention to the five P:s, “prior planning prevents poor performance” to improve reliability (Saunders et al., 2009). We ensured that we were well informed about the organizational setting before conducting interviews. We gathered secondary data about the organization (see empirical findings) and in addition, we held a first interview with the site liaison to get a rough idea about the organizational situation. We were also well familiar with the literature before we started conducting the interviews. Validity on the other hand, refers to whether the findings are really what they appear to be about (Saunders et al., 2009). To maximize validity, we conducted test interviews on peers to see what kind of answers we could expect. Based on these, we made some reformulations of our questions to prevent misinterpretation. Furthermore, to ensure validity in our analysis we compared the results from our different respondents to ensure we obtained consistent findings. In addition, during our interviews, topics and themes were discussed from a variety of different angles. For example, some questions were asked several times in different ways to ensure that we attained the right answers. At last, to increase validity, our conclusions are based on supporting evidence from literature regarding the phenomenon studied.

3.5 Research ethics
The ethical consideration of this research design is not to expose our respondents to embarrassment, harm, or other types of difficulties (Saunders et al., 2009). All our respondents have voluntarily agreed to be interviewed and they were all informed about the anonymity of our thesis.

3.6 Limitations
Most authors argue that M&A have a negative impact on innovation (Puranam et al., 2009; Colm et al., 2012; Ernst & Vitt, 2000; Hitt et al., 1991; Miller, 1990). Further-
more, innovation is a broad concept that includes many dimensions (Wang & Ahmed, 2004). The authors that describe organizational cultural factors and how it contributes to creativity and innovation discuss innovation from a broad perspective (Martins & Terblanche, 2003). This has two consequences for our thesis. First, it makes it hard for us to give the reader an objective picture of M&A and its impact on innovation of the acquired firm. To reduce this limitation, we have included many references from different scholars and their various findings within this topic. Second, we had to limit our thesis to one concept of innovation, that is, product innovation. To measure this we distinguished between radical and incremental type of innovation (Norman & Verganti, 2012).

Our methodological approach allowed us to get deep insight of the implications of an acquisition on the acquired organization. The methodological limitation, however, is that the sample collection is too small to generalize the findings. Due to the time constraint, we were not able to gather data from more than one company. Therefore, the generalization can be improved by studying more than one case company. Furthermore, due to unexpected organizational restructuring at our case company, we were not able to find more respondents to our data collection. However, with our respondent’s superior knowledge and insight of the company we were still able to gather the answers we needed for the purpose of the analysis.
4. Empirical findings

This chapter describes the company that we have chosen. We begin by presenting secondary data of the acquired company that gives us a brief historical view of the organization. At last we present the results from the interviews.

4.1 History of the acquired firm

The company was founded 1989 but the history of how it all begun goes back to late 1970s. It began as a family business in late 1970s under a different name with focus on bringing benefits and quality of life to consumers. It started with an ergonomically designed safety sled for children and continued with the development of catheter kits for pediatric X-ray examination. The company grew as hospitals began to use cardiac catheters and the growth ensured that the company was profitable and could develop future-minded, innovative products. While experts often claimed that their ideas were impossible, they saw no future of simply being just a distributor, thus profits were reinvested in product development. The business was going well but in 1989 the owners felt that they needed a fresh start and they sold their firm and instead, a new organization with a less hierarchical structure was formed.

The new company had its focus within two product segments, hemostasis and intravascular sensors. It took quite some years for their products to gain acceptance and it required hard work, know-how, commitment and in-depth understanding of customer needs. “Humor breeds creativity because when people like what they are doing, it helps to foster a pleasant working environment, which is conducive to profitability” (Company information sheet provided by the subsidiary). They had a unique company culture with an environment free and open for discussion. Face-to-face communication without fear of reprimand was important for a mutual exchange of knowledge. With an open and enjoyable working environment, they fostered creativity and through innovation they stayed competitive with their core value of improving patient care (Company information sheet provided by the subsidiary).
4.2 The acquisition

In 2008 an American multinational corporation acquired the successful Swedish medtech firm. At that time, the Swedish organization was world leader of two product segments where the acquiring firm was not currently present. Chairman, president and chief executive officer of the acquiring firm stated in the press release "We look forward in capturing synergies and to further expanding our investment in our cardiovascular products and programs" (Press release, 2008). Chief executive officer of the acquired organization about the acquisition: ”This transaction brings together complementary product lines and, through their sales and distribution infrastructure we can extend our reach for the benefit of the patients” (Press release, 2008).

The organization today has approximately 16,000 employees worldwide and is present globally in more than 100 countries (Corporate Presentation, 2013). Between year 2003 and 2013, they announced 14 acquisitions with aim to become the product leader within the medical technology industry. The subsidiary in Sweden has approximately 250 employees today and is specialized in cardiovascular technology.

4.3 Results

4.3.1 Structure

*Flexibility:* The majority of the respondents feel that they are quite flexible in their work. Respondent 3, mentions that he can be a part of technical discussion as well as in strategic decision-makings. Sometimes work can be quite monotonic, but for most part, the work tasks are quite diverse and there is not a big difference in terms of flexibility from before (resp. 1). Respondent 4 does not feel that her work tasks are flexible, however, she takes the liberty to make them so when the work becomes monotonic (autonomy).

*Autonomy:* Before the acquisition, they were controlled by a cash flow system, therefore, as long as there was money available they could decide which projects to run and how to finance them. Today they are a part of a listed company. They do not own the resources and cannot decide how much money and time to spend on their projects. Now, they need to report results on a quarterly basis, which requires that projects are completed at certain time. This limits their amount of freedom (resp. 1 & 3). Howev-
er, the subsidiary has the autonomy to plan for their activities and which people to include in the projects as long as they are within a their budget (resp. 1). The ability to influence the routines and standards is difficult, since it is supposed to be the same across the organization (resp. 3). Furthermore, our finding is that the level of autonomy is different depending on the respondent’s responsibility in the organization. Respondent 2 states that as long as they are following criterion and goals, they decide on how to achieve them. Moreover, respondent 1 and 4 give similar answer, while respondent 3 would like more autonomy. However, the majority of the respondents still feel that they have a great level of freedom in their work as long as they do what is expected from them (resp. 1, 2 & 3).

Empowerment: As the organization has grown bigger, there are more possibilities to be promoted, change position, and opportunities to work abroad (resp. 1 & 3). The majority of the respondents do not think that the same opportunities to develop would exist like today, if they had not been acquired. Opportunities to involve in educational programs exist today similar as before (resp. 2). By having parallel projects running at the same time, the organizational learning has increased (resp. 1 & 2). However, this does not seem to be the case for employees at all levels. Respondent 4 points out that one can only develop to a certain limit and that it is harder now to change work position.

Cooperative teams: The employees are encouraged to work in teams, the differences today is that they are more controlled within their different function and supposed to cooperate with their own team in the first place. However, it is important that teams from different functions are coordinated to achieve goals (resp. 1). For projects but also for smaller work of change they appoint a project manager. For bigger projects engineers from different departments: research and development, operations and quality, are combined in cooperative teams (resp. 3). Another change due to the acquisition is that they are now allowed to buy external expert competence through consultants, which increase the quality of products, while before they only used internal competence to prohibit knowledge from leaking externally (resp. 2).

Formalization: The medtech industry is extremely strict and controlled by many rules (resp. 1,2 & 3). More authorities have bigger control in comparison to when they were
privately owned (resp. 1 & 4). This has changed the working environment for the engineers that have become more controlled and less creative (resp. 3). Respondent 2 gave similar answer and stated that it was more independent before compared to the situation today. Respondent 2 provided an example and claimed that documents today need to be signed by many individuals: the issuer and readers with respect to quality, technical aspects and regulatory perspective. Before, the engineers were more self-acting and people trusted their words (resp. 2).

**Centralization:** Decision making on what projects and changes to be made is decided centrally by headquarter (resp. 3). For the most part, headquarter make decision based on the subsidiary’s recommendations (resp. 2 & 3). Smaller financial decisions, such as bringing external competence to accelerate a project are taken locally (resp. 1 & 3). Respondent 4 feels that she is able to make more decisions independently today than she used to. She asserts that she is able to give her employees permit for vacation and adjust finely over the production without asking, while before she acted more as a messenger (resp. 4).

### 4.3.2 Support mechanism

**Money:** Today, they must compete for the same money towards a greater variety of products and projects within the organization to obtain funding for the implementation of their ideas (resp. 1). It is necessary that projects provide revenue for the stakeholders of the company (resp. 1 & 2). An additional change is that money is allocated between each function and it is important that groups do not exceed this budget. As a private owned company, each function handled a shared amount of money (resp. 1). The financial opportunities are greater today and therefore they are able to run several projects in parallel whereas before, the money was enough to cover only one project at the time (resp. 1 & 3).

**Time:** Keeping deadlines are very important within the organization. The focus today is to deliver projects in time rather than spending time on solving problems (resp. 2). Respondent 4 have a similar opinion, where she claims that time pressure is more substantial today and that it is limiting the creative process. There are more clear deadlines today and it is important to deliver results in time, since quarterly financial results and monthly financial statements control them. Before the acquisition the
deadline was not set in stone, if sales could not cover the cost of the project, it was OK to delay the deadline for a month or more (resp. 1).

Reward system: Similar to before the acquisition, they have a type of reward system for outstanding performance, other than a monetary upgrade. However, the previous reward system was not equally established (resp. 1, 3 & 4). They currently have a reward system where the employees that have shown dedication, loyalty and outstanding personal performance achieve an opportunity to be in the spotlight (resp. 1 & 3). Candidates are nominated if they have contributed with something valuable for the company, for example revenue growth, social growth or sacrificed spare time for a deadline (resp. 4). Furthermore, teams that have completed a project in time, celebrate together through different activities (resp. 2 & 3).

4.3.3 Communication
The internal communication today varies between formal and informal character. The communication is of formal character through department meetings held weekly (resp. 2, 3 & 4). On the other hand, when it is very stressful, the communication is rather informal through smaller group meetings held less frequently (resp. 2). Overall, the communication today is stricter than it used to be. Meetings are reported and followed up. Before the acquisition a lot of the communication was held out in the workplace and decisions could be made directly. Furthermore, there was more time for everyone to have a daily personal contact and face-to-face communication with peers, subordinates and superiors (resp. 3 & 4). Most of the internal communication today is through email due to the lack of time (resp. 4). For the management group with their superior in the U.S most of the communication occurs through email, but also through yearly visits (resp. 1 & 3). This poses an obstacle in the communication where they have to be more careful of how they use the language to prevent misunderstanding (resp. 1). The consequences of this more strict type of communication are that decisions are being made slower (resp. 3).

4.3.4 Entrepreneurial orientation
Feedback: Both positive and negative feedback is given to the employees. Positive feedback is given when they manage to meet the desired production number, deliver projects in time, and when they manage to achieve good results. In contrast, if results
are not achieved in time or if anyone has done something that is not appreciated, they receive complaints (resp. 1 & 3). The majority of the respondents claim that negative feedback is more frequently given than positive feedback. One respondent mentions that the lack of negative feedback could be interpreted as appreciation. Today, the feedback is more direct than it used to be, since the employees have a more clear area of responsibility than before (resp. 3). Another difference is that the feedback was less formal before the acquisition, since people were working closer together (resp. 1). For example, a pat on the back was a common act of appreciation back then (resp. 2).

*Mistake handling:* Feedback of mistakes is handled fast (resp. 1) and sometimes with a scolding (resp. 3). The majority of our respondents feel that the criticism is not constructive (resp. 1 & 3), that it is sporadic, sometimes justified but mostly unmotivated (resp. 3). Feedback of mistakes is important in this business since the mistakes can have devastating consequences on peoples’ health, if they are not correctly treated (resp. 2). The differences of criticism before and after the acquisition are in the way it is presented. Today, it is more direct and less reasoning, but the respondent adds that it is rather a matter of culture difference (resp. 1). Respondent 4 offers another opinion; she states that the criticism she is given is objective and concrete. When incidents occur, they discuss the problem to find reasons and come up with solutions (resp. 4).

*Risk taking:* The amount of risks taken today has decreased. When privately owned, they could take risks and decide which projects to run as long as there was enough money to finance it. Today, they need to be certain that a project will provide revenue growth or reduce an existing cost, being just an interesting project is not enough. However, they still take risks and make their own decisions as long as they are within the working frame (resp. 1 & 2). Surprises are not appreciated. Respondent 1 present an example of this, if a project takes a wrong turn and does not work out as it is supposed to, it needs to be communicated directly otherwise, the situation will be blown up. Therefore it is necessary that problems are well communicated and understood, and not shown up as a surprise later (resp. 1).
4.3.5 Creativity
The view of creativity within the organization is seen as freethinking, problem solving or finding new solutions that are more effective (resp. 1, 2, 3 & 4). External authorities tightly regulate the medtech industry much more now than before, and this has decreased the level of freethinking among the employees (resp. 1 & 3). Time has become a limited factor due to the acquisition and the current controlled environment forces employees to prioritize deadlines at the expense of creative thinking (resp. 4). Respondent 3 states that the engineers today have less opportunity to be creative. Respondent 2 points out that creativity is the attribute to solving problems and that it does not matter how you approach it, in a “creative” way or through experiments. He adds, solving problems is his job and it has not changed due to the acquisition, maybe because the organization has tried to keep the engineers outside the strict process (resp. 3). The biggest change due to the acquisition that has affected creativity in the organization is that now they belong to a common quality system and are not able to make decisions regarding the projects (resp. 1). Not all big changes in the organization come from ideas generated by the research and development department and engineers. The ability to express ideas exists at all levels of the organization and the employees are prompted to do so. However, the subordinates do not use this possibility to the extent that the organization would want. One reason for this could be that they value other things such as safety before risk taking (resp. 4). Respondent 4 points to, how people value creativity is very individual and that it might vary at organizational level. Ideas come locally but gain approval by headquarter. However, the overall opportunity to bring in change has increased with the acquisition since the capital has grown (resp. 3).

4.3.6 Product innovation
Product innovation still exists today, however it is not as revolutionary as before (resp. 1). Since the acquisition, a great number of products have been developed and introduced. However, these are more related to a specific product segment now, cardiovascular devices - their area of expertise. In addition, they continue to improve their already existing products (resp. 1, 2, 3 & 4) and continuously implement smaller ideas to improve the production processes (resp. 4). Today, the emphasis is on improvements of products that sell the most (resp. 4). Furthermore, they work more actively to increase their patent portfolio now than ever before. This is due to the fact
that they have the financial capital to work with projects in parallel (resp. 2 & 3). The difference today is that they need to have a business case behind each product, in contrast to before when they did whatever they thought was “cool” (resp. 2). The organization still appreciates innovation in the same way but if it does not bring revenue then it will not be implemented (resp. 1,2, 3 & 4).
5. Analysis

In this chapter the organizational factors that have changed due to the acquisition will be analyzed in regards to their effect on creativity and product innovation of the acquired organization.

5.1 Structural changes and impact on product innovation and creativity
The organizational structure has changed due to the acquisition, which has affected factors such as flexibility, autonomy, empowerment, cooperative teamwork, formalization and centralization. This finding is similar to Pablo’s (1994) that implies that an acquisition often leads to high-level changes in the structure of the acquired firm.

The level of autonomy has changed, as they are now dependent on another type of financial system as well as quality system. Judge et al. (1997) make a distinction between strategic and operational autonomy, and the employees’ level of strategic and operational autonomy varies depending on their position. The majority of the employees still feel that they have the autonomy to make changes as long as they are within the working frame. Kanter (1988) suggest that autonomy will facilitate in the innovation process. Most respondents feel that the opportunity to advance within the organization has increased with the acquisition and hence increased level of empowerment. Empowerment according to Bowen and Lawler (1992) is a multifaceted management approach where providing job-related knowledge skills are expected be related to high-level creativity and innovation (Arad et al., 1997). The employees cooperate in teams. However, the priority is to cooperate with those of your own function first. “Before the acquisition, everyone was involved in failure and success of the organization, now people have a clearer field of responsibility” (resp. 3). This is a consequence of the structure being more departmentalized and specialized than before (See appendix 2). The current structure has a higher level of specialization, with more people doing the job that only one was assigned before, and a more rigid departmentalization. This makes it harder for employees to collaborate in team outside their function, according to Tang (1998) innovation need to involve the entire organization. All of our respondents state that the level of formalization has increased including a greater
number of rules and regulations that need to be followed. The current structure is more centralized. Decisions of greater impact, such as organizational changes, which projects to implement and product launching is made by headquarter while decision regarding work conditions are taken locally. Formalization and centralization, control and rigidity will inhibit an organization’s ability to innovate (Martins & Terblanche, 2003).

