“Keep the spirit”
- Cultural differences after an acquisition process

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Abstract

Mergers and acquisitions have received much attention through the years due to the waves of modernity it has implicated. Three crucial aspects that can shape a merger or an acquisition are culture, leadership and human resource management. These aspects are studied and analyzed in a Swedish company that has been involved in an acquisition process with a French company.

The purpose of this dissertation is to explore the role of culture, leadership and human resource management in an acquisition process between a French/Swedish company. An abductive research approach is adopted for the research since a mixture between inductive and deductive research approach is used. The method chosen was semi-structured interviews, which was fulfilled with the management team in the chosen company as well as with a consultant.

The findings of the study are that the three aspects have an impact on the acquisition process where culture is the most central. The culture had a significant impact on the acquisition process and affected the leadership and the human resource management within the company as well. In the company studied, the human resource management was lacking and found that communication is crucial during an acquisition process.

The limitations are that only one company is studied and the aspects are limited to culture, leadership and human resource management. The original value of the study can give a clearer picture on how the three aspects affect each other and the total acquisition process. Suggestions for further research include analyzing additional processes and cultures, not only the ones chosen in this dissertation.

Key words: Mergers and acquisitions, M&A, culture, leadership, HRM, human resource management, Sweden, France, Swedish culture, French culture.
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1. Introduction

This chapter describes the background, problem formulation, research question, purpose and theoretical limitations. At the end of the chapter there is an outline for the rest of the dissertation.

1.1 Background

The failure rate for mergers or acquisitions (henceforth M&As) is up to 70 percent (Weber, 1996; Schuler & Jackson, 2001; Boateng & Lodorfos, 2006; Chun, 2009; Cbsnews, 2012). For example, companies fail to meet their financial goals and/or enhance shareholder value. Despite the high rate, companies are still advised to carry out a merger or an acquisition since it can be a strategic opportunity or enable a faster growth (Lin, Hung, & Li, 2006; Chun, 2009). The difference between them is important to know; in a merger, two companies come together and create a new entity while in an acquisition one company buys another one, and manages it according to the acquirer’s needs (Schuler & Jackson, 2001). Usually there is strategic fit between the merger or acquisition partners, meaning some similarities between organizational strategies (Schraeder & Self, 2003).

The outcome of the change in a company during an M&A process can differ and, instead of generating positive things, it may damage the “heart of the company” (Chun, 2009). However, even if the failure rate seems high, companies still generate successful M&As (Schuler & Jackson, 2001). Three crucial aspects that can shape the merger or acquisition is lacking leadership and human resource issues as well as an organizational culture that is not working together with the new company (ibid).

In 1997, the Swedish bank Nordbanken did its first merger with a Finnish bank, Merita, which was the start of Nordea. After this success Nordea kept expanding through M&As (SvD, 2009), in both Denmark and Norway (Nordea, 2014). The mergers worked as “weapons”, and Nordea became the biggest bank in the Nordic countries. Since then the mergers have been few, and according to Hans Dahlborg (former CEO of Nordea), timing and the climate in the economy are two of the most important factors. Mergers are very common in the banking industry, as technologies within the banks are very much the same, and thus the post-merger process is easier. Still cultural differences, especially when it comes to organizational culture, may exist (SvD, 2009).
When Astra was sold in 1998, people were not sad or disappointed about the decision. During this time, mergers and acquisitions were seen as the right thing to do due to the modernity it implicated (DI, 2014). This was the third big merger in the pharmaceutical industry and everyone assumed that there would be a merger even before they announced the news, even if a lot of Swedish people were hoping for Astra to continue being independent. The merger was said to be an opportunity and Zeneca (the other company) was a good company. At the same time there was a wave of other M&As going on in the same industry, which affected the market shares in the new company Astra-Zeneca (Affärsvarlden, 1999). However, in 2004 SvD wrote that Astra would have been better off without Zeneca and that the merger neither accomplished stronger research and advertisement as it should, nor did they become a leading company (SvD, 2004).

Another merger with good expectations (also in 1998) was in the paper industry, between the big Swedish company “Stora” and the Finish company “Enso”. The result of the merger would make them one of the biggest companies in the world and a dominant player on the European market (Affärsvarlden, 1998). The merger was a success because of the achieved growth and they still grow by doing mergers (Affärