Acculturation after an acquisition

A multiple case study

Master Thesis Managing in a Global Context

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Abstract

Background

In order to keep up with increasing competition companies use acquisitions to change or grow. Acquisitions are changes, and they do have an impact on organizations and its employees. When an acquisition takes place, two previously independent organizations and organizational cultures comes into contact, which causes changes in those cultures. These changes and the adaptation of the cultures can be described by the context of acculturation. Previous research in acculturation mainly focuses on determinants or acculturation outcomes. This study will therefore study the acculturation process.

Purpose

The purpose of this thesis is to describe and understand what the acculturation process look like after an acquisition.

Method

The method chosen for this thesis is qualitative, and the information has been collected by using semi-structured interviews. The study is a multiple case study and three cases are studied.

Conclusions

We conclude that the acculturation process of acquired company is affected by several factors. What does the acculturation process look like after an acquisition can be understood by looking at these different factors and by finding reasons for what these factors are. Most strikingly, this study found that the acculturation process could not be understood separately from the acquisition process. Furthermore, in theory proposed agreements are not made in practice. The outcomes of this research are presented in a new model of the process of acculturation.

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Preface

Only a few months ago, we started the process 'Master thesis in business administration'. May 11, the hand-in date, has been marked in our agendas for a long time. Now, finally, the day has come, and because of a lot of hard work including re-writing, typing, constantly revising, it is now time to hand in our thesis. Although the two of us mainly did the process, fruitful insights of others led us to a better result.

Therefore, we want to thank Tomas, our supervisor for the individual meetings and the feedback during the sessions. In addition, we want to thank Malte, Aimee, Jukka, Oona, Miriam and Jenny for all the feedback they have given us during the sessions.

Furthermore, thanks to the company contacts who gave us the details of our interviewees. Without them, we would not have any results. They all gave us valuable insights into what does the acculturation process look like. We appreciate their time and honesty greatly.

In addition, we would like to thank our families and friends, both back home and in Jönköping who helped us both to get our minds off the thesis, and we could always assess for advice.

We are proud of what we have achieved, and we hope you enjoy reading our thesis!

Sofia Tuominen and Iris van Hoeve

1   Introduction

We live in a time of radical change and turbulence (Alvesson & Svenningson, 2008). As the business environment is constantly changing, there is a growing need for organizations to change and to maintain their competitiveness (Kotter & Schlesinger, 1979). There are many different ways to implement change. These different types of changes can be divided into two broad groups, micro- and macro-level changes. Macro- level changes are transformational and discontinuous changes whereas micro level changes occur daily in operational levels (Surdu & Potecea, 2012). One type of macro-level changes is acquisitions. Nowadays many organizations all over the world use acquisitions as a strategy to remain their competitive advantage. An acquisition is a takeover where assets transfer from one company to another (Gertsen, Søderberg & Trop, 1998). There are different motives why acquisitions take place, for example to limit competition; to grow; to benefit from economies of scale; to achieve additional value creation or to achieve a dominant position in a market (Bower, 2001; Gertsen et al., 1998). In order to hold a competitive advantage more and more, companies use acquisitions as a strategy.

Acquisitions are substantial organizational changes, which gained interest in the management literature over the past decade. Acquisitions can cause uncertainty in organizations, which impacts the dynamics in both the acquired and acquiring organization (van Vuuren, Beelen & Jong, 2010). Acquisitions involve high levels of financial investments but the gains from these activities are difficult to assess (Gertsen et al., 1998). According to Buckley and Ghauri (2003) acquisitions do not always lead to increased value or stronger financial performance. How the acquisition turns out in the end is dependent on different factors. Usually, the key to the long term success of an acquisition is the proper management of the process of combining the cultural and managerial practices of the two companies' (Malekzadeh & Nahavandi, 1990). Acquiring a company is a complicated process (Bower, 2001). Because of the attitudes of employees and management acquisitions can fail or succeed. As every acquisition is different, there are no general guidelines how to deal with the integration of two previously independent organizations (Bower, 2001). Considering how to deal with the post-acquisition process is necessary. Incompletely controlled post-acquisition processes can result in unsuccessful acquisitions, where the goals set for the acquisition, are often not met (Picot, 2002).

Acquisitions cannot be successful without employees' compliance (Picot 2002). An acquisition is challenging for both the acquired and acquiring organization. The integration of cultures and workforces is difficult because of the attitudes of the employees, both in the acquired as well as in the acquiring company. Resistance to change derived from acquisition can often lead to decreased productivity, cultural and organizational incompatibilities and even to mass exodus of experts and managers (Picot 2002). In every organizational change, organizational culture is a key factor (Alvesson & Svenningson 2008). Either in the acquiring firm, or the acquired firm or, in both firms, organizational cultural changes occur.

Part of the acquisition process, the cultural integration of the two organizations is the processes of two organizational cultures come into contact. To understand the process, the concept of acculturation is used (Sarala, 2010). Acculturation is defined as the process of two cultures coming together, while adapting or reacting to each other, and this can subsequently lead to a change in the organizations' cultures (Gertsen et al., 1998). As stated by Sarala (2010) acculturation is highly relevant in the acquisition context. It is the outcome of a cooperative process whereby the beliefs, assumptions and values of two previously independent workforces form a jointly determined culture (Larsson & Lubatkin, 2001). For an acquired company, the pressure to conform to the dominant,

acquiring company's culture is dependent upon the acculturation strategy (Nahavandi & Malekzadeh, 1988). Sarala (2010) highlights the importance of the management of the acculturation process. Furthermore, the attitudes of the employees play a role in what the acculturation process looks like. Moreover, certain determinants such as the multiculturalism, the preservation of one owns culture, and the view of the acquiring organization effects what the acculturation process looks like (Nahavandi & Malekzadeh, 1988; Malekzadeh & Nahavandi, 1990; Gertsen et al., 1998). Acculturation is often a more complicated process than expected, and the expected synergy effects of acquisitions are often all but achieved (Gertsen et al., 1998).

Many organizations acquire organizations despite their difficulty to reach the goals set. The period after the acquisition, the post-acquisition phase, is crucial. '*The effects of culture can take place in the early stages of the acquisition process but are especially crucial in the post-acquisition management period*' (Quah & Young 2005). Moreover, culture matters in acquisition success (Marks & Mirvis, 2011) as the cultural integration can be seen as crucial to the long-term success (Malekzadeh & Nahavandi, 1990). Acculturation after an acquisition is important to study since the success can depend on the adaptation of the two partners. As the expected synergy effects of acquisitions are usually not achieved, the improvement of acquisitions is also favored by business leaders (Gertsen at al., 1998). Unsatisfactory acculturation of an acquisition can negatively influence organizational and human outcomes of acquisitions (Cartwright & Cooper, 1996 in Kavanagh & Ashkanasy, 2004). How the acquisition has been taken out and what the acculturation looks like is therefore of importance and interest for both scholars and practitioners.

As acculturation is often a more complicated process than expected, more attention needs to be paid. Acculturation is not so broadly studied, especially in the business context, it needs to be further studied and more deeply understood. Empirically acculturation after an acquisition is only limitedly studied (Sarala, 2010; Larsson & Lubatkin, 2001). The concept of acculturation is used to explain acquisitions and their outcomes of the acculturation process. Only Elsass and Veiga (1994) acknowledge that when understanding the acculturation process outcomes, not only the determinants should be understood but also the process as such deserves more attention. Additionally, the lack of agreement on the preferences in terms of acculturation between the acquisition partners may result in problems regarding the acquisition (Gertsen et al., 1998). Achieving acculturation is a major post-acquisition challenge for the firms (Larsson & Lubatkin, 2001). According to Larsson and Lubatkin (2001) only little empirical evidence yet exists. Nahavandi and Malekzadeh (1988) developed a model for the acculturation preferences, but they did not test their model empirically (Gertsen et al., 1998). Therefore, more empirical research on acculturation needs to be conducted to deepen our understanding of the challenges of acculturation within the acquisition.

1.1　　Purpose

When an acquisition takes place, two different organizational cultures come together. This can imply changes in these organizational cultures and this process can be studied with the concept of acculturation. In order to contribute to the field of acculturation after an acquisition, further knowledge is needed, more precisely, in what the acculturation process looks like. The purpose of this research is to describe and understand what does the acculturation process looks like. More precisely what are the causes that lead to this result. Since it is implied that more changes will occur in the acquired organization, what the acculturation looks like will be researched in the acquired organization. The following research question will be answered in this thesis:

What does the acculturation process of an acquired organization look like?

2   Theory

2.1   Organizational Change

The time we live in is full of changes, organizations are continually developing and innovate its products and services, but also its structeres and working practices (Alvesson & Svenningson, 2008). There is growing evidence that the role of leaders in these change processes impacts the change success (Higgs & Rowland, 2005). Revolutionary or evolutionary changes are one way of classify the organizational changes. Revolutionary refers to changes that are affecting various organizational dimensions simultaneously. These types of changes are large-scale, and they affect organizational culture, management control systems, organizational structure, reward systems and leadership. These are often strategic changes, for instance, mergers and acquisitions. Evolutionary changes are operational changes that have an impact on one part of the organization only. These types of changes do not involve the changes in the organizational culture or structure (Alvesson & Sveningsson, 2008).

Changes are often difficult to manage. Although the growing need for change in organizations is widely acknowledged, it is asserted that up to 70% of change initiatives fail (Higgs & Rowland, 2005). As changes are common, and failure rates are high, it creates the need for studying the management of changes. Management of changes is already widely studied for years, though there are still many undiscovered answers. There are no precise rules that fit every situation, as every change is unique (Surdu & Potecea, 2012; Dawson, 2003). According to Surdu and Potecea (2003) *"change management skills will be vital for organizations to succeed in the next century"* (Dawson, 2003).

The implementation of organizational change often fails to reach the planned state because the organizational culture aspects are regularly being neglected by managers. Organizational culture can either facilitate or prevent the possibility of implementing a new strategy and accomplishing change. Therefore, organizational culture is seen as the most significant element in organizational change efforts (Alvesson & Sveningsson, 2008).

2.2   Acquisitions

An acquisition can be defined as one organization buying enough shares in order to gain control over the other organization (Gertsen et al., 1998). Although mergers and acquisitions are often seen and studied as one; they are legally two different transactions. Mergers and acquisitions have many similarities but also differences. Therefore, they are of interest to study separately. Acquisitions have been studied from several different perspectives. Previous studies conducted can be divided into studies about financial aspects, management and human aspects, operational issues or from a more psychological point of view (Birkinshaw, Bresman & Håkanson, 2000). This study focusses on the human aspects of acquisitions. The interest of studying the human aspects derives from the fact that many acquisitions fail because of the attitudes of the employees (Bower, 2011).

Different forms of acquisitions exist and the motivations to acquire a firm differs. The main reasons for an acquisition are: to deal with overcapacity in mature industries; to roll-up competitors; to have as a substitute for research and development; to extend in new products or markets and to extend geographically (Bower, 2001). Therefore, acquisitions are frequently used as a part of an organizations' strategy.

Acquiring a company is not easy (Bower, 2001). For acquisitions, high levels of financial investments are required but the benefits are hard to reach, as acquisitions do not always lead to increasing value or a stronger financial performance of the company (Gertsen et al., 1998; Buckley & Ghauri, 2003). Whether an acquisition is successful, and what the acculturation looks like is dependent on many different factors. Acquisitions can fail because of management and the attitudes of the employee (Bower, 2011). In order to be successful, conflicts after an acquisition must be avoided. Organizational changes as a result of the acquisition can create uncertainty in organizations which influences the both acquisition partners (van Vuuren et al., 2010). In order to have a successful acquisition, the attitudes of employees have to be well managed.

In an acquisition two organizations are involved, the acquiring and acquiring company. The acquiring company often has a dominant position and power over the acquired firm (Gertsen et al., 1998). The acquired firm decides largely how the acquired company will look like after the acquisition (Nahavandi & Malekzadeh, 1988).

Acquisitions are processes consisting of two principal parts presented in Figure 1. ; the pre- and the post-acquisition (Jemison & Sitkin, 1986; Gomes, Angwin, Weber & Yedidia, 2013). The line between these two parts can be drawn to the date when the owner of the company has changed, to the actual acquisition (Gomes et al., 2013). Pre-acquisition is about planning of the acquisition, and the post-acquisition is the execution, yet still more detailed planning is involved (Gomes et al., 2013). Before an acquisition takes place, during the pre-acquisition process, possible organizations are considered, organizations are (financially) analyzed and the deal is negotiated (Lees, 2003). When the deal is agreed upon, the actual acquisition takes place. After this, the agreement will be set in motion, and the post-acquisition process starts (Lees, 2003).
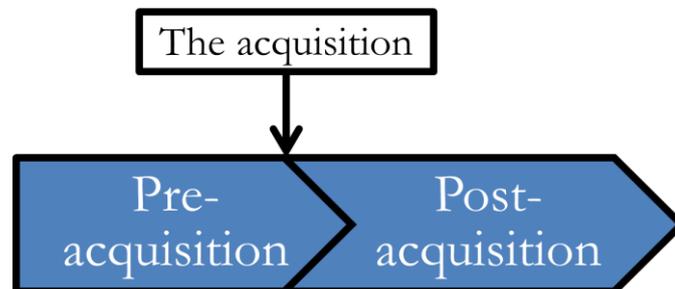
Figure 1. The acquisition process

The success of the acquisition lays on the management of the post-acquisition process (Birkinshaw et al., 2000). Since it is not the acquisition itself which creates value, but how it is taken out, the post-acquisition stage is critical (Bower, 2001; Birkinshaw et al., 2000). Therefore both, human and task integration have a critical role in the acquisition outcome. The post-acquisition process is a continuous process that happens after an acquisition has taken place. The post-acquisition process starts when the organization has been taken over, and reaching the benefits of an acquisition can take years (Quah & Young, 2005). The post-acquisition process is of importance to study because the value of an acquisition is added at this stage (Birkinshaw et al., 2000).

During the acquisition, there are two players at stake, the dominant, acquiring company and the dominated, acquired company. Therefore, the post-acquisition process differs in the acquiring company and the acquired company. In the acquired company, obviously a lot more changes occur, as it has a non-dominant role. Careful integration of the acquired company and its personnel has a

crucial role in the success (Zander et al. 2012). The acquiring company often decides, depending on the acquisition goal, what will change in the acquired company. As an acquisition is a takeover of another company, the acquiring company will get a say over the acquired company (Gertsen et al., 1998). For the acquired company, it can mean they get a new name, different processes, policies and procedures, another legal structure and the change of their goals (Daniel & Metcalf, 2001). The acquisition can also be different. In some cases, the acquiring company just becomes the owner of the acquired company without interest of changing anything. In cases like this, both companies continue as individual companies and the acquired company enjoys a significant amount of autonomy (Gertsen et al., 1998). Sometimes keeping an acquired company as a separate company can be a strategic move, for example in order not to confuse the customers. Usually, some changes happen during the post-acquisition time, and for the acquired company much more will change than for the acquiring company. These changes will subsequently affect the acquiring company's employees and its organizational culture (Buckley and Ghauri, 2002).

2.3   Organizational Culture

The first definition of culture is the one provided by Edward Tylor in 1891. According to his definition culture is: "*that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society*" (cited from Grieves, 2010). In the context of organizations, the concept of culture was adopted during the first half of 20th century and after that widely used (Grieves, 2010). Organizational culture is described by Nahavandi and Malekzadeh (1988) as *"the beliefs and assumptions shared by members of an organization."* More specifically organizational culture is defined as the shared meanings (Louis, 1985), values, beliefs, norms, expectations and assumptions that bind people and systems (Gordon DiTomaso, 1992; Weiss, 2001).

Organizational culture can provide orientation, interaction, and employee identification. Shared organizational culture leads to cooperation, shared commitment, trust, and job satisfaction and, therefore, enhances the performance of the whole company (Picot, 2002). Therefore, culture can be seen as one of the leading key aspects of organizational competitiveness (Alvesson & Sveningsson, 2008). This study focusses on the assumption that organizations are constructed by a group of people, which makes an organization as an environment for culture to appear (Grieves, 2010).

Organizational culture is difficult to study and is challenging to measure. It is difficult to get a grip on (Alvesson & Sveningsson 2008). Organizational culture can be seen as an iceberg; most of it is underlying and invisible. The aspects that are possible to observe include behaviors, rites and rituals, ceremonies, heroes and heroines, dress codes, legends and myths, stories, language and physical settings. The invisible aspects are values, beliefs, feelings, attitudes, norms and assumptions (Weiss, 2001). In order to study culture researchers must pay attention to meanings, ideas, emotional responses, identities and so on (Alvesson & Sveningsson 2008).

2.4   Acculturation

Acculturation can be used to describe cultural changes after an acquisition. The acculturation concept is developed and mainly used in anthropology to explain the events of societal groups (See for example Berry, 1980; Berry, 1997; Thomson & Hofman-Goetz, 2009). Moreover, for example used for studies about how newcomers in a culture adapt to a new culture. The classical

anthropological definition of acculturation was introduced by Redfield et al., in 1936: "*acculturation comprehends those phenomena that result when groups of individuals having different cultures come into continuous first-hand contact with subsequent changes in the original culture patterns of either or both groups*" (Cited from Berry 1997). The concept of acculturation to which we refer today was mostly developed by Berry in 1980 (in Gertsen et al., 1998). According to Berry (1980), acculturation is defined as "*changes induced in two cultural systems as a result of diffusion of cultural elements in both directions*" (Gertsen et al., 1998). More practically, acculturation occurs when members of two cultures come together, and they adapt or react to the other culture, which leads to a change (Gertsen et al., 1998). Many forms of adaptation are possible, not only fully assimilating into each other's cultures (Gertsen et al., 1998). Acculturation is widely used to study cultural adaptation.

The concept of acculturation is in the center for the studies related to contacts between different cultures. Most of the acculturation research is conducted about the way migrants shift in culture, after they arrived in a new country and culture (Such as Berry, 1980; Arends, Toth & Van de Vijver, 2003; Schwartz, Unger, Zamboanga & Szapocznik, 2010). Berry (1980) describes acculturation as changes induced by two cultural systems as a result of the transmission of cultural elements in both directions. Acculturation happens when two different cultures come in contact. If one comes in contact with culturally dissimilar people and groups, which influences each other. Having contact with cultural diverse group will lead to the change and because of that will be referred to acculturation (Schwartz et al., 2010).

To the business context the concept of acculturation was transferred in the eighties, more specifically to study post- mergers and acquisitions as introduced by Nahavandi and Malekzadeh (1988). Since the concept was introduced by Nahavandi and Malekzadeh (1988), a handful of studies about acculturation in the acquisition context took place. Although there are not many studies conducted about acculturation, the concept of acculturation is widespread. Malekzadeh and Nahavandi (1990), Nahavandi and Malekzadeh (1988) and Gertsen et al., (1998) give four general modes of acculturation, dependent on what the acquiring and acquired firm want to achieve. These modes are not mutually exclusive, and there are many more possible modes (Weber & Schweiger, 1992). The general framework of the acculturation modes gives an overall impression of the acculturation process and outcome. Most research is based on this overall framework of acculturation after an acquisition. For example, Sarala (2010) uses Nahavandi and Malekzadeh's (1998) multiculturalism, cultural preservation and partner attractiveness as acculturation factors. On the other hand, for example, Larsson and Lubatkin (2001) researched acculturation as a state an organization can achieve. They indicate acculturation success as being highly adapted, whereas not achieving acculturation is described as low levels of cultural adaptation. Also Stahl and Voigt (2005) use acculturation as something you can achieve through careful management but did not limit themselves to highly adaptive cultures. Elsass and Veiga (1994) on the other hand describe the acculturation modes not purely as the outcome of the acculturation process. However, through interaction, a certain level of integration is achieved. '*The most critical point is that acculturation is a process more than an outcome. It consists of a series of adjustments, some minor, some not, made by members of both organizations'* (Elsass & Veiga 1994). In this research, the purpose is to describe and understand what the acculturation process looks like, will be studied as a process rather than a state one can achieve.

Acculturation as a concept is in the center for the studies related to contacts between different cultures. In every acquisition, two formerly autonomous and different organizational cultures come together and affect each other. Part of the acquisition process, the cultural integration of the two organizations, acculturation, is the process of two organizational cultures coming together (Sarala, 2010). Acquisitions can result in cultural integration and the creation of a new and different culture (Kavanagh & Ashkanasy, 2004). Acculturation is a two-way process between both acquisition partners. Acculturation, according to Larsson and Lubatkin (2001) is a cooperative process whereby the

beliefs, assumptions and values of the two organizations of beforehand independent workforces form a jointly determined culture. According to Elsass and Veiga (1994) acculturation is a function of the interaction of intergroup dynamics that encourage groups to maintain separate and unique cultural identities. In addition, organizations require to either interact or to integrate. Elsass and Veiga (1994) see the acculturation as a dynamic interaction between opposing forces of different cultures. Groups can either desire to maintain their separate cultural identity or not (Elsass & Veiga, 1994; Sarala, 2010). Moreover, if the organization wants them to adapt or not. According to them it is the individuals desire to maintain their culture and the organizations desire to adapt. In between these forces, the process of acculturation takes place.

In this process, a series of adjustments are made by members of the organization. Stahl and Voigt (2005) describe the process of acculturation as cultural changes after an acquisition in which an organization tries to achieve a particular state. This unfolds through the development of common organizational language and mutual consideration of shared interest. The process of acculturation is influenced by the strategies of the organization for tolerance and diversity.

Usually another partner is having a dominating role as it typically happens in an acculturation process (Nahavandi & Malekzadeh, 1988). Because of two cultures meeting each other, for the non-dominant this mostly implies change. How individual responds to this, is dependent on the threat to identity they percieve. They will have either protection responses or identity restructuring responses, in which they change their identity to align with the dominant culture (Samnani, Boekhorst and Harisson, 2013).

2.4.1 Stages of Acculturation

According to Berry (1983), acculturation can have three different stages: contact, conflict and adaptation (Malekzadeh & Nahavandi, 1988). The process of acculturation in acquisitions can be described with the help of the three-stage model (see Figure 2). The three acculturation stages in this model are contact, conflict and adaptation that follow the three stages of acquisition; pre-acquisition, the acquisition and post-acquisition (Jones, 2007). The first stage, contact, occurs before and right after an acquisition has taken place (Jones, 2007). The ground for the future relationship is set at this initial contact of the two entities (Andersson & Karlsson de la Rosa, 2006). The contact stage most likely results in the second stage of acculturation, the conflict stage. The conflict stage is dependent upon the amount of contact between the acquired and acquiring company (Jones, 2007). When companies have just a little contact, for example when a company is acquired as a financial investment, or without any intention of combining the companies, it usually results in low levels of conflict (Jones, 2007). In contrast, when an organization is acquired with meaning of deeply combining the organizations with high levels of contact, usually high level of conflict follows (Andersson & Karlsson de la Rosa, 2006).
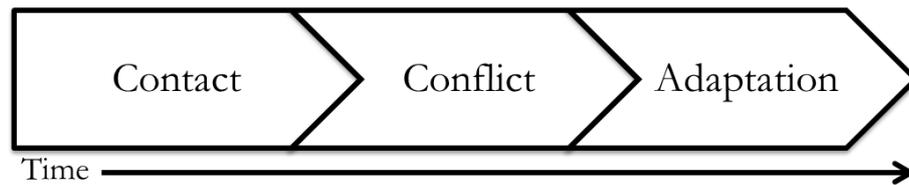
Figure 2. Stages of acculturation

Furthermore, the strength of the cultures of the acquisition partners matters. The stronger the cultures are, the more conflict and resistance will occur because of the change (Jones, 2007). Adaptation is the last stage of acculturation. The conflicts that arose during the previous stage need to be solved at this stage. The acquisition partners will agree on the aspects of their new relationship, which leads to positive adaptation (Jones, 2007). The other outcome, negative adaptation, means that the partners fail to agree how the acquisition is to be handled, and this leads to continuing conflict and dissatisfaction (Jones, 2007). There are no general rules for the length of the stages. The length of the stages can vary and sometimes the adaptation can occur quickly. The process does not have to lead to the adaptation stage always. The stage of conflict can be endless (Nahavandi & Malekzadeh 1993: Cited from Andersson & Karlsson de la Rosa, 2006, Jones, 2007).

2.4.2 Components of the Acculturation

Based on previously described theory and additional theory, three different components for describing the acculturation process can be distinguished: the management, attitudes, and other determinants. These concepts are not mutually exclusive and will influence each other. In order to study the process of acculturation, these components will be described.

2.4.2.1 Management

An important aspect to what the acculturation process looks like is how it is managed. Almost all scholars agree that the process needs to be managed to a certain extent, but how it should be managed differs. Severe management and continuous monitoring of the acculturation process are vital for the effective acquisition outcome. As well, pre-acquisition planning should be done in advance. Effective management of cultural aspects is vital for successful acquisition and therefore essential (Malekzadeh & Nahavandi, 1990).

According to Gertsen el al. (1998) it is central that there is an agreement between the acquiring and acquired organization about how the acculturation process looks like. Malekzadeh and Nahavandi (1990) say that the acquiring company should make evaluations prior to the acquisition of its own and acquiring organization's organizational cultures to determine the guidelines. Bringing two different organizational cultures together is a process of change, which is potentially full of conflict (Berry, 1980). The conflict can be reduced through a cultural adaptation process. A lack of agreement between the preferences in terms of acculturation between the acquirer and acquired may result in problems (Gertsen et al., 1998). Malekzadeh and Nahavandi (1990) also argue that managers need to agree on the choices of acculturation. Furthermore, continuous monitoring and management of the acculturation process is needed. Since the process is dynamic, the management needs to be pro-active in the managing in the acculturation to contribute to a successful acquisition (Malekzadeh and Nahavandi, 1990). Rather than looking for companies with similar cultures, managers should focus on making an agreement between acquisition partners about the choice of acculturation (Malekzadeh & Nahavandi, 1990).

The management of the acculturation is influenced by ceremonies, events, training, support, learning, and socialization. How much time and how is it spent in the acquired organization has an effect on the acculturation (Berry 1980). Malekzadeh and Nahavandi (1990) describe the acculturation process as give and take and adjustments among the organizations to work out their differences and reach an agreement. Kavanagh and Ashkanasy (2004) describe that acculturation can be supported by formal training but also informally through social interaction with co-workers and observation while working. Acculturation emphases on the learning and integration of those values into one´s identity as an employee (Kavanagh & Ashkanasy, 2004). Acculturation is the development of a jointly shared meaning and fostering competition between the two organizations (Larsson & Lubatkin, 2001). Larsson and Lubatkin (2001) found that the process of acculturation is best managed by relying on social controls. Social controls, such as participating in introduction activities, trainings, cross-visits, retreats, and celebrations help to 'achieve acculturation'. According to Larsson & Lubatkin (2001) pre-merger determinants such as culture and size are unrelated to managing acculturation. Whereas the integrative, socialization and coordination efforts contribute to acculturation. This unfolds through the development of common organizational language, mutual consideration of shared interest (Stahl & Voigt, 2005).

According to Weber and Schweiger (1992) the acquiring firm should allow the acquired firm a high degree of autonomy to minimize stress and problems, in order to contribute best to the acculturation. At times, when the acquisition has taken place, the promised autonomy and independency are neglected, and the acquirer starts to affect the operations of the acquired company. Even though sometimes exactly these own ways of working are the most vital for the acquired company's previous success and the reason for the acquisition (Malekzadeh & Nahavandi, 1990).

The nature of the relationship between the acquiring and the acquired firm is the primary contributor to the integration outcome (Birkinshaw et al., 2000; Nahavandi & Malekzadeh, 1988; Sarala, 2010). "*According to the acculturation view on acquisitions, it is the nature of the relationship that defines the acculturation process and subsequently the outcomes of the post-acquisition integration*" (Sarala, 2010).

2.4.2.2 Employee Attitudes

How much time and how is it spent in the acquired organization and management has an effect on the acculturation. This in turn influences the attitudes of the employees in an organization about the acculturation (Malekzadeh and Nahavandi, 1990). The attitudes are related to the extent that employees value their old culture, their new culture, if they are proud to be part of the new organization, if they feel good, if they feel part of the new organization (Zea et al., 2003) and the degree to which members of an acquired firm want to preserve their own culture and practices (Nahavandi & Malekzadeh, 1988). The attitudes of the employees will influence what the acculturation process looks like.

Employee's resistance and employee's willingness to adapt to the organizational culture and practices of the new company have been suggested as possible obstacles to achieve the desired synergies of acquisitions (Nahavandi & Malekzadeh, 1988). It is assumed that change will happen because everyone adapts to a certain extent to the new cultural context, or one will overlap between heritage and new cultural context. Therefore changes in cultural practices, identifications and values take place (Schwartz et al., 2010). The resistance and willingness to adapt, are affected by the attitudes of the employees. Not only the changes itself and how employees respond to that effect employees attitudes, also how they perceived the acquisition had been managed well influences the attitudes of the employees (Kavanagh & Ashkanasy, 2004). If there is an agreement of acculturation

modes, leads to less resistance towards the change. Less resistance in turn leads to more positive attitudes of the acculturation (Nahavandi & Malekzadeh, 1988).

Another influence is not only if there are changes, but also the degree of changes perceived by individuals. In other words, did these changes affect them personally. Therefore, employees with different status and different involvement in the acculturation can have different attitudes towards the acculturation (Kavanagh & Ashkanasy, 2004). If the changes affect employees more personally, this will give them stronger attitudes towards the acculturation than if the changes do not affect them personally.

One aspect that affects the process of acculturation is the attractiveness of the acquiring partner (Gertsen et al., 1998). The greater the cultural difference between the acquiring and acquired firm are, the less attractive the partner is seen, consequently, the future with the partner is, also less attractive, and, therefore, the more likely the employees reactions toward acquisition are negative (Teerikangas, 2012). The attitudes of employees are the extent to which they value their old culture and value their new culture. It is the individuals desire to maintain its culture, and the organizations desire to integrate (Elsass & Veiga, 1994; Sarala, 2010). Depending on the employee's willingness to pursue in their own culture, their attitudes will change, that respond on the acculturation process.

'Expectations of the future have also been found to predict employee reactions' (Dackert, Jackson, Brenner, & Johansson, 2003, cited from Teerikangas, 2012). If the expectations of the upcoming acquisition are positive, more likely the employees will react positively. The way the acquiring firm treats the acquired employees matters. Cooperative attitudes of the acquiring firm can help to direct the attitudes of the acquired employees towards the positive (Marks, 1991; Schweiger et al., 1987, cited from Teerikangas, 2012).

2.4.2.3   Pre-acquisition Determinants

Besides the management and the attitudes of employees, previous theories describe some other determinants of both pre-acquisition organizations, which might influence the acculturation. These other determinants already exist before the acquisition. Cartwright and Cooper (1993) argue that pre-merger cultural attributes are determinants for post-acquisition acculturation. Larsson and Lubatkin (2001) argue oppose to that, that it is barely influenced by pre-merger determinants.

The differences between joint organizational cultures can cause cultural clashes. Therefore, similar organizational cultures may improve the success of acquisition if the adaptation of the new culture is required. But, the similarity of the organizational cultures does not guarantee success. Still, cultural similarities might help implementing the acquisition, not necessarily contributes to the success (Malekzadeh & Nahavandi, 1990). How the firms are related influences the chance on conflict, if they are too alike, there is a chance that one overlooks the always existing cultural differences (Larsson & Lubatkin, 2001). The cultural background of newcomers is a determinant on how the acculturation process will unfold (Schwartz et al., 2010). According to Nahavandi and Malekzadeh (1988) multiculturalism and cultural preservation influences the post-acquisition acculturation.

Multiculturalism affects the acculturation. Whether the acquiring company accepts cultural variation within their organization boundaries, this changes how the acculturation looks like. When the acquiring firm accepts different cultural groups within their boundaries, they are called multicultural. If the acquiring firm does not accept this, it is called unicultural (Gersten et al., 1998). Multiculturalism is according to Nahavandi and Malekzadeh (1988), the degree to which acquiring firms accept different groups, which can be culturally different. Multiculturalism will determine what the acculturation process will look like. Furthermore, it refers to the degree of which a company is willing to be cultural diverse and willing to tolerate and encourage this. As well, the process of acculturation is influenced by the strategies of the organization for tolerance and diversity (Stahl

& Voigt, 2005). If organizations have different cultural groups and value this diversity, is considered to be a multicultural organization (Sales & Mirvis, 1984 in Nahavandi & Malekzadeh, 1988).

The discussed component lead to the following model. As one can see the management, attitudes and determinants influence the process of acculturation. These are not separated constructs but in turn affect each other.

Figure 3. Components of acculturation

2.4.3 Modes of the Acculturation

What the acculturation process looks like can be partly described using the model created by Nahavandi and Malekzadeh in 1988. In Figure 3: The acquired firm's adaptation process model consists of two factors and four different types can be grasped. The factors that affect the preferred adaptation process are the attractiveness of the acquiring partner and to what extent the acquired firm wants to preserve its own culture. The four types of the model are Integration, Assimilation, Separation and Deculturation (Nahavandi & Malekzadeh 1988 in Gertsen et al. 1998). During the acquisition, the characteristics of the acquiring and the acquired companies determine which type of acculturation will be triggered (Nahavandi & Malekzadeh, 1988). The result of the cultural contact depends partly on the dominated group's "*relationship to its own cultural identity and to the dominant group and partly on whether the dominant group accepts cultural variation or not within its own boundaries*" (Gertsen et al., 1998). Not having an agreement between acquiring and acquired company about the desired cultural adaptation process type, may result in problems (Gertsen et al., 1998). Both companies need to be clear about the desired acculturation goal, since the beginning of the planning of the acquisition. The acculturation process is influenced by two factors: 1) the extent to which they value their existing culture and the willingness to preserve it; 2) the extent to which individuals perceive the culture of the acquiring partners and the desirability to align with their culture (Kavanagh & Ashkanasy, 2004). The outcome of the acculturation process can, hence, be described by the means of this model.

How much do members of the acquired firm
value preservation of their own culture?

	Very Much	Not at all
Very attractive	Integration	Assimilation
Not at all attractive	Separation	Deculturation

Perception of the attractiveness of the acquirer

Figure 2. The acquired firm's adaptation process (Nahavandi & Malekzadeh 1988 in Gertsen et al. 1998)

When members of the acquired organization want to remain autonomous and independent, Integration is a possible mode (Gertsen et al., 1998). When Integration occurs after an acquisition, both firms preserve their own cultures (Malekzadeh & Nahavandi, 1990). This mode is preferred when the members of the acquired firm have strong desire to preserve their own culture but still perceiving the acquirer's culture as attractive (Gertsen et al., 1998). Integration leads to the structural assimilation of the two cultures. It requires the mutual contribution of the two organizations but does not involve loss of cultural identity of either one or both of the companies (Gertsen et al., 1998). It is a '*relatively balanced give-and-take of cultural and managerial practices between the acquiring and acquired firm*' (Malekzadeh & Nahavandi, 1990). They try to maintain many of the basic assumptions, beliefs, cultural elements and organizational practices that make them unique. Integration can only take place if the acquirer allows such independency. Integration leads to some degree of change in both the group cultures and the practices, and neither of the organizations tries to dominate the other. An acquiring company prefers this type of adaptation if it is multicultural and if their own culture and the culture of acquired firm are related (Gertsen et al. 1998, Malekzadeh & Nahavandi, 1990). When the two companies have much in common, the exchange of cultural and managerial information is more beneficial. Besides, an acquirer can only implement integration if it is used to have many different cultures within its organization. The success of this mode of acculturation depends on the desires of the members of the acquired firm. The acquired organization prefers Integration if it has a strong culture that is attractive to its members and if there is some attraction to the acquirer (Malekzadeh & Nahavandi, 1990).

Assimilation is the process in which the acquired partner adopts completely to the identity and culture of the other (Gertsen et al., 1998). Malekzadeh and Nahavandi (1990) argue that in this mode, one organization dominates the other. This domination is not forced but welcomed by members of the acquired organization. The members of the acquired organization willingly hand over their culture without forcing (Gertsen et al., 1998). This might occur in an acquired firm, which has been previously unsuccessful. In that case, employees and managers can feel that the culture and practices are dysfunctional and hindering. A result is that they become totally part of the mother company's culture (Malekzadeh & Nahavandi, 1990). Subsequently, the culture of the acquired firm will cease to exist (Gertsen et al., 1998). The multicultural acquiring firm prefers this type if the

companies are not related (Gertsen et al., 1998). Assimilation is often successful if the two companies become an organization with a unified culture (Malekzadeh & Nahavandi, 1990).

Separation is the attempt to preserve one's culture and remain independent from the dominant organization (Gertsen et al., 1998). The two organizations remain separate, and there are limited managerial and cultural exchanges (Malekzadeh & Nahavandi, 1990). This type takes place if the acquired company wants to preserve its own culture and organizational systems and refuse to be assimilated with the acquirer in any way or at any level. Separation means that there will be a minimal cultural exchange between the two groups, and each will function independently (Gertsen et al., 1998). In Separation, there need to be a high degree of independency by the acquired organization and only the most necessary control systems should be imposed (Malekzadeh & Nahavandi, 1990). This can take place in organizations with many diversified cultures and organizations with a very strong culture. Because of this strong culture, the acquired organization wants to preserve its own culture.

Deculturation involves loss of culture, neither taking the culture of the acquiring organization, as they do not like their own, nor their new culture (Gertsen et al., 1998). Therefore, the acquired firm disintegrates. This type usually happens when the cultures of the acquiring firm and the acquired firm are unrelated, and the acquiring company is unicultural (Gertsen et al., 1998). This type leads to confusion, loss of identity, and stress (Gertsen et al. 1998; Malekzadeh & Nahavandi, 1990). Malekzadeh and Nahavandi (1990) state it is the most destructive and most common type. It occurs in acquisitions between companies in unrelated industries.

The desired acculturation type (Figure 2) depends on the acquiring and acquired firm's strategy and in what level they wish to have the new company integrated into their own organization. The acquiring firm should evaluate the acquired companies and their own company culture on forehand, in order to determine the guidelines for acculturation (Gertsen et al., 1998). In addition, the decision regarding the acquiring firm's uniculturalism or multiculturalism should be made (Gertsen et al., 1998). From the acquired company's point of view, the desired acculturation type is affected by the perception of attractiveness of the acquirer and the level of acquired firm's value towards the preservation of their own culture (Gertsen et al., 1998).

For organizations to keep up with changing environment and competition, changes are inevitable (Alvesson & Sveningsson, 2008). One way of keeping up a competitive advantage is growth through acquisitions. Nowadays more and more acquisitions take place. In order to reduce the upcoming conflicts of acquisitions, matching the culture and practices is vital. However, what many organizations underestimate is the integration of two organizational cultures in the post-acquisition phase (Birkinshaw et al., 2000, Alvesson & Sveningsson, 2008). One of the ways of studying this is through the concept of acculturation.

3   Methods

3.1   Research Philosophy

The purpose of this research is to describe and understand what the acculturation process looks like. More precisely, in order to understand the process, what happens when those two different cultures come together. In order to do this, the researchers have adopted an interpretivist point of view as a research philosophy. When conducting research, it is important to know which research philosophy applies, because it holds the essential implications about the way the researchers see and construct the world around them (Saunders, Lewis & Thornhill, 2009).

In this research, interpretivism is used as a philosophical standpoint to carry out the research. Interpretivism fits the research question and the purpose well because the researchers wanted to understand the acculturation process after an acquisition from the point of view of the subject under study. According to Saunders et al. (2009) an interpretivist perspective is highly appropriate in business and management research. Business situations are not only complex, they are also unique. The companies who undertook the acquisition, the cases in this study, are a function of their particular circumstances, the acquisition, and the individuals coming together at a specific time, the employees after the acquisition.

Interpretivism claims that natural and social sciences are different kinds of studies and methods. In natural sciences one is looking for consistencies, whereas in social sciences one often deals with the action of the individual (Gray, 2013). Interpretivism integrates human interests into a study. According to Saunders et al. (2009) reality is socially constructed. As described in chapter one, every acquisition is unique, and no general rules exist. By looking at different cases, what an acculturation process looks like will be studied, not meaning that rules or laws as will be drawn for generalization. Nor will be predicted how the acculturation after an acquisition always will look like, but the researchers try to understand what the acculturation process looks like. Therefore, we focus on what is specific, unique and deviant, rather than on generalizations and representations.

As researchers, we took into account that the knowledge we generated is relative and time, context and value bound. In order to come to results, the approach to get results was interactive, cooperative and participative with our respondents. We wanted to know what some people think and do what kind of problems they are confronted with and how they deal with them. We value all of our interviewees as individuals with their own, specific thoughts and additions to our research.

3.2   Research Approach

In order to study what acculturation looks like after an acquisition, the research approach was an abductive study. Three different research approaches can be distinguished. One of them is deduction, the testing of theories. The other is induction, the building of new theories (Saunders et al., 2009). Abduction is in between these two extremes and concerns discovery (van Maanen, Sørensen & Mitchell, 2007).

The acculturation construct within the organizational context, as developed by Nahavandi and Malekzadeh (1988), has been used to study post-acquisitions and mergers. Meanwhile, only a handful of research has been conducted about acquisitions from an acculturation perspective. More specifically, how the process of acculturation looks like, did not receive much attention. An abductive study is an approach in which we are seeking to build a theory that expands issues we already know. Not much is known about acculturation and the existing research is not sufficient to form and test theoretical hypotheses. As well the nature of interpretivism is not to look for these causal law-like

relationships. Therefore, deductive research was not possible. Neither is this research pure inductive since it builds on existing theories. Abduction was chosen, as it gave the researchers the ability to go back and forth between theory and empirical data gathering, to reach a better understanding of acculturation (van Maanen et al., 2007). Abduction is a continuous process, which has three different steps; the application of an established theory; the observation of a surprising empirical phenomenon, and the articulation of a new interpretative theory (van Maanen et al., 2007). In the analysis part of the thesis, the theory from Chapter two was used as a tool and guiding line. When the theory felt short, the researchers tried to find additional theories, in order to explain the found matters. Because the study was abductive, it gave the researchers the freedom to go back and forth between theory and empirical data in order to fulfill the purpose of this research namely, describe and understand what the process of acculturation looks like.

3.3 Research Design

The research design is the overall structure of the research. It provides a framework within which the data were collected and analyzed. In order to study cultural aspects, it is important that the study was rather in depth in order to gather aspects that are not clearly visible. The research design that enables an in-depth examination is a case study (Brewerton & Millward, 2001). This study is a multiple case study in order to have an empirical investigation of a particular phenomenon within its real-life context. A case study is a research strategy that focusses on the understanding of dynamics, present in particular settings (Eisenhardt, 1989). A case study is used to understand the real problem and used to gain new insights and new explanations of phenomena (Blumberg, Cooper & Schindler, 2011).

There are single and multiple case studies. According to Yin (2003, in Saunders et al., 2009) a multiple case study is in general preferred over a single case study. It is usually better to investigate an issue in more than one context than to base the issue on one case only (Blumberg et al., 2011). Paying attention to the selection of the cases becomes more important when conducting a multiple case study (Blumberg et al., 2011). We will outline this more in depth in the selection of the cases for this research, in chapter 3.6 *selection of the cases*. The goal of a case study is not to generalize the findings in the populations; but the generalizability for theoretical dispositions (Blumberg et al., 2011). Acculturation after an acquisition in this research is studied from the management perspective and the attitudes of employees. Therefore, the case study approach fits this study to explain the acculturation processes in its specific context. By doing a multiple case study, different acculturation processes after an acquisition were explored, in order to give new insights into this phenomenon. Acculturation is not a rule-like state, in order to find differences and similarities in acculturation the researchers decided to study multiple cases in order to find what different acculturation processes look like.

To find out what an acculturation process looks like after an acquisition, and to find new insights in the topic of acculturation process after an acquisition, the research was labeled as exploratory (Saunders et al., 2009). Other research design types are explanatory and descriptive research. Explanatory, as the word itself says, focusses on explaining the phenomena. For example in the form of cause and effect explanations. A descriptive design presents a detailed descriptions of humans and phenomena (Saunders et al., 2009). The choice of exploratory research was suitable as the openness to new insights of acculturation was favored, and of the delimited starting point for the theory. Exploratory research design refers to exploring what is happening around us. The goal in exploratory research is to look for the new perspectives and phenomena and to clarify a phenome-

non that we do not know that much. An exploratory design was chosen since exploratory studies are used to clarify and understand what is happening. Because the purpose of this research is to describe and understand what the acculturation looks like, exploratory research fits well. Exploratory research strategy makes it possible to investigate what is happening in the acquired organizations, and how different aspects of the acculturation process are related to each other. Because the study was exploratory, it gave the researchers enough flexibility and adaptability to change. The acculturation concept is not clear-cut, and there is a need for more discoveries about the topic of acculturation.

The research was done at one point in time though the research cannot be labeled as pure cross-sectional (Saunders et al., 2009). Acculturation in this study is seen as a process. Because the research for this master thesis needed to be conducted in a limited period of time, all respondents only were interviewed once. Still, the respondents were asked to answer questions about the past and the present. To gather information about the process, the interview topics were based on acculturation as a process. And discussing issues related to the acquisition and acculturation over time. Furthermore, attitudes can change or remain the same over time. Although the researchers believe that this is appropriate, and most respondents know how they felt about certain issues earlier, it has an influence on the results. One respondent noticed at the end of the interview *'If you asked me the same question in one year from now, I could give a completely different answers'.* The changes in this process were researched at one point in time. This was chosen because the purpose of the study was to look like what the acculturation process looks like after the acquisition has taken place. What the influence of this certain point in time has on the results will be discussed later in 3.6 *Selection of the Cases.*

3.4   Data Collection

For data collection, mono method and primary data was used. Primary data is data collected from first-hand experience (Saunders et al., 2009). Primary data collection was chosen, because it best suited to answer the research-question, since there is no existing data about processes of acculturation the researchers could use. Furthermore, using secondary data could have been difficult to access, relatively expensive and the quality is difficult to assess. Primary data collection was chosen in order to design a research that suits best the research questions and purpose. As collecting primary data is time-consuming, the researchers had to spend time on collecting organizing data, which meant that there was less time for other purposes. However, as the primary data was collected for this research's purposes only, the researchers could be sure about the fit of the data for the research. Therefore, the quality of data was suitable for the purpose.

This research was a mono method study, which indicates that only one data collection method was used. A qualitative way of collecting data was chosen in order to gain a deeper understanding of the acculturation process. This was chosen because, in order to answer the research question, only qualitative data gave a sufficient way to collect data. Compared to quantitative research, which is based on numerical data (Saunders et al., 2009), qualitative research is less based on standard procedures (Holliday, 2002). Every qualitative research is, therefore, unique and needs to be designed in response to the possibilities the researchers have. For that reason, there is a need to justify and explain every step and decision made during the research (Holliday, 2002). As qualitative data collection method was chosen, it allowed the researchers possibility to get more close relationships with the respondents, which was desired to gain deeper understanding of the acculturation process. Collecting qualitative data also enabled less-structured research strategy and, therefore, the researchers were able adapt to the situation better when needed and the overall research was more flexible. The collected data was deep and rich in nature that allowed the researchers to gain real insights of the overall process. As the theory related to the acculturation process in the acquisition context is

limited a qualitative way of researching and understanding what the acculturation process looks like is a first step, and opens up for more generalizable and quantitative ways in the future (Hirsjärvi, Remes & Sajavaara, 1997).

In acculturation and culture theory two research streams exist, observations are used to research certain phenomena, survey or interviews are used to collect data. Observation can be used to get the root of what is going on in a certain social setting. Because of limited time, the researchers needed to choose between observations and conducting interviews, as these two techniques were the most suitable for this purpose. Both choices implied certain advantages and disadvantages. The researchers' choice to conduct interviews, and what this implied compared to observations, was considered and will, therefore, be explained.

The researchers chose to do interviews, which gave them the ability to, in a short period of time, do a study with multiple cases. The respondents could clearly talk about the process and less time and resources were needed from the organizations. Therefore, access was easier established than with the observations. Furthermore, since the researchers do not speak the same mother tongue, there would have been a language barrier while observing. Since most local companies work in their local language, the researchers would not grasp the whole context. Also since the limited time of this study, interviews suit the context better, not only it is more difficult to get access, observations are also rather time-consuming. Since the acculturation is a process over time, this needed to be discussed with the participants, and would have been hard to observe changes. If researchers would have chosen observation, more employees would have been observed, which would give a more complete picture, and more underlying attitudes could have been discovered. With the help of interviews, it is more difficult to grasp employees' attitudes.

More specifically, semi-structured interviews were chosen. Semi-structured interviews are a combination of structured and open interviews (Saunders et al., 2009). Therefore, the interviews had a structure partially, but as well were flexible enough to adapt to the situation. As the semi-structured interviews were chosen, this implied several things in relation to the research. Firstly, when conducting interviews, the researchers were, unlike in other data collecting techniques, in contact with the object of the study, the respondents. This implies both positive and negative consequences (Hirsjärvi et al., 1997). The positive input for our research was that the semi-structured interviews were flexible in nature. When conducting interviews, the interviewers could not be sure about what they will find and therefore adapting to the situation was needed. The flow of the interviews could be modified in each case separately. As the interviews were chosen the respondents were able to explain the process even deeper than the researcher would have predicted. As the field of acculturation is still partly unknown, the researchers were not able to predict all findings beforehand. The negative aspect was that the respondents are humans and respondents may reply in a way that is favored (Hirsjärvi, 1997). Selecting interviews as a technique also implies that errors may occur at both data collection and analysis stages (Hirsjärvi et al., 1997). Therefore, extra care was paid on those issues during the collection and analysis. To prevent most of these issues, the data was collected and analyzed by two researchers.

3.5 Interviews

The research consisted of eleven interviews, in three different cases. The interviews were held with various employees of the acquired and acquiring organization. Among them were key persons in the acquiring firm, key persons involved in the acquired firm and other employees, less involved

during the acquisition. In this way an overview of the management of the acculturation and the attitudes of the employees during the post-acquisition. The persons were selected, based on the access of the researchers. Because of different job roles, involvement and length of the career in the organizations, the view of the respondents could influence the respondents' answers. In every organization, a variety of different persons were interviewed; still this gave a fairly limited and general overview of the culture and the acquisitions process.

This research uses three different models to study what the acculturation looks like. These are all based on the notion of acculturation after an acquisition, as developed by Nahavandi and Malekzadeh (1988, 1998). This theory is based on Berry's (1980) theory how two different cultural entities become one. The most common approach to the study of cultural dimensions in acquisitions is based on ideas from the classic anthropological understanding of culture. Organizational culture literature has been used to ground the interview topics on. The semi-structured interviews covered different topics and, therefore, gave space to additional questions. The questions can also slightly differ from interview per interview (Saunders et al., 2009). Namely, questions related to the acquisition process, the view of the acquiring company, the corporate cultures and how the corporate culture changed, were asked. A more detailed topic list can be found in Appendix A. During the interview with the employees of the other acquiring firm the acquisition process, the view of the acquiring company and to what extent they discussed and discuss the integration of the two corporate cultures, were only shortly asked. The other acquiring company provided us with the needed information.

Before the actual interviews took place, the interview guideline was pre-tested. In order to make sure the questions and topics were clear, and the guidance from topic to topic went seamlessly. A friend who recently was part of an acquisition process was chosen, because of his relevant background. The needed modifications were done to the interview guideline after pre-testing.

The interviews took between 19 minutes and 41 minutes. All interviews were conducted via phone, Skype or Lync in English and they all were, with permission, recorded. In all interviews but one, both researchers were present. This was done in order to make sure all questions were covered and to ask follow-up questions on certain answers since two people are more inquisitive than one.

3.6 Selection of the Cases

In order to select relevant cases for this research, the researchers had to find firms, which were acquired by another company in the last few years. The researchers looked at Swedish companies that used acquisitions as a growth strategy. Two companies were contacted for access to the acquired firms. Both companies allowed the access, which led to selecting three acquired organizations. The three acquired organizations are in similar industries and are similar in size. Two of these organizations are part of the same group after the acquisition; one was part of a different group.

At the three selected cases, employees with and without managerial role were selected to interview. The selection of the interviewees was done by access; the Managing Directors in the firm were asked if they could provide employee details in order for the researchers to interview them. As an advantage, the contact details were provided from within the company, and almost all contacts provided were willing to participate. However, the researchers do not know the 'employee database' and the extent to which the interviewed employees represent the whole company is unknown. This can influence the empirical data and in turn the analysis drawn on that. The view would have been more accurate if all employees within the companies were interviewed. However, within this time frame and because of language issues it was not possible.

Initially, the researchers planned to have five or six interviews in every organization. One interview with someone involved in the acquired company about the management, two interviews with someone involved on a managerial level and three interviews with different employees who are less involved and do not have a managerial role. Because the exact list of the workforces is not known by the researchers, the selection of candidates was done by access. The extent to which the selected employees gave an accurate and average profile of the organizations acculturation process is limited. Especially, in company C were only two employees were interviewed. In addition, the amount of people interviewed per organization differs. In order to give employees the space to be as open and honest as possible, it was chosen to not mention in the research any company or contact names. Therefore, the companies will be referred to as company A, B and C and the interviewees will not be mentioned separately. In company A, three different employees were interviewed, in company B data from four different employees were gathered and in company C the interview was conducted with two different employees. Additionally, further information about the acquisition strategy was gained from the person working at the mother company of B and C and one interview was conducted with the employee of mother company A. The main characteristics briefly give the main characteristics of the companies and the roles of the interviewees.

Table 1. Number of interviews

	Interviews in company + in mother company
Company A	3+1
Company B	4+(1)
Company C	2+(1)

As mentioned before, the research took place at one certain point in time. In addition, the process of the acquisition differed for the selected cases. In one case, the acquisition and the process have completed, and no changes will take place anymore. The acquisition took place around two years ago. In two other organizations, the acquisitions took place more recently, five months ago, and there might still be changes taken place because of the acquisition. Therefore, the three different cases were difficult to compare, but in order to answer the research question, a comparison is not needed. The description of the three different cases guides the reader in order to understand what an acculturation process looks like. A case study is used to get a rich understanding of the context and its processes. A case study acknowledges that all cases are unique (Saunders et al., 2009). The three cases in this study are all different and, therefore, will be studied separately. In the discussion, the case similarities and dissimilarities are combined to fulfill the research purpose.

3.7   Data Analyses

The most crucial part of the research was the analyzing of the data. The data analysis is crucial and can be problematic (Holliday, 2002). The data analysis is the process of making sense of the data, sifting this, organizing this, selecting which to use, determining themes and processing the data (Holliday, 2002).

First, the recorded interviews were transcribed. Because of semi-structured interviews and different individuals with different roles in the organization, the transcribed interviews were unstructured data. After that, the interviews were coded. The main codes used for coding can be found from the Table 1. Holliday (2002) says that themes can be based on the research questions, the theory, emerging themes and one has to think about a good storyline. The decision was made to use a

chronological order to describe the context of the acquisition, and thematic division when talking about the acculturation. In a multiple case study, one can analyze the cases within or across cases (Eisenhardt, 1989). In this case, the multiple cases were presented within the cases in the findings and were analyzed across cases. Because the topic list was based on theory, the codes given were partly based on theory and on topics emerging during the interviews, which cannot be related to theory. The different companies were analyzed separately and used the same codes when possible. The researchers coded the interviews together at the same time, to make sure the coding is not based on one person's opinion. The codes were only given if the researchers both agreed upon them. After coding the interviews, the codes were organized in chronological order in order to describe to the reader the actual process. Empirical findings were drawn from the coded and organized interviews. The empirical findings were used as a base for the analysis.

Table 2. Codes for analysis

Codes for analysis
View of the company before the acquisition
View of the company after the acquisition
First response
Feel being part of the company
Culture
Communication
Relationships
Trust
Time spent in a company
Training & Support
Events & Ceremonies
Future

3.8 Research Quality Indicators

From an interpretivist perspective, research is context specific, and researchers are not subjective. 'Classical' research quality indicators, such as validity and reliability (Seale, 1999), used in quantitative research, cannot describe the quality of a qualitative, interpretivistic research (Leitch, Hill & Harisson, 2009). Furthermore, within qualitative research but also within interpretivistic research, all research is unique, and it is diverse. Therefore, one single method to assess this is rather limited (Leitch et al., 2009; Seale, 1999). Seale (1999) acknowledges that quality does matter in qualitative research.

Leitch et al., (2009) argue that, dependent on the research philosophy where the research is based on; one must shift from assessing validity at the end as a construct to internal validation during the research. Since the goal of interpretivist research is not to confirm any theories, the quality of the research cannot be evaluated in that way either (Leitch et al., 2009). The research quality is, according to them, based on the ontological and epistemological foundations on which the study is based. Moreover, also how the data is gathered and analyzed should be carefully described and carried out, in order to evaluate the quality of the research. According to them, many researchers fail to describe in great detail how their research is conducted. It is the researcher's responsibility to provide the reader with sufficient information about the research process (Leitch et al., 2009). In this research, and typically in this chapter, the researchers described consiously their process, the ontological and

epistemological choices and how the data was gathered and analyzed. Especially, emphasize was laid on how it was planned and how it was carried out, to give the reader sufficient information about the research process.

For the researchers, the key instrument is the data collection, in this case through semi-structured interviews. The focus was on the participants perspectives of the discussed acculturation after an acquisition process. By realizing as a researcher, your own biases at an early stage of the process, one validates the process (Angen, 2000 in Leitch et al., 2009). The researchers have the responsibility to develop a valid interpretation. This is achieved in this research by openness to emergent issues, the separation of findings and analysis, the communication of transparency and reflexivity in the methods used.

3.9   Research Ethics

Research ethics is related to the avoidance of harm and can be seen as most important for those who undertake the research (Saunders et al., 2009). It is concerned with the formulations of the research topic, design of the research, the access and data collection, processing and analyzing.

During this research, data was collected, and for that individuals were involved. The researchers always made sure that there was no harm for specific individuals. In order for individuals to give them space to answer and to make sure that it would not harm their future career or relationship with supervisors, all respondents were provided with the option to withdraw partially or completely. At the beginning of the interview, the respondents were told that if they did not want to answer a certain question, they were free to refuse to answer them. During the interviews, all participants answered all the questions. The topics in the topic list were believed to not give the participants any stress, discomfort or embarrassment.

Before the interviews started, permission for recording the interviews was requested. Furthermore, the participants were told that their names will not be mentioned in the final thesis. Additionally, no company names were mentioned; the transcripts were only for researchers use and not published whereas their identity could be traced back. Besides that, their responses would not be used to inform for example their respective managers. All respondents were asked via e-mail for possible dates for interviews, and therefore they had the possibility to not participate in the research. By asking for permission and time on forehand by e-mail, respondents could choose the time best suitable.

Moreover, while writing the analysis and findings, the protection of individuals was also taken into account. Although when reading the research, one's own company could easily be traced back, the extent to which individual responses could be traced back is limited. If so, the researchers acknowledge that it would not harm the individuals in any way. The topics discussed during the interviews, and which are used for the findings and analyzes, are not of a sensitive nature that could affect the individuals.

The researchers took into account the ethics with regards to the companies. In order to not harm the acquired, acquiring and previous groups, the company names were not mentioned in this research. This also gave the respondents the opportunity to speak more freely about the changes due to the acquisition. The respondents who will read the thesis could identify which company is theirs, but stakeholders, competitors or other parties cannot use this information or will get any use about the written thesis. It is the researchers purpose to describe and understand what acculturation processes look like, so it does not add any value to mention the company names.

4 Empirical findings

The empirical findings were gathered at three different organizations by interviewing the employees. In order to maintain the anonymity the companies will be referred to as "company A", "company B" and "company C" and their mother companies will be referred to as "mother company A" and "mother company B". "Company B" and "Company C" both were acquired by "mother company B."

All acquired companies share similar characteristics such as size and industry. All companies were located in Europe. Furthermore, the acquiring companies are within similar industries too, and they are both located in Sweden.

The findings related to the acculturation will be presented according to the timeline of the acquisition process. The findings will be separated in pre-acquisition, the acquisition, and post-acquisition phase. In the post-acquisition, a separation was made between the managed and the attitudes of the employees of acquired company.

4.1 Company A

In company A, four employees were interviewed from which three are working at the acquired company, and one is working for the acquiring company. The extent to which the employees were involved in the process itself differed.

The acquisition was carried out three years ago. All changes caused by the acquisition were implemented and the 'post-acquisition' period is considered to be finalized. The respondents worked between 4.5 and 25 years at this company. Their job description or position did not change due to the acquisition.

The company name and logo remained the same and did not change because of the acquisition. The company was part of a group, and the mother company decided to sell the company because it was not part of their core business anymore. After the acquisition, they became part of another group, mother company A, which is in line with their core business.

4.1.1 Pre-acquisition

Before the acquisition took place, two respondents considered that the core values and principles of the two companies were similar. To have a good organizational cultural fit, it was necessary for the acquiring company. The respondents could not pinpoint the similarities in culture, but it was more a gut feeling they got when visiting the company and meeting the management.

During the interviews, the respondents' view of the company before the acquisition was asked. One respondent described the acquiring company as very professional, high qualified and having a good reputation. '*On the principles and values we were a lot like each other, we had similar kind of thoughts, that is what both Company A and Mother company A stand for.*' The other respondents did not know the acquiring company that well but had an overall good impression of it.

All respondents mentioned that the acquiring company was not seen as a competitor before acquisition. The acquisition was a new niche market for the acquiring company. In addition, for the acquired company it gave access to new markets and new opportunities.

One respondent explains that they assess the organizational culture of a company a lot before acquiring a company '*we look at culture quite a lot*'. Two respondents describe that the values of the two organizations were similar. Before the acquisition took place, there was a good cultural fit '*companies were with a good cultural match*'. Both the involved employees described that the first contact and the

people you meet play a role in recognizing whether their companies share the same values *'It is also based on gut-feeling of the people you meet from the companies'.*

Respondent remembers the first time the acquisition was made public. *'Many people already assumed for years that the acquisition was going to take place.'* Respondents were relieved and happy about the new mother company when acquisition finally was going to take place *', And when we heard about mother company A, I was relieved and happy.'*

4.1.2 The Acquisition

The acquiring company had a requirement for the acquired company to act independently after the acquisition. Company A needed to maintain strategically its own brand and had to develop its own support functions, which was previously carried out by the former mother company. The idea of the group at which they were acquired by, was that every groupmember acts independently and, therefore, has to have a very decentralized structure. There should be a cultural fit, but no integration. All group members should run their local business as before, and at the same time, benefit from the economies of scale.

The employees of the company did not get much trainings related to the acquisition. A limited number of employees were involved in the acquisition process, but most of the employees just got informed before the acquisition took place. The acquiring company visited the acquired company during the acquisition when the public messages were sent out as well. Employees of the acquired company got an online training about the moral and legal responsibilities, from their new owner.

4.1.3 Post-acquisition

After the acquisition had taken place, respondents recognized that not much has changed. The biggest change was regarding their organizational structure. They changed from a quite centralized organization to a more decentralized organization. All respondents from within the organization mentioned they became more independent compared to the old. This independence is often mentioned in regards to the changes, and the respondents value this change highly. They compare a lot to the old company as well. The period after the acquisition was hard work because they needed to implement their own systems, and they did not receive support from the former mother company nor the new mother company.

All respondents perceived the acquisition and the acquisition process as a smoothly going process. *'The whole process was easy to accept.' 'I did not feel any resistance or fear or any negative feelings.'* The companies continued their daily business just the way it was. *'We really continue as we were.'* The change of the support systems was a change, which was hard work in the beginning, but afterward the daily operations remained the same. *'Into my opinion the process went smooth and I would not change anything.'*

According to the respondents, there were no changes in working hours, dress codes or way of working. The guiding rules in the company and the moral principles remained the same after the acquisition took place. *'The values of the mother company were really easy to adapt and to accept.'* As previously mentioned the respondents could not really pinpoint the cultural differences and similarities.