Theory states that changing the organizational characteristics of an innovative firm will have a negative impact on their ability to innovate (Pablo, 1994). Our result indicates that the acquisition caused major disruption to the organizational structure. However, the structural changes of this organization do not seem to have a great impact on product innovation but rather on their creativeness. To interpret through our respondents’ answers, formalization and teamwork are the factors that have had the biggest impact on creativeness and product innovation. “Several authorities have larger control now than when we were privately owned so our ability to be creative is limited as compared to before” (resp. 1), “We are bound to common processes and systems that are harder to influence and hence our creativeness is limited” (resp. 3). However, this does not seem to affect product innovation in a significant way. Our results showed that they are introducing more products to the market now than ever before. We found that teamwork seem to increase their level of creativeness. Even though they are more departmentalized and people have become more functionally oriented, one big change due to the acquisition is that they are able to buy external labor, consultants, if they need specific expertise. This finding is similar to the one of Martins & Terblanche (2003) that claims, teamwork including a diversity of people will promote creativity and innovation. In conclusion, the change in structure has been made in an attempt to integrate the sales driven culture of the acquiring firm and the innovative culture of the acquired firm to bring out the best of both, that is product innovation, which brings most revenue for the whole organization.

5.2 Changes of support mechanisms and impact on product innovation and creativity

Several support mechanisms have changed due to the acquisition. One major change within the organization is growth of capital. Our empirical finding is that the opportunities to run several projects at the same time are greater today than before. As theory
product innovation is a large financial cost (Hottenrott and Peters, 2012) and acquisition may result in financial synergy (Mudambi, 1999). We also found that the subsidiary have less control over the money and that they must compete for the same money towards a great variety of other products, this confirms another finding by Mudambi (1999). The consequence of this is that several creative ideas have not been implemented. One respondent claim; “Getting products implemented is harder today”. The theory states that small entrepreneurial firms more frequently produce breakthrough innovations while the acquiring firm usually are better at rationalizing and improving innovations by routinized procedures (Baumol, 2002). Time for creative thinking has become limited as due to the acquisition. There are stricter deadlines for projects and products now than it used to be. The theory indicates that ambiguous goals and tight deadlines appear to reduce a unit’s ability to be innovative (Judge et al., 1997). Based on our result, deadlines have reduced the time for creative thinking, but there is not enough evidence to prove that this has affected their product innovation. The reward system that they have today is more established than it used to be. People achieve rewards for several types of achievements. One respondent points out “One year, an engineer behind a technical idea that lead to a new version of a product received the award”. This indicates that creativeness is appreciated and rewarded by the organization. Martins and Terblanche (2003) states that if creativity is rewarded, it will become the way of behaving in the organization.

According to our empirical findings, money and time are the factors that have changed that have had an affect on creativity and product innovation. The increased financial capital as due to the acquisition have brought more possibilities to work on product innovation and in result, brought more products to the market in a faster rate than before. The time pressure due to the strict deadlines has reduced their ability to be creative but on the other hand, it does not seem to affect product innovation negatively.

5.3 Changes in communication and impact on product innovation and creativity

The communication within the acquired organization has changed as due to the acquisition. In a cross-border acquisition, culture distance and the various managerial communication-styles may vary (Kinnunen, 2009). Overall, the communication today
is stricter than it used to be. “The consequences of a stricter communication is that innovation process is being hampered as decisions are being made slower” (resp. 3). This confirms the theory of Linke and Zerfass (2011) that claim, an open-door communication allows for people’s different opinions and that it is important to foster creativeness in a formal organizational setting. Furthermore, one respondent claims that they need to be more careful of how they use the language to prevent misunderstanding. The theory states that in a cross-border acquisition, communication and understanding of one another is harder to achieve (Kinnunen, 2009).