4.1.3.1 Management

For both the companies, company A and mother company A, it was a strategic choice to have the company A brand separately and to keep company A as an independent organization within the group. Therefore, communication between company A and mother company A mainly takes place

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on a managerial level. When we talked about the communication with the respondents, they describe it as frequent, informal and that it is important to have friends within the other company. They can call everyone in the mother company and in a short period, which meant that they already got to know the key persons in the other organization. One respondent acknowledges that this changed a lot because there is only a small number of employees working in the mother companies' headquarters. *'I think we get information enough'; 'It is quite easy to know whom to contact.'* Employees of company A also felt welcomed to the new company group. *'I personally received emails (from employees of the same group) that told me welcome to the family.'*

In addition to the frequent communication at the managerial level, the mother company A comes over for meetings to company A on a regular basis. Also the company A visits sometimes mother company A. They acknowledged that it was important to see each other regularly. However, these meetings take place only at managerial level.

According to some respondents, the role of the managing director was crucial. Managing director was very involved during the acquisition and, therefore, the acquisition was seen as a smooth process. The managing director was responsible to spread the information, and all employees knew that not that many changes would take place. Company A would remain independent from mother company A. *'We get the support we need, we get the independency we need to run the business'.*

Due to the acquisition, company A became more independent. One of the respondents put it in this way: *'Less control, more independency'.* This also implied that there were less control, fewer group rules and the amount of reporting decreased. This was chosen because the mother company A's culture is based on entrepreneurial spirit, local in the markets and group benefits and, therefore, decentralized behavior is required. The company has clearly its own identity and strategy while the vision and mission are the same as to the mother company.

The only training that took place was a code of conduct training, but this was similar to the previous owner. Respondents said they got all the training they needed, and if there had been more training necessity, they would have got it.

4.1.3.2   Attitudes of the employees

When the interviewees were asked to what extent they wanted to be a part of the mother company A they all said it would not be a problem to adapt more. *'It would not be any problem to call us mother company A'; 'I would not say no'; 'It does not really matter that much, more strategic decision'.*

The general opinion about the acquisition was positive. *'I am really happy about the change, I think this started a new era for company A'.* The employees already expected to be acquired for some time, and were hoping for a mother company operating with their core business. *'As well it is nice to be in a group that has the same core business; we did not have that in our history.'* The employees were happy to be finally part of a core-business group.

When asking about the organizational cultural changes, the respondents do not feel that many changes happened. *'I do not think there were that many cultural changes.'* According to the respondents, it was very easy to accept the mother company's values. *The values of mother company A were really easy to accept, that was the easiest part.* All respondents acknowledge that it was a big change to get their own support systems. *"The most difficult part was changing the support systems and making us independent'.* However, in the end, the way they worked and how they behaved within the company remained the same. They just became part of a different group and became even more independent as a company than before.

When we asked the interviewees about the corporate identity, and whether they were proud of being part of company A, and mother company A, they all value their own company first, but are

definitely proud of being part of the mother company as well. '*I am definitely company A but I belong to the mother company A family'; 'Of course it is the first part of company A, but we also value the owner.'* One respondent liked to be part of the mother company A because many interesting and nice people were working there. One respondent said: '*I think it is now much better'* compared to the former situation.

The respondents view of the mother company now, they perceived mother company A as positive. '*It is very good into my opinion, impression is good'; If my view changed, it has changed into a positive direction.*

Another aspect covered during the interviews was the trust in their own company and the mother company. '*I definitely trust people at mother company A and they trust me'; 'I would say that trust at mother company A is dependent on individuals, and I do trust the individuals in mother company A'.*

Which led to the confidence of the employees. '*I kept the feeling that Mother company A has confidence in me, and that means to me, that I also have a clear role and I haven't mistrusted their trust neither during the process'; 'Yes we trust each other. Therefore life is more predictable now'.*

Overall, respondents were happy about the change. They are pleased with the new owner. '*I am quite pleased with our present owner'; 'I like mother company A because of the independency.'*

4.2 Company B

In company B, four employees were interviewed. Additionally one employee from mother company B provided us with needed information.

The extent to which the employees of company B were involved in the acquisition itself differed. One of the interviewed employees was having a managerial role and was involved in the acquisition process and got more reporting tasks because of the acquisition. One other employee had many changes in job tasks whereas the two of the others did not experience changes in their tasks.

The acquisition of company B took place just a few months ago. The respondents worked between 10 and 17 years for the company. One of them was deeply involved in the process. The company name and logos were changed during the acquisition. The company was part of another group before the acquisition. After the acquisition, they became part of a new group, mother company B that was operating in the same industry.

4.2.1 Pre-acquisition

The news about the upcoming acquisition came as a sudden news for the employees of company B. They were not expecting to be acquired and the decision of the previous mother company to sell them was a shock for them. As well the mother company B's decision to acquire company B was made quickly, as there were several mother company candidates interested in buying company B.

For those who knew the mother company view of the mother company B was fascinating. '*I was very fascinated by mother company B; they were very well organized and very strong within certain industries in which we were not that strong.*' The management first wanted to buy the company themselves, but when they perceived mother company B made an offer, they drew back their own offer. All respondents did not know the mother company that well and did not have a impression of the company. The acquiring company was not seen as a competitor before the acquisition.

To what extent changes would take place was discussed with the new mother company before the acquisition. According to one respondent, they were assured that everything would be the same, and they could keep running their operations as they were used to. The organizational fit, in a

cultural sense, of the company B and the mother company B were assessed with instinct. The acquisition decision was made in a very short period, and the period around it was very hectic. According to our respondents, it was a completely new way of doing an acquisition. Furthermore, one respondent noted '*I do not think they look at each single company (culture) before they make a decision.*'

4.2.2 The Acquisition

How company B and mother company B would integrate was discussed. *'I said we would like to do it in the same way we had been doing the last years and they said, of course, of course, no problem, we will do that.'* In addition, mother company B wanted to assure that the key persons continued in the company after the acquisition.

The company kept working as they were doing before. Only an information session was held when the company was newly acquired. Representatives of mother company B visited the company and employees of acquired company got a presentation of mother company B's ideas and vision.

In terms of cultural changes, all respondents felt there were not cultural changes. Furthermore, employees of acquired company did not see any major cultural differences between company B and mother company B.

4.2.3 Post-acquisition

As mentioned above, the respondents did not feel that anything changed. In addition, a few months after the acquisition they barely had any changes, especially in terms of culture. All respondents supposed that the acquisition process is still going on. They are expecting some change in the near future as the acquisition took place just a few months ago. *'We are not there yet; that is for sure' 'Maybe things will change but we have not experienced anything yet.'*

Before the acquisition, both partners agreed that the companies would continue working separately. Afterward, around one month after the acquisition had taken place, company B got to know that mother company B wants to do some changes in their ways of working and also to cut down employees. Some changes took place in the systems and company B is expected to write many reports for mother company B. These are sometimes perceived as difficult, and the way how to conduct reports is unknown. All the logos and the company names have been changed. However, they are still missing for standard presentations and guidelines, of which they have been asking several times. It is not clear how to behave in a new group. '*I do not know what the rules are in a new group.*'

All respondents mentioned that they needed more information, and they would like to see more integration between the previous separate organizations. However, the respondents did recognize that they are simply not there yet.

4.2.3.1 Management

Both company B and mother company B agreed that company B will continue operating as it was operating before. Still company B is asked by mother company B to do some changes as mentioned before. Because of mistreating this agreement, the management from mother company B was experienced to be '*a little bit disappointing*'. Moreover, some other problems with the management team of mother company B have been discovered. For example, there have been problems of getting new working contracts done.

There was not much training related to the acquisition. Two respondents mention that the CEO of mother company B came over for an information session. The view of mother company B was discussed by that time. There was some training provided by the mother company, but the employ-

ees were not satisfied with it. One of the respondents describes feelings about this training *'His performance was so extremely unstructured'*.

The experiences of the communication between company B and the mother company vary between the respondents. Those respondents, who have had communication with the headquarters of mother company B, describe a variety of difficulties in the communication. According to those who had trouble, there is a lack of communication. *'Communication is extremely unsatisfying… They need to put some more effort on that. 'And their answer was: we do not know… and of course they know.* They have to ask several times to get the answers to their questions. *'We have to ask several times.' 'We also don't get a response to our questions.'* Communication is often seen as one-way communication*: Very much one-way communication. It is not how it should be. 'The communication is not so good'.* Sometimes one of the respondents even feels that company B has been forgotten by mother company B. *Often I need to send an email again, just to say; Hey, did you forgot me or what? I have also sent voice messages that they never have replied, so therefore I have often this feeling, which do they remembered that they had this company.* Respondents agree that communication is experienced as time-consuming. *'It takes a lot of time to get answers.'*

Employees feel that they are not always provided with all information possible. *'We miss a lot of information.' 'When I ask for a total overview of the policy of mother company B, in general, they cannot give it to me, so it is really frustrating.' 'I need to ask very dumb questions for my position.' 'Communication and information, I think, it is extremely unsatisfying.'* One respondent describes the lack of information as follows: *'not to know where we are going to was frustrating for us, that was the most frustrating part'*.

The new corporate language also creates problems to understand people at the mother company B. *'There are a lot of these misunderstandings'. 'I cannot understand why we do not use English… That is a huge mistake I think'.* There have been also difficulties in understanding each other in philosophical level. *'The top management is completely different…we had some difficulties too, about understanding each other in philosophy also.'*

One of the respondents has visited the headquarters of mother company B. Rest of the respondents would like to visit the headquarters too. That was described to be good in order to learn from each other *'One of the thing that would be good for us is to visit mother company B and we could learn from each other'.*

Those respondents whose job tasks were changing during the acquisition did not perceive they got enough support. They would have hoped for more training and smooth communication between mother company B and company B.

There were not many events related to the acquisition. A major event was the visit of the new mother company B during the pre-acquisition and before the decision of acquiring company B. After that visit, the key persons from mother company B visited the company. There were no ceremonies related to the acquisition. Sometimes people from the headquarters visit the company. *'It is not that often.'*

Decision-making has changed because of the acquisition. Employees of company B have to communicate with the mother company about the decisions made. *'I have to communicate with them a lot, too much, I think.'* Employees of company B are also more involved to the reporting than before. Respondents are struggling with the amount of reporting. *'I have so much reporting to do; it is like crazy.' 'Frustration is usually popping up.'* Sometimes the reporting seems not to reach the employees at the mother company's headquarters. *'We have to put 14 reports every month, and we get really strange questions from them and I can see from the questions that they are not reading our reports.'* Because of the lack of train-

ing, there is also a doubt that they are doing the reporting wrong. *'We cannot be 100% sure of that we do in the way they wanted. They do not use the time to explain us.'*

4.2.3.2 Attitudes

Most of the respondents raised the issue of not personally knowing the people of mother company B as a barrier for feeling being part of mother company B. Therefore, they feel more being part of company B than mother company B. *'Personally I feel like I'm part of company B, because I don't know anyone in mother company B. I don't have experiences with them, I'm in touch only via email, if you don't see them face-to-face, it is hard to be part of them'. 'I think it is hard for a person to be part of an organization when you have not been there or haven't met people from there.* Furthermore, the lack of information and communication makes one respondent feel not being part of mother company B. *'We do not feel like a part of the mother company, we feel like the lonely riders'.*

The respondents did not feel proud of being part of mother company B yet. This was mainly because they felt that they did not know how mother company B is like. *'I would not say I am proud because I have not been there yet at the headquarters of mother company B, I have not seen anything. I know I will know when I get there. I have not seen it yet'. 'I would lie if I would tell that I was proud of it. I am sure I will be by the time'.*

One respondent mentioned that the view of the mother company had changed during the acquisition process. Before the acquisition, the same respondent described the mother company as attractive and professional but after the acquisition the view changed into a more negative view, *'there is no structure and there is no systematic way to work …the management is extremely poor… there was a huge lack of communication between us and the headquarter.* The other respondent still describes the mother company as a *'good company to be involved with'* still after the acquisition.

When asking about the commitment to mother company B, respondent said that it would be nice to feel committed to them but the respondent does not know whether the mother company feels committed to company B *'Yea, I like to, but I don't know if they feel committed to us'.* Other respondents describe that they feel committed to the new mother company B.

Another aspect covered during the interviews was the trust between company B and the mother company. There is some lack of trust mainly because they do not know each other personally and because mother company B broke the commitment not to make changes shortly after the acquisition. *'To be honest, I don't know them because I haven't met them many times.' 'I would say that the trust issue isn't 100% in place and I don't know if they trust us, I'm not sure'.*

In the overall opinion, respondents thought that the direction is into the better way now *'Now everything seems to be in a good shape'.* When asking about the future and to what extent respondents would like to integrate more to the mother company B, the answer is *'We are waiting to be integrated'. 'Full integration should be ideal.' 'We are still in the processes; there will be a change… That is for sure'.*

The vision and mission have changed because of the acquisition. Now the company is more focused on the long-term thinking, which is seen as a good thing according to the respondents *'The vision and mission are now more into long term thinking and I think that is a good thing'.* What has caused negative thoughts among the employees is that the new mother company is focusing more on the profits than they are used to. They describe that the customers were more important for them before. *'Now it is more about profits. Before, it was more to the customers' side'.* In terms of mission and vision, employees are hoping for more clear guidelines. *'I hope that one day there will be some clear guidelines and so on.' 'I do not know what they expect; I do not know what the rules are… so it is different.*

When asking the respondents what they would do differently, in terms of the acquisition, one of them wanted them to speed up the process and to put more effort in communication. *'I would like to*

speed up the process, but I really put some more effort in improving the communication and take care of the new company and try to use the time and effort to get integrated more fast and also to have these guidelines written down, so we have the clear picture of how it is going to be what is your policy'.

4.3   Company C

In company C two employees were interviewed. Furthermore, one employee from mother company B provided us with needed information. One of the employees of Company C was involved in the process of the acquisition and had a managerial role. The other has not been involved in the acquisition itself.

The acquisition took place just a few months ago, and the company is still in the acquisition process. The one involved in the process had been working for the company for 19 years, as the other employee started working less than one year before the acquisition took place. Their job role or position did not change due to the acquisition, but they were more involved to the reporting after the acquisition.

Company C was previously an independent family business and became for the first time part of a group of companies. The mother company B and company C were working within the same industry before the acquisition, but they were not direct competitors.

4.3.1   Pre-acquisition

All employees did not know the mother company B that well before the acquisition took place, but shared a positive view of mother company B. '*First impression was pretty good. I did not particularly know them, I knew something about their business' 'Never heard of them before …but felt it was a good fit to our company because of our business. It was a very good fit for us.* Both companies were working in the same industry, but the acquiring company was not seen as a competitor before. The respondents saw the acquisition as a win-win situation for the companies. *'I see it as a win-win.'*

Already before the acquisition took place, the structure after the acquisition of the company C was discussed '*We agreed during the deal how we structured pretty early on.'* Both partners agreed that the company C will continue as a separate company but will adapt the name and logo from the mother company B.

Respondents describe that the values of the company C were related to the family business values and differed just a bit from the values of mother company B. The Employee of company C described that the meeting with mother company B before the acquisition gave the view of similar values. *'We found that we could work with them, and that is the reason why we are here today.' 'Their values are in line with our previous values.' 'The values of company C were based on family business and they still are.'* As already mentioned in the previous case, mother company B based the view of the similarity of the companies on gut feeling during the visits when making the decision to acquire a company.

4.3.2   The Acquisition

As mentioned earlier the company name and logos were changed after the acquisition took place. The structure of company C was discussed during the process and decided that company C will continue as a separate company. After the acquisition had taken place, company C continued working as they had been working before. *'We are running as we ran before; we have not changed anything at this stage.'*

When the acquisition was announced, the person who was not involved in the decision-making mentioned that the announcement of the acquisition *'came out of the blue'*. The employees did not expect that company C would be acquired someday.

One respondent describes that mother company B was a good fit for company C in terms of operations *'It was a good fit for our company'*. "Respondent describes that culture-wise there were similarities between company C and mother company B: *'mother company B was a good cultural fit for our company'*. The analysis of the fit was based on the visit of mother company B in company C before the acquisition.

During the actual acquisition, there was no training provided by mother company B. The employees would have hoped for some training, and more support, but they saw that mother company B was too busy. And therefore, they understand that mother company B could have carried out some training, if they would not have been so busy.