Even though our empirical finding show that communication has changed and it does affect decision-making and the innovation process, the organization is trying to encounter this by keeping engineers outside the strict process. One respondent adds it might be good that decisions are being made more slowly because before the acquisition decisions could be changed several times a day (resp. 3). Overall, it seems like the changes of communication have made a smaller impact on creativity and product innovation.

5.4 Changes in entrepreneurial orientation and impact on product innovation and creativity
The entrepreneurial orientation in the organization has changed due to the differences in culture of the two merging firms. Culture is a key determinant of entrepreneurial orientation (Lee et al., 2011). The factors that have changed are risk taking, mistake handling and how they receive feedback. The amount of risks taken has decreased, because now they need to be sure that what they do will provide revenue growth. One respondent indicates, “the employees today value safety before risk taking”. Another respondent add, “Our innovation is not as ground-breaking as before, our innovation today involves improving existing products”. This is similar to the difference in radical, what they used to do, and incremental innovation, what they do today (Norman & Verganti, 2012). Furthermore, there seem to be an emphasis on productivity rather than giving time for creative thinking. Our empirical finding confirms that downsizing and productivity will discourage people from taking risks (Martins & Terblanche, 2003). Taking risks and experimenting are behaviors associated with creativity and innovation (Judge et al., 1997). According to our empirical findings, mistakes are handled faster now than before. The criticism that the employees receive are either
less reasoning, if the boss is located in the U.S or more objective if the boss is within the organization of the acquired firm. In this case, how the criticism is handled is probably due to the cultural difference as one respondent suggests. The theory asserts, mistakes can be ignored, punished or perceived as a learning opportunity (Brodtrick, 1997) and how mistakes are handled is related to creativity and product innovation (Martins & Terblanche, 2003). Both positive and negative feedback is given to the employees and the majority of the respondents feel that feedback is important for their learning within the organization. This confirms the finding of Hull and Hage (1982) that claims that interpersonal feedback facilitate in the idea generation process. Overall, critics are given more often than appreciation and the feedback is more formal now than before.

The entrepreneurial orientation within the organization has clearly changed due to the acquisition, and some factors conduce to this change more than others. One such factor is risk taking. The level of risk taking has decreased tremendously which could be due to many factors. The fact that they now belong to a listed company but also the fact the culture differences play a role here. Risk taking is one such example that has a strong theoretical link with national culture (Hofstede, 1980). The respondents claim that the organization appreciates innovation in the same way as before, but getting products implemented is harder today.
6. Conclusion

In this chapter we will discuss our findings and present the conclusions. Thereafter, we will propose suggestions for future research.

6.1 Concluding remarks and discussion
Our research has shown that most of the organizational cultural factors are attributes to change during an acquisition and that some of these affect creativeness and product innovation at the acquired firm. The factors that limits creativeness are communication, time and formalization. Communication is more complex today, hence decisions are made slower. Time has become more of a limiting factor today compared to before the acquisition, since keeping deadlines is prioritized before giving time to creative thinking. Furthermore, the level of formalization is much greater today with strict control through rules and standardized procedures, which has limited their way of being creative. In contrast, teamwork has instead increased their creativeness, since they are able to hire consultants. The factors that have affected product innovation are especially money and risk taking. An increased capital has allowed the organization to work with projects in parallel, and more products are brought to the market today than it used to. However, we made an interesting finding about level of risk taking. The products brought to the market today are more of incremental character; they stick to what they know and what they do best. Whereas before the acquisition, the organization was known for creative ideas and groundbreaking products that no one else believed in.

6.3 Suggestion for further research and managerial implications
Our study is preliminary study of a new research stream, which connects variables that has not been studied together before. However, due to the time constraint we were not able to gather data from more than one company. Therefore, we cannot generalize our findings and hence, a suggestion for further research is to conduct a quantitative study based on our theoretical framework (figure 1) and questionnaire (appendix 1). This model is not restricted only to the medtech industry and therefore the
phenomenon can be studied across other types of innovative business areas. Another suggestion for further research is to interview headquarter and to include an addition organizational factor, strategy in the research as well. It would be favorable to know what is actually expected of the subsidiary from headquarter, when it comes to creativity and product innovation. A third suggestion for further research is to use innovation of a different dimensions e.g. process innovation. A last suggestion is to use our result and research its consequences for the organization’s competitiveness towards other subsidiaries. Literature states that an organization needs innovation of both radical and incremental type in order to be competitive (Li et al., 2011). It would be interesting to know how a change of this type affects their competitiveness.
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trillion in 2013. The Economic Times.