4.3.3 Post-acquisition

After the acquisition had taken place, not much has changed. Employees of company C describe the situation as follows: *we are running as we ran before; we have not changed anything at this stage. I am not saying things will not change in the future but at the moment no.'*

When asking about the cultural similaritie,s or the differences of the companies, the respondents reply that now it is too early to say how the culture of mother company B looks like, as they haven't had that much contact with them . *A difficult question to answer. I do not really know, too early to say. I cannot really say. Too early at this stage to answer. However, they seem to be similar in culture. It feels like a family company at the moment. 'Well, culture wise we are pretty similar.'* According to the respondents, there were no changes in working hours, general dress codes or ways of working. The logos and the uniforms of production workers have been changed to match the ones that mother company B has. *'Logos and uniforms have now been changed with the help of mother company B's local office.'*

When asking about the changes in mission and vision the only difference between company C and mother company B seems to be that mother company B values sales higher than company C. When asking about the changes in terms of mission and vision one respondent describes them to be still the same as before the acquisition. *'I think now we have the sales higher.' 'I do not know as far as I am aware. As far as I can say the company is still the same, all is the same as before the acquisition.*

The respondents mentioned during the interview that the future seems to bring more adaptation to the corporate. The upcoming changes are seen as non-problematic. *'It is going to have to happen; we have to be more corporate than we are at the moment, at the moment it does not have to change because it is working quite well. I did not have to adapt at all. I think it would be an easy thing to do because I can understand what they do and I would be quickly up to adapt myself to what mother company B did, it is not a big change'. That is no problem'.* The process of the acquisition is not over yet, and the respondents agree that they are still in the process.

4.3.3.1 Management

It was a strategic choice to keep company C separate from mother company B. The decision of companies working separately was made early in the acquisition process. The respondents do not see it changing in the future. *'We are running as a separate company… they are going to keep it like that… it is going to continue the same. 'The company will carry the name of mother company B, but we are a separate company.'*

As company C became part of company group, the communication style changed after the acquisition. *'some changes have been made… communication channels are also different now because we became part of the*

bigger organization. When asking about the reporting, it was described as a *bit of pain… but I can under-stand why they want it, but it is time-consuming'.* The amount of reporting arose after the acquisition. One of the respondents has some doubts on the reporting. '*We have to deliver a report every month... I do not know if anyone reads it.'*

Most of the communication between the companies, is about the communication with the local office of mother company B. There is not much communication with the headquarters of mother company B. Employees from mother company B come for a visit now and then and there is contact between the companies. '*We do have contact with them.'* A non-managerial person hears all information from management inside company C, but there would be a desire for more information, both inside and outside company C. '*A newsletter would be handy to have, just to know some insights what's happening in the group. From our own management, we get mainly figures, not what is really going on. It would be really good if we would have a seminar with mother company B, who they are and what they do and things like that.* They hope for more contact with mother company B, but still feel that communicating with the mother company is easy. Having contact with mother company B is not experienced to be difficult. Now there is not much contact because the two companies are not closely working together*: 'at the moment the business is not at this point where we have to work together closely'.*

Independency and the authority of decision-making is similar to the situation before the acquisition, *'they just have an eye on us what we do'.* On the other hand, it is too early to reply to the question how non-daily decisions are made*: 'I cannot really answer that before such a situation arises'.*

The non-managerial respondent would hope for more training, but still thinks that it might be too early for that. '*No, nothing, that was all.' I would hope for more training. I would like to understand what they do more. I think it is a bit too early for training.*

The respondents did not receive much support. When asking if they got support during the acquisition from the mother company B, the replies are as follows: '*Um, if I am honest, not really.' 'We did not have a lot. Certainly not from the headquarters of mother company B, some from the local office of mother company B.* The amount of support is seen to be getting better now. '*I think it is better now, but in the beginning it was not good.'*

4.3.3.2   Attitudes

The first reactions towards the acquisition were related to the roles of the respondents. The managerial person was not surprised of the acquisition. The person who was not involved in the decision-making, mentioned that the announcement of the acquisition *'came out of the blue'.* However, distinct from the first shock, the general attitude toward the acquisition was good, and acquisition was seen as *'win-win'* and as positive.

The general atmosphere towards the acquisition of the company C today is right '*they are all happy because nothing seems to change'.* The only resistance towards the change was derived from the fear of losing a job before the nature of the acquisition was clear to the workers.

When employees of company C were asked to what extent they value their company, they agreed that they like their company as it is. '*I quite like what I am doing, I quite like how things are done.'*

The interviewees were also asked to what extent they wanted to be more or less a part of the mother company. Adapting more to the new corporate culture was not seen as a problem. '*It would not be any problem to adapt more, I do not see why there would be much change. I cannot see why there would be differences to what we have now. I am quite happy to change – whatever is required, I will change'.* When we asked them if

they want to become more part of the corporate culture of mother company B they wanted so, but at the same time they saw it as a something they have not been used to. '*Yea, of course, we do its a we will not go through the deal if we didn't want to, but we are not former corporate background, so a lot getting used to you know and local office of mother company B been very helpful and very useful for that point of view. But yea it is not something we have been used to it is certainly very different.*

When we asked the interviewees about their identity, and whether they are feeling being part of mother company B they replied: '*it is difficult to get used to, because we have been company C for so long time, so it is very difficult to get used to. I think we will get there. I feel still more being part of company C than mother company B because we are actually a small company, and this was a family ran the business until that point, and I like being with them.* This respondent raises a problem of not being in touch and meeting the people from mother company B as a barrier for the identification with mother company B.

The respondents do not feel being proud of mother company B yet. Not visiting the mother company's headquarter is seen as an obstacle for this. *'I would not say proud because I have not been to mother company's headquarters yet.'*

Another aspect covered during the interviews was the trust between company C and mother company B. The respondents see that reaching trust requires more contact with the employees of mother company B. Everything so far has been good but the trust has not been tested yet. '*I think that, I trust them but just the local office of mother company B's people. I do not know the headquarter people very well yet.'* The relationship between the companies is even described to be similar to new relationships. '*I think that I trust them. But we are still in sort of new relationship… it is not tested yet.* When asking if employees of company C feel that employees of mother company B trust them, they feel being trusted. '*I think they trust us, they have put some trust on me when sending me to their meetings… I hope that means that they trust me.* Personal relationships between the employees of company C and mother company B were described to be good. '*I get along very well with them.'*

The general opinion about the acquisition was positive. '*I'm very pleased to the way it went in the end, because the speed… I would not change the way it went, so I am very pleased with that'*. '*As I said win-win. I cannot see anything else I just see it as a big positive, I do not see any negative at all'* As well, respondents think that the future seems positive. *Future seems positive.'* The employees would not change anything in terms of the process of acquisition. '*I would not change anything.'*

The respondents view of mother company B is the same as before the acquisition. They are satisfied with the mother company B. *My view of mother company B is the same as before. Everything of mother company B has been professional... Nearly all I have asked them they have done it very quickly.*

5   Analysis of the Cases

Three different models presented earlier in the theory chapter will be used to describe what the acculturation processes look like in acquired organizations. Firstly, acculturation process can have three different stages; contact, conflict or adaptation. Secondly how management, the attitudes of the employees and determinants affect the acculturation process. Lastly, a classification of one of the four different modes of acculturation.

5.1   Stages of the Acculturation

Acculturation can have three different stages. These three acculturation stages during the acquisition are: contact, conflict and adaptation (Nahavandi & Malekzadeh, 1988). All of the three cases were different in terms of the acculturation stage. Companies B and C were newly acquired, whereas company A was acquired a few years ago.

In company C the acquisition took place recently, and not that many things changed since then. There is no evidence of any conflict, which may arise at some point in the future. The level of relationships is quite low. Therefore, the stage of company C can be determined as the first one: contact. The contact occurs right after an acquisition has taken place (Jones, 2007). In company C the acquisition took place only a few months ago. The contact stage is the stage during which the two entities set the ground for the forthcoming relationship (Andersson & Karlsson de la Rosa, 2006).
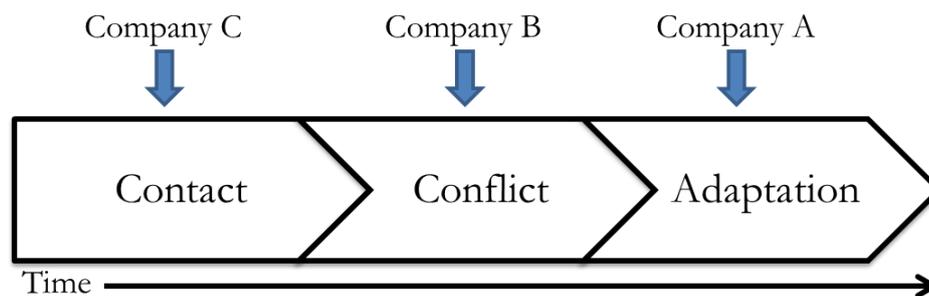

Figure 5. Acculturation stages of the companies

In company B, the contact stage had already passed, as some conflict already had arisen. The conflict stage depends on the amount of contact between the acquired and the acquiring company. (Jones, 2007). In this case, there was not a lot of contact between the acquired and acquiring company. Usually, low levels of contact result in low levels of conflict. In this case, there were some conflicts, because of communication and trust issues. Also the strength of the cultures of the acquisition partners matters (Jones, 2007). The strength of the organizational culture of company B was rather weak. The stronger the cultures are, the more conflict and resistance because of the changes will occur (Jones, 2007).

In company A, the acquisition took place a few years ago. In this research, there was no sign of conflict in the acculturation. Therefore, it seems like there was no conflict stage at all. This could also be explained by the fact that there was not that much contact between the companies, which in turn usually leads to a lower level of conflict (Jones, 2007). The last stage of acculturation is adaptation (Jones, 2007). The possible conflicts that arose during the conflict stage are solved at this stage (Jones, 2007). As no sign of conflict was found and the company seemed to have found the right track after the acquisition, company A has reached the last stage of acculturation, the adaptation.

The acquisition partners agree on the aspects of their new relationship, which is a sign of positive adaptation (Jones, 2007).

There are no general rules for the length of the stages (Jones, 2007). We cannot say when and what will happen in the future. For company A, most probably, no changes in the terms of this acquisition will come up, and therefore there won't be any conflicts coming in terms of acquisition and acculturation. In company B the conflict stage might go either into a positive or into a negative direction. One does not necessarily need to end up in the adaptation stage, in which case the outcome will be an endless conflict stage (Nahavandi & Malekzadeh 1993, as cited in Andersson & Karlsson de la Rosa, 2006; Jones, 2007). This is not the case, as the level of conflict was quite low, because of the weak pre-acquisition organizational culture and a low level of conflict. In company C no conflict in terms of acculturation was found. According to Nahavandi and Malekzadeh (1993, as cited in Andersson & Karlsson de la Rosa, 2006; Jones, 2007) the adaptation phase can occur fast, so even low levels of conflict are barely seen.

In this research all the different stages as proposed by Berry (1983), were seen. Nonetheless, it does not give valuable insights about what the acculturation process looks like. In the cases in this research only little contact was present, it was difficult to recognize any conflict. When companies just have little contact, this results in low levels of conflict (Jones, 2007).

5.2 Management

The management of the acculturation is seen as important, because it influences and is part of how the acculturation process looks like. According to Gertsen et al. (1998) and Malekzadeh and Nahavandi (1990) it is important that the acquiring firm and the acquired firm agree upon the acculturation. Nahavandi and Malekzadeh (1988) argue that prior evaluations should be made to determine these guidelines. In none of the cases in this research, there was a clear agreement about what the acculturation should look like after the acquisition. Nevertheless, in all of the cases is discussed and decided if the companies needed to integrate or would remain more separate. Before the acquisition, the companies looked at each other's cultures, but did not consider how culture needed to change or had to be adopted after the acquisition. Distinguishing cultural changes from other changes is difficult (Gertsen et al., 1998). Although the cultural integration was not considered, agreeing on staying quite separate on an operational level would mean that on cultural level companies would also be quite separated. Along with systems, structures, staff and services, cultures need to be managed (Marks & Mirvis, 2011).

Not only there is a need for an agreement about the acculturation process at the beginning, according to Malekzadeh and Nahavandi (1990), also continuous monitoring and management of the acculturation in the post-acquisition is needed. Acculturation is not managed in these cases on fore hand; barely did any management of acculturation in the post-acquisition take place. The company's management should be pro-active in the management of the acculturation (Malekzadeh & Nahavandi, 1990). In the cases in this research, the management did not have a proactive approach to the management of the acculturation. Since it does not take place, there can still be a need for it. The extent to which there was a need for more management differed. In company A there was no need for a more pro-active management, whereas in company B respondents said that there could have been more management. Since the management of company B was experienced to be disappointing, it should have been more in line with the agreements made before. Additionally, the amount of information played a role to the experience of management. In company C it was not clear if there was a need for more management, although they highlighted that in the future they want to integrate more, which would argue for a need for more management of acculturation.

Besides the agreement, another important aspect in the management of acculturation is influenced by certain events, ceremonies, training and support (Berry, 1980). First of all, the support experienced in the different cases varied. In company A the employees described that they perceived enough support from the mother company. Whereas in company B and C the employees describe that they did not perceive enough support and were not satisfied with the amount of support they got. Furthermore, in terms of training or events, in all cases it hardly took place. In all three cases there were short trainings and visits from the mother companies, but nothing specific for the acculturation. Kavanagh and Ashkanasy (2004) describe that it is not only through formal interactions but also in informal way with co-workers or observations while on the job. In all the cases, hardly any formal, neither informal activity did take place. Also Larsson and Lubatkin (2001) state that how the acculturation process looks like and how it is managed, depends on social controls, such as introduction activities, cross-visits or celebrations. These were not present in the cases in this study. Cross-visits were desired, in order to know what the mother companies are doing and to show what they are doing, by learning from each other. This is in line with what some of the employees describe, because they hardly see or speak, or never even met someone from the mother companies. Consequently, not lot of acculturation, two cultures coming into contact and affecting each other, is visible in any of the cases.

According to Berry (1980) how much time is spent and how it is spend, has an effect on acculturation. In line with what is described above, hardly any training, events and activities took place in any case. The time the mother companies spent in the acquired companies was very limited. In all cases there were some visits, but not on a regular basis. In company A meetings take place on a regular basis on a managerial level. However, there are no meetings between the companies at lower levels, mainly because of the strategic decision to keep the operations of these two companies separate. In company B only a few visits took place. In the company C visits took place now and then. As the acquired companies still operate quite separately after the acquisition took place, there was not a lot of contact between the employees and the two mother companies. Furthermore Kavanagh and Ashkanasy (2004) argue about the learning through the integration. Acculturation can also unfold through the development of a common organizational language and by mutual consideration of shared integration (Stahl & Voigt, 2005). Although not that many contact moments and events took place, a few of the employees in the cases recognized that when they see their co-workers from the mother company, it is mostly nice to work together with them. Not only do employees not often speak or see people in the mother company, in the all three cases the amount of contact with the acquiring company is also limited.

The acquiring firm should allow a high degree of autonomy for the acquired organization, in order to minimize stress and problems and to contribute most to the acculturation (Weber & Schweiger, 1992). In company A the autonomy remained the same as before the acquisition. Moreover, compared to earlier, they even became more independent. In addition, the amount of reporting became smaller than before the acquisition. this was highly valued by all employees, and therefore they felt trusted. In company C there is still autonomy for decision-making. As more reporting is now required by the mother company B, there is also some control from the new owner. In company B there is no pure autonomy, the mother company affects the decision-making. There is a lot reporting to the mother company B, which affects the feeling being dependent. We found that the company with least autonomy was the one experiencing the most problems. As stated by Malekzadeh and Nahavandi (1990) often acquiring firms promise the acquired firms autonomy and independence, but soon after the acquisition it begins to interfere with its operations. In company

A and C this agreement was kept. However, in company B, they would want the mother company to interfere more with their operations, and to show that they have not been forgotten and even to learn from each other and to get to know each other. The promise was not kept, which frustrated the employees.