Exhibit

Appendix 1. Interview questions

Personlig fakta
Anställningsår?, Karriärsbakgrund?
Arbete
Position?, Huvudsakliga arbetsuppgifter? Ansvar?

Kreativitet
1. Vad är kreativitet för dig?
Utveckla och ge resonemang?
2. Anser du att det är viktigt med kreativitet och förändringsförslag i företaget?
På vilket sätt? utveckla?
3. Ges det utrymme att vara kreativ i ditt arbete?
På vilket sätt? Tid? om inte vad saknas? hur har det förändrats efter uppköpet?
4. Arbetar ni för att ta fram nya idéer vad det gäller produktutveckling?
Utveckla? förbättring av produkter? nya produkter? eller varför inte? hur har det förändrats efter uppköpet?
5. Hur stor tankefrihet har du nu när företaget växt och blivit större?
Utveckla.
6. Om du har en idé/ ett förslag angående verksamheten, vem vänder du dig till? hur skiljer det sig från innan uppköpet?

Innovation
7. Hur viktigt är innovation för er?
Hur har synen på innovation förändrats efter uppköpet?
8. Hur blir ideër bemötta? implementeras ideër?
Om ja, går det fort eller långtsamt att implementera idéer? Hur har det förändrats efter uppköpet?
9. Utvecklar ni nya produkter?
Om inte, varför? hur har det förändrats efter uppköpet?
10. Förbättrar ni era existerande produkter?
Om inte, varför? hur har det förändrats efter uppköpet?

Struktur
11. Hur mycket frihet har du i dina arbetsysslor? (Freedom)
Utveckla. hur har det förändrats efter uppköpet?
Utveckla. Beroende av andra i ditt arbete? vad för slags beslut? hur har det förändrats efter uppköpet?
13. Vem fattar slutgiltiga beslut? (centralization)
Utveckla. hur har det förändrats efter uppköpet?

14. Har du varierande arbetsuppgifter? (flexibility)
Utveckla. hur har det förändrats efter uppköpet?

Kommunikation

15. Hur kommunicerar ni i företaget?
Öppen kommunikation? Face-to-face? via mail? möten? hur har det förändrats efter uppköpet?

16. Upplever du att dina chefer lyssnar på dig?
Utveckla. Dialog eller monolog? hur har det förändrats efter uppköpet?

17. Hur ofta har ni möten?
hur har det förändrats efter uppköpet?

Entreprenörskap

18. Belönas framstående prestationer? (Reward system)
Utveckla. Vad för typ av presentation? vad för typ av belöningsystem? hur har det förändrats efter uppköpet?

19. Får du beröm när du har gjort ett bra arbete?
Utveckla. hur har det förändrats efter uppköpet?

20. Får du kritik när du gjort något som inte uppskattas? (Mistake handling)
Utveckla. hur har det förändrats efter uppköpet?

21. Får du möjlighet att utvecklas? (empowerment)
Utveckla. hur har det förändrats efter uppköpet?

22. (Vägar du och dina kollegor ta initiativ även om resultatet är ovisst? (Risk taking))
Utveckla. hur har det förändrats efter uppköpet?

23. Om det finns något i ditt arbete som du tror att du kan lösa på ett bättre sätt än du blivit upplärd, uppmuntras du att göra enligt ditt sätt? (Risk taking, empowerment)
Utveckla. Hur har det förändrats efter uppköpet?

24. Uppmuntras du att samarbeta med andra? (team work)
Utveckla. hur har det förändrats efter uppköpet?

25. Dessa förändringar vi har prata lite om nu, tycker du att det har påverkat ditt sätt att vara kreativ?
Utveckla. Vilka förändringar?
Appendix 2. Organizational structure

HR department before the acquisition

HR director

- HR manager
- HR business partner
- Coordinator
- Receptionist

HR department after the acquisition

HR director

- HR manager
  - Business partner
  - Coordinator
- HR facility
  - Coordinator
  - Receptionist

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1 Company information sheet provided by the subsidiary