According to previous research about acculturation, it is the nature of the relationship between the organizations that defines the acculturation process and, subsequently the outcomes of the post-acquisition integration (Sarala, 2010). For company A there was only a small number of people working at the headquarters of mother company A and therefore it was easy for the employees of company A to get to know everyone. Making personal relationships and becoming friends with the employees of mother company A was easy, which also tells us about the similarity between people. The employees of the acquired company were welcomed by the employees of the mother company group. Only one employee of company B has visited the headquarters of mother company B, and there were no personal relationships between the company B and the acquiring company. Company B felt like being forgotten by their mother company, and they lack information, which they requested frequently. The communication with mother company B is experienced to be frustrating and often as one-way communication. The employees of company B do not personally know the employees of mother company B. In company C there is some contact between the companies but there are no strong personal relationships between the companies. In company C it is too early to have these strong personal relationships. We can say that the relationships do play a great role, as they also are related to the communication and therefore to the attitudes of the employees as well. It supports Berry (1980) on how and how much time is spent and it is in line with Sarala (2010) about the nature of the relationships.

The existing theory of acculturation argues that a prior agreement about the acculturation needs to be made before the acquisition (Gertsen et al., 1998) and the agreements must be clear for both acquisition partners (Kavanagh and Ashkanasy, 2004). However, in all cases there were no intended agreements about the acculturation solely, though agreements at the operational level were done. These operational level agreements were connected to the issues related to the acculturation. In all cases, the companies continued working separately to some extent. Therefore, there was not a lot of contact between companies and the organizational cultures did not come much in contact. This in turn influences the amount of needed and given support, contact, activities, and training. When the agreements were kept and the amount of information was sufficient, this affected the attitudes of the employees of the acquired companies.

5.3 Employee Attitudes

The attitudes of the employees can be partly prescribed as to what extent they value their own culture (Zea et al., 2003). In all the cases the employees felt more part of their own previous culture than the culture of the mother company, which could indicate that they value their own culture. Furthermore, in company A employees mentioned they were proud of being part of the organization. In company B the value of their own culture is less apparent. In company C the values can be prescribed to be based on family business values, and to be as important for them. The acculturation process is not only influenced by how they value their own culture, but also by how they value the mother company's culture (Zea et al., 2003). In company A employees value the mother company's culture, in company B and C employees do not know that much about the mother company's culture. What they knew about the mother company before the acquisition was positive.

The attitudes are related to the extent that employees are proud to be part of the new organization (Zea et al., 2003). The extent the employees felt proud of being part of the new mother company varied a lot between the companies. In company A the employees felt proud of being part of their

new mother company and shared an overall positive image of the process. In company B was a lack of knowledge about the mother company and therefore they did not know if they felt proud. There are both positive and negative thoughts about the process. In company C it was too early to say if they feel being part of the new mother company, as there has not been much contact with the acquiring company yet.

The proudness of being part of new mother company in turn leads to the point whether the members want to preserve their own culture and practices (Nahavandi & Malekzadeh, 1988). In all of the companies there was not strong desire to maintain their own culture and practices. When discussing with the employees in the different cases, they all would be willing to adapt their cultural practices more in the future. In company A the acculturation was already finalized, and the respondents preserved their own culture. However, in the future none of the employees would have any problems with adapting more the acquirers company's organizational culture. In company B and C the preservation of their own culture was present to a certain extent. Employees of company B are willing to adapt, but currently the lack of communication prevents that. In company C employees are also willing to adopt more if needed, because they see the culture as similar and the mother company as attractive.

The attitudes are related to the extent that employees feel part of the new organization (Zea et al., 2003). The way respondents identify themselves, tells us if they feel being part of an acquiring organization or of their own organization. In all cases employees identify themselves first as a part of the old company. In company A they also feel like being part of the new mother company. In company B the employees do not feel like being part of new mother company, as they do not know mother company B and there is lack of communication and information. In company C they feel like being part of their old company and they find it difficult to change the identity, because of their long roots as a family business. Also they don't know the mother company that well, because of the low levels of contact. Therefore it is hard for them to feel part of the mother company.

According to Schwartz et al. (2010) and Malekzadeh and Nahavandi (1988), to a certain extent changes always take place, and the reactions on the changes influence the attitudes of the employees, that in turn affect the changes. In all the cases, none of the respondents really recognized a change in culture. It could be expected that there are maybe small changes in the cases, but they are too small to affect the employee's attitudes towards the changes. Only in the beginning employees remembered the first time they heard about the acquisition, which in company A came as expected and in company B and C as unexpected. Future expectation can predict employee's reactions (Dackert, Jackson, Brenner, & Johansson, 2003, cited from Teerikangas, 2012). In company A the employees expected to be acquired for a long time, whereas in company B and C the acquisition came as a surprise. The first attitudes about the acculturation were set when all employees heard for the first time about the acquisition. In company A they were relieved that they finally got acquired, and the new mother company was seen as a better fit than the previous mother company. In company B and C it came as a surprise, but this later on changed in positive attitudes towards the acquisition. In company C when people were secure about their jobs and they knew that not much would change, people were excited about the acquisition. Kavanagh and Ashkanasy (2004) found that the attitudes towards the acculturation are influenced by how they perceive the changes, if these changes affect them personally. In company B when they heard of mother company B, which was known as a very professional company, and after the acquisition, their attitudes also became more positive.

One aspect that affects the process of acculturation is the attractiveness of the acquiring partner (Gertsen et al., 1998). As described above, after the surprise, the employees in company B and C had positive attitudes towards the acquirer. In company A, from the beginning on their attitudes about the acquirer were positive. The attractiveness is also one determinant for the preferred acculturation mode and, therefore, plays a role already in the early stages of acquisition. All companies shared excitement towards the acquiring companies. The acquiring mother companies were described to be attractive, and all companies had a positive image of the companies as far as they knew them. The cultural differences between the acquiring and acquired companies affect the attractiveness of the acquiring company (Teerikangas, 2012). The more the cultures are different, the less attractive the partner is (Teerikangas, 2012). Prior to the acquisition, the acquiring companies' organizational cultures were seen as similar to the ones that the acquired companies had. This was mainly aligned to the fact that the mother company was in the same industry or in a similar country. Furthermore, the partner was seen as attractive, and, therefore, the employees' reactions toward acquisition more likely were positive (Teerikangas, 2012).

How employees perceived the acquisition has been managed, influences the attitudes of the employees (Kavanagh & Ashkanasy, 2004). And the attitudes affect the amount of employees' resistance and willingness to adapt. Attitudes of employees are influenced by, not only the changes itself and how employees respond to that affects employees' attitudes, also on how they perceived the acquisition as been managed well (Kavanagh & Ashkanasy, 2004). Low levels of resistance in turn leads to a more positive acculturation (Nahavandi & Malekzadeh, 1988). The way the acquired firm's employees are treated by the acquiring firm matters. If an acquiring firm has cooperative attitudes before the acquisition deal, this has been found to help direct the reactions of the acquired employees' toward the positive (Marks, 1991; Schweiger et al., 1987, cited in Teerikangas, 2012). In company A the management was experienced to be good, and the amount of support was seen as enough. One employee even values the role of the management as the success factor of this acquisition. In company A resistance was not appearing during the process, and attitudes of the employees were positive. In company B there was hope for better management and the amount of support was satisfying. In company B there has been some movement towards negative attitudes, which derives of trust issues and communication problems. In company C there is not enough information collected to analyze the attitudes towards the management. In company C no resistance is appearing, as the attitudes of the employees are mainly positive. An agreement between acquiring and acquired firm about acculturation modes leads to less resistance towards the change (Nahavandi & Malekzadeh, 1988). There was an agreement in operational level between companies in both cases A and C which in turn, is related to the acculturation agreement as well. This aspect strengthens the argument of company A and C not having resistance. Whereas in company B there was an operational level agreement that was not kept, therefore this guides the findings towards more negative attitudes and some resistance.

As mentioned, the overall opinion of the employees of company A are positive about the change, and the time after the acquisition is seen as a new era for the company. They are glad that company A is now being part of mother company A, which is working within their core business. The situation for company A is seen as better than before the acquisition. For company B the view of the mother company B changed during the process. Employees of company B hope for better communication in the future, which would help them to determine their future direction. Now the view is less positive than in the beginning. For company C future seems positive, and they are curious what is going to happen in the future.

The attitudes play a role in the employee's motivation to acculturate. Their attitudes influence the willingness of the employees to adapt to the acquirers culture. In these cases the employees did not adapt to the cultures of the acquirer, although they would be willing to adapt more. The attitudes

are also dependent on the stage of the acculturation process and how it is managed. When the acquirer is seen as attractive, it gives a good starting point for acculturation.

5.4 Pre-acquisition Determinants

What the acculturation is going to look like is determined by the degree to which groups are different from the acquiring firms, and if they accept that is the degree of multiculturalism (Nahavandi and Malekzadeh, 1988). Therefore, cultural fit plays a role in the acculturation. Not only acquisitions with similar cultures will be successful, but also the similarity of cultures may contribute to the process. (Schwartz et al., 2010) In the companies A, B and C the culture of the other company was analyzed with the gut feeling that the managers got during the company visits. The organizational cultures of acquiring and acquired firms were seen similar by all employees in all cases. Because of the similarity between the cultures there was no need to have major changes in terms of culture.

Multiculturalism affects the acculturation (Gertsen et al., 1998). In order to maintain the organizational culture of the acquired firm, the acquiring firm must allow multiculturalism. The allowance is crucial in cases where the desire to preserve the old culture is high (Nahavandi and Malekzadeh, 1988). The allowance for multiculturalism exists in all mother companies. The acquired company may indicate to prefer their own culture. In company A it was clear they will still preserve their own culture after the acquisition. The organizational cultures were already very similar. Company B is allowed to preserve its own culture, though company B likes to change more in terms of organizational culture and to adapt more to the organizational culture of the new mother company. In the case of company C the mother company allows multiculturalism and, therefore, the company C was able to keep its own organizational culture, which they were quite familiar with. Because there was allowance for multiculturalism, it was possible for the companies to predominantly maintain their previous organizational culture.

As the similarity between the organizational cultures of the acquisition partners and the acquired firm's allowance plays a role for the acculturation, these factors also affect what the acculturation process looks like during the post-acquisition time. In these cases no major cultural changes were needed because of the cultural similarity and multiculturalism.

5.5 Modes of the Acculturation

There are four different general modes of acculturation, according to Nahavandi and Malekzadeh (1988; 1998) and Gertsen et al. (1998). According to Marks and Mirvis (2011) no mode should be seen as mutually exclusive, and these modes can be overlapping or in reality organizations can be in different modes. In this part of the analysis, the companies will be analyzed by these modes and the similarities and dissimilarities among the different companies will be discussed.
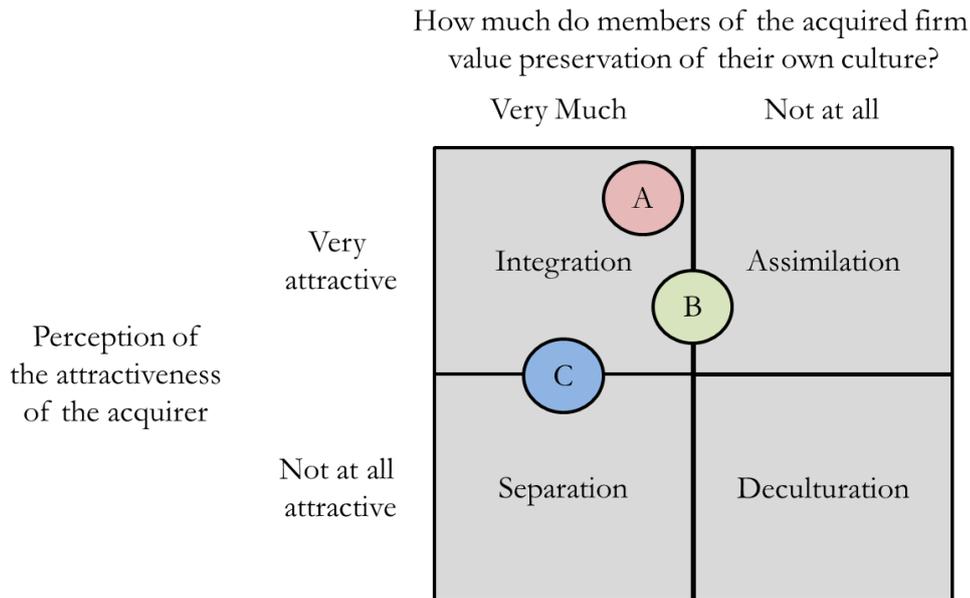
How much do members of the acquired firm
value preservation of their own culture?

Very Much   Not at all

	Very Much	Not at all
Very attractive	Integration (A)	Assimilation (B)
Not at all attractive	Separation (C)	Deculturation

Perception of
the attractiveness
of the acquirer

Figure 6. Acculturation modes of the companies

As can be seen in Figure 6, all cases are in the integration mode, but all in a different corner, and with trades from the other modes as well.

5.5.1   Company A

By analyzing the acculturation in company A, the mode can be determined as Integration. In company A the independence of the company was often mentioned. Integration is a mode where the members of the organizations want to remain autonomous and independent (Gertsen et al., 1998). In company A the company remained its own culture. They perceived the acquirer's culture as attractive. The attractiveness of the acquirer in this mode is 'very attractive' (Gertsen et al., 1998). Malekzadeh and Nahavandi (1990) argue that maintaining many of the basic assumptions, beliefs, cultural elements and organizational practices make acquired company unique. This is seen in company A as well, where the respondents value their own culture within the larger group. A condition for the Integration mode is the allowance of the acquiring company of independence. In this case it was not only allowed, it was also required by the acquiring company to stay independent. This is also a characteristic of the Integration mode that this can only happen when the acquirer allows the acquired firm this autonomy and independency (Gertsen et al., 1998).

Furthermore in this mode there is no loss of any of the cultures of the companies (Gertsen et al. 1998). This can be seen in this case as well, the respondents value their own company A's culture, but are also proud of being part of mother company A. They value both cultures and there is no cultural loss of any of them.

An acquiring company prefers this type of adaptation if it is multicultural and if their own culture and the culture of acquired firm are related (Gertsen et al. 1998; Malekzadeh & Nahavandi, 1990). Because mother company A is a group, with many different separate organizations, their identity can be seen as multicultural. Besides that, the cultures are related. Many employees described the cultures as similar and based on the same ideas and values. When the two cultures look alike, there is no need to integrate more, because it would not be very beneficial, and they cannot learn a lot from each other. In this case there is no need for further integration. In the assimilation mode members of the acquired organization hand over their culture willingly without forcing (Gertsen et al., 1998). In this case all respondents were open for more adaptation in the future. But in the assimilation mode cultures adapt often to each other, because their own cultures can be dysfunctional

or hindering (Malekzadeh & Nahavandi, 1990). This mode is preferable, when the cultures are dissimilar, and the organization has a unified culture (Malekzadeh & Nahavandi, 1990). This is not the case in company A, which can inhibit the company to move to the assimilation mode completely. Therefore, we would place company A in the Integration mode, in the direction of the assimilation mode, which can be seen in Figure 5.

5.5.2   Company B

The mode of acculturation in company B can be described as a mode in between integration and assimilation. The mother company was seen as attractive in the beginning and the willingness to preserve their own culture is not strong. In Integration mode the members want to remain autonomous and independent (Gertsen et al., 1998). In the assimilation mode the acquired firm adapts completely to the identity and culture of the other (Gertsen et al., 1998). These are two extremes, in which company B is in between. In assimilation mode, the give over of one's culture is not forced, but is welcomed by the members of the acquired organization (Malekzadeh & Nahavandi, 1990). Although in company B they certainly have not given over yet their culture, they are quite willing to do so. They do not know their mother company that well, but they are willing to integrate more, both on the operational level and on acculturation level. On the other hand, because they discussed 'they would run the business as they done before' it is more similar to Integration. Both firms preserve their cultures and stay autonomous and independent (Gertsen et al., 1998; Malekzadeh & Nahavandi, 1990). This might be caused by the fact that company B was part of another company group before.

In the mode of Integration, members of the acquired organization want to remain autonomous and independent (Gertsen et al., 1998). This was the starting point for the acquisition of company B by mother company B. In the beginning, they agreed that the company B will remain the same as before. On the other hand, as the preservation of the own culture of company B was not very strong; the mode is also similar to assimilation. This is because all employees are waiting to integrate more and almost willingly hand over their own culture without forcing (Gertsen et al., 1998). In company B there is the impression that the employees do not value their own culture that much. However, because of limited contact, they also do not know their mother company's culture that well. When looking at the modes, it is about how much they value the mother company's culture and how much they want to preserve their own culture. In company B the respondents did not show a very strong desire to remain their own culture neither value the mother company culture very strongly.

In company B the mode is therefore in between Assimilation and Integration. All employees acknowledged that the acquisition, and therefore also the acculturation is still in process. How it is going to look in the future will be dependent on how the employees in the future are willing to give up their culture or preserve it and to what extent the acquirer's culture will become more or less attractive. A reason to go give up one´s own culture, is if the own culture is hindering or dysfunctional (Gertsen et al., 1998). This could be a reason in the future to either stay in the Integration mode, or move more to the Assimilation mode. Another important factor how the future will look like is how the acquisition will be managed

5.5.3   Company C

The acculturation mode of the company C is somewhere in between Integration and Separation. Company C could be classified in the Integration mode because they see the acquiring company as attractive. Integration is preferred if the members of the acquired firm perceive the acquirer's cul-

ture attractive and still have a strong desire to preserve their own culture (Gertsen et al.,1998). As the culture of the company C is rather strong, and the contact with mother company B is low, there is some connection to the separation mode as well. In separation mode the two organizations remain separate, and there is limited managerial and cultural exchange between the companies (Malekzadeh & Nahavandi, 1990). There is also a need to a high degree of independency by the acquired organization, and only necessary control systems should be imposed (Malekzadeh & Nahavandi, 1990). The independency in company C is high. The requirement for the separation is the allowance of the acquirer for diversified cultures (Gertsen et al., 1998).

5.5.4 Modes of Acculturation

In all above cases, a notion of the mode Integration is present. However, these Integration modes are all of a different nature. In company A it is a strategic decision to remain separate, and all employees are informed that they would remain separate. Although employees are willing to give up their own culture there is no need to do so and no cultural changes took place. They are satisfied with Integration. In company B, the employees value their own culture less than in company A and they are more in Integration mode, but waiting for changes to happen. They are willing to hand over their own organization culture and adapt more with their mother company's culture. Which is logical, because in the Integration mode one sees the acquirer's culture as attractive (Gertsen et al., 1998). In company C they value their own culture and there is a minimal culture exchange. Therefore they are in the Separation mode. However, they see the acquiring firm as attractive and would not mind being in the Integration mode. Whereas in company A the acquisition is finalized, and the cultural integration would not change anymore because of the acquisition, in company B and C still changes can and will take place. This means that both company B and C could end up in another mode in the future.

The current theory of acculturation, which is introduced in the theory chapter, is focusing on few main issues. The most central element of acculturation theory, is the four acculturation type model created by Nahavandi and Malekzadeh in 1988. According to this model the preferred acculturation mode of the acquired firm depends on two things, the attractiveness of the acquiring partner and to what extent the acquired firm wants to preserve its own culture. The four types of the model are Integration, Assimilation, Separation and Deculturation (Nahavandi & Malekzadeh 1988 in Gertsen et al. 1998). According to Marks & Mervis (2011) more modes exist and these modes are just for classification and not every case fits into one of these modes. The four types of Nahavandi and Malekzadeh are widely used in terms of the agreement of the acculturation mode. However, based on our findings these are four extreme types of the acculturation and therefore can only be used as guidelines. As well not only the two factors, attractiveness of the acquirer and the preservation of one's own culture plays a role in acculturation. As every acculturation is unique, strict classifications should not be made.

5.6   Reflection on the Study

In this study three cases were studied in order to describe and understand what the acculturation process looks like. Earlier in this chapter the cases have been analyzed, in this part the study will be reflected, and a new model of what the acculturation process looks like will be drawn and presented.
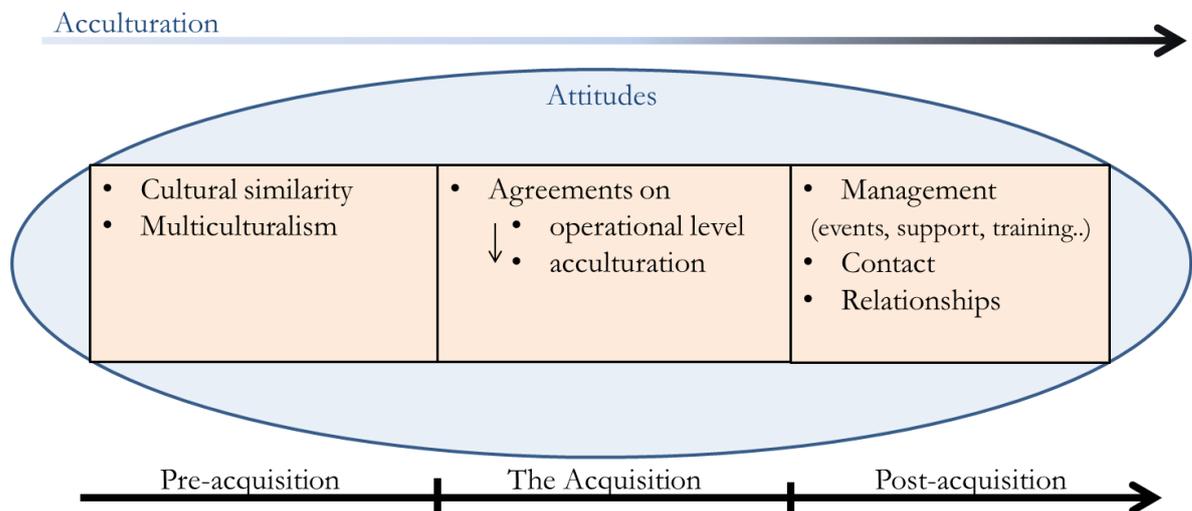

Figure 7. Process of acculturation

The acculturation process cannot be understood separately from the acquisition process. As can be seen in Figure 7, this model is divided in pre-acquisition, acquisition and post-acquisition. The level of acculturation develops during this timeline and becomes most apparent in the post-acquisition phase. This research found, that in order to describe and understand what the acculturation process looks like in the post-acquisition phase, is dependent on factors during the acquisition and pre-acquisition phases. Furthermore, the attitudes of the employees of the acquired firm play a role and they can change during the whole process. The attitudes are both influenced by the factors, and as well they influence the other factors in the model.

In pre-acquisition, the cultural fit and multiculturalism are of importance in order to understand what the acculturation process looks like. Cultural fit is the extent to which previous cultures are similar or dissimilar. In this research, all cultures were described as similar, which influenced the employees' attitudes. The cultures were seen as positive because they were alike. As argued by theory it is dependent on the multiculturalism what the acculturation process looks like (Nahavandi & Malekzadeh, 1988). The allowance of multiculturalism also influences the acculturation process in this research. All cases consisted of acquired firms that allows multiculturalism since they wanted the acquiring's firms to be part of a group with many more organizations which have distinct units with own activities and processes.

This will lead us to the next part of the model, the acquisition itself. An essential part in this is the agreement. In previous theory it has been highlighted that it is important to agree on the mode of acculturation (Gertsen et al., 1998). In this research we found that in practice, organizations do not agree on the preferred mode of acculturation. Nevertheless, operational issues are discussed and agreed upon. In this agreement, it is decided whether the firms stay completely separate in terms of

operations and practices or fully integrates, or anything in between these two ends of the continuum.

During the acquisition, organizations perceived that the cultures were similar. This gave the organizations no real need to adapt to the acquirers culture to a large extent because the cultures were already seen as similar. This would mean that the similarity affects the need for adaptation in the agreements. This will in turn influence what the acculturation process looks like.

As previously said there was no deliberate agreement on the acculturation process. However, the agreement on operational issues, to what extent do procedures and practices need to change to integrate or not, in turn influences the acculturation. The acculturation is dependent on the agreements on the operational level. Besides that, multiculturalism plays a role in 'the agreement', in all the cases in this research there was allowance for multiple cultures in the organization. So a mode in which cultural adaptation takes place to a less extent was possible. Because of this allowance not that many cultural changes need to take place, as the previous culture is not demanded to change.

The post-acquisition phase starts after the acquisition has taken place. Here is where the acculturation becomes more visible. Together with the decisions made throughout the agreement, to what extent they will be independent and autonomous or if they will agree, influences the acculturation. Important is here that the promises about the agreements are kept and the agreements must be clear to all employees. Clear agreements are important, and these have to be communicated with all employees in order for them to understand what is going to happen and what is going to change.

The operational level agreement influences the amount of contact employees have with the acquiring organization. In the cases in this research, the operations and activities remained quite separate; therefore, the amount of contact between the employees of the acquiring and acquired organization was limited. In acculturation theory, acculturation is influenced by the amount of contact the cultures have, when the employees barely have contact, acculturation also barely takes place. By not having contact with the other company and its culture, being part of it and knowing what the culture is about, is difficult.

Depending on the agreement on the operational issues and the acculturation, altered management is needed. The agreement can mean adaptation, which would mean a lot will change for the employees, but if the companies stay more separately, less change will happen and more autonomy will take place for the employees of the organizations. Management of the acculturation can consist of formal or informal activities, training, events and support (Kavanagh & Ashkanassy, 2004). If the employees do not have many contact moments with the acquired organizations to carry out their job, additional contact moment through training, events or cross-visits can assist acculturation.

In all cases in this research, the companies are more in the quite separated ends of the scale. This means not that many changes were needed in terms of the acculturation. Even though, some employees voiced a need for more management or support. Especially when talking about being part of, and being proud of, the whole organizations. They argued that in order to get to know the acquirer, they would like to have more contact with the acquiring organization. In order for employees to identify themselves as part of the acquiring organization, it is important to know acquiring organization well.

Relationships play an important role in the acculturation process. If there are close relationships with the acquired organization, it is easier for the acquired employees to feel part of the acquiring organizations. Relationships are closely connected to the management and the contact between the organizations. In the cases in this research, relationships were seen as important. The relationships play a strong role in the attitudes of the employees while the nature and amount of contact

influences the contact with the other cultures. This research showed that by limiting contact, there is no view of the other companies' culture and no identification of being part of them. Personally visiting the mother company and personal relationships were seen as essential.

As can be seen in the model, the attitudes of the employees are constantly influenced and are influenced for the different phases in the model. First of all, before the acquisition takes place the employees have a certain view of the acquiring company, about their own company, how they perceive the acquisition, and how they perceive the change. This influences the willingness to adapt and to what extent. Also these attitudes towards the change and to the acquirer may change. What shows to have a bigger influence, is the view of the acquiring company after the acquisition took place and during the post-acquisition process. If the view of the acquired company changed during that period, and the employees were disappointed, this did not contribute to the acculturation process positively.

As previously mentioned, the acculturation process cannot be seen and studied separately from operational decisions and process. How the acquisition is carried out, and how separate the companies stay influences what the acculturation looks like. The process of acculturation starts from the first moment the companies come in contact with each other, during the pre-acquisition. The determinants in the pre-acquisition, cultural fit and multiculturalism indicate to a certain extent what kind of acculturation is needed and possible. This will be followed by the acquisition itself, in which agreements are made and this will largely influence what the acculturation look like. After the agreements are made the acquisition will be carried out and the acculturation becomes more visible. The extent to which employees have contact, how it is managed, if there are any activities influence and determine how the acculturation process looks like. The attitudes of the employees during this whole process can influence and will be influenced by the decisions made and activities or contact moments present.

In line with the existing theory, the attitudes and the view of the mother company affect the acculturation. Furthermore, the cultural fit and multiculturalism play a role in the need and possibilities what the acculturation looks like. Previously, theory argues that management is important in acculturation. This study shows that management can be important, but that the in theory described examine of each other cultures, agreements about acculturation and constantly monitoring and managing of the process can be needed to a certain extent, but are not present in practice.

6   Conclusion

The purpose of this research is to describe and understand what the acculturation process looks like. More precisely this research answers the following research question:

What does the acculturation process of an acquired organization look like?

What the acculturation process of an acquired organizations looks like, can be described and understood by looking at different factors. Namely, the dependency on the cultural similarities between acquirer and acquired, allowance of multiculturalism of the acquiring organization, agreements of the acquisition, how it is managed, the amount of contact between both partners, the relationships between both partners and the attitudes of the employees in the acquired organization.

The extent to which the cultures of the partners are similar, affects the desire for cultural adaptation, which in turns affects the acculturation process. With multiculturalism present in all cases in this research, we can conclude that cultural changes hardly takes place because the acquiring firm allows multiple cultures within their organization.

The acculturation process does not necessarily imply any cultural changes. The acquired firm and acquiring firm do not always make an agreement about the acculturation. Usually, there is an agreement on operational level. The extent, to which the company stays independent or also integrates, influences the extent to which the cultures come into contact with each other and affect each other.

The acculturation process is not always managed, nor any agreements about the acculturation are mode. Employees value that they spend time with the acquiring firm and to have personal relationships with the acquiring firm. In line with this, the attitudes of the employees change to what extent they have contact with the company.

The attitudes of the employees affect the acculturation, but this is limited by the agreements between the both partners. If the acquiring company is seen as attractive, the willingness to adapt can be present depending on if the acquired company wants to maintain their own culture. Even though employees can be willing to integrate more, these changes do not necessarily have to take place, if the acquiring firm does not want the acquired firm to adapt more, further adaptation will most likely not happen.

6.1   Future Research

In line with the conclusions of this research, some topics for future research should be considered.

First of all, in this study all cases were in different stages of acculturation. Future research should be longitudinal, when companies shift through the different stages of the acculturation to get a more complete view of what the acculturation process of an acquired organization looks like. Or all cases selected should be in the same, preferably ending stage to make comparisons and draw further conclusions.

Secondly, the cases in this study all had limited contact with the acquirer organization and the companies stayed quite separately. This influenced the acculturation process, in which companies mostly remained their own culture. In order to gain further knowledge about what the acculturation process looks like, future researchers should examine cases with more diverse acquisition strategies and acculturation processes. Preferably, in cases were the acquired and acquiring organizations have high levels of contact and need to adopt more than in the studied cases of this research. In order to get a more complete view of what the acculturation process looks like.

Thirdly, this research showed that acculturation cannot be studied and seen separately from the operational decisions and processes. In order to understand better how these relationships looks like, research is needed. Future researchers should focus on what the agreements and decisions are made in the acquisition an post-acquisition phases, and how this influences the acculturation. The described constructs attitudes and management could support explaining what acculturation looks like.

Fourthly, this study shows that personal relationships influences the acculturation processes. In order to find out what the importance of the personal relationships is, and how this influences the acculturation outcomes, future researchers should focus more on the personal relationships between the acquirer and acquired organization in order to understand the acculturation process better.

Lastly, this study showed that the acculturation modes as developed by Nahavandi and Malekzadeh in 1988 are rather limited. Therefore new research based on large scale study could come up with new classifications which could explain better those acculturation cases that are rather in between two existing modes. New classification of modes could give furthermore better understanding what acculturation process can look like. Other factors to classify the modes on should be considered as well.

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Appendix A INTERVIEW GUIDELINE

Interview basics, discuss with interviewee:

Interview will be held in English, 30-45 minutes

Anonymity

Recording

If there is any questions he/she don't want to answer

Organization background:

- Number of employees:
- Name before acquisition:
- Changes in terms of workforce because of acquisition:
- Other changes (not related to acquisition)?

Respondent background:

- Role in organization:
- Role during acquisition:
- Number of years in company:

Acquisition process

- integration process with mother company
    - Story about what happened
    - First reactions
    - Events, ceremonies
- Did you know mother company before
    - Impression of it
- Support/Training
- To what extent feel being part of mother company and own company
- Proud of being part of new company
- Opinion about acquisition
- How you feel

Corporate Culture

- Cultural differences new vs. old
- To what extent value own old culture
- To what extent had to adopt new
    - What has changed, opinions about it
- To what the company stand for (new/old)
- How to describe mother company's values/mission&vision
- Trust between companies
- To what extent feel committed old/new

Communication, decision making, structure

- Whit whom communicates (Headquarters?)
- How easy it is to communicate
- Feeling being informed
- Communication channels
- Authority of decision making

Future

- Will there still things changes because of the acquisition?
- Are you still in the process?
- How do you see the future (willingness to adapt more in the future or not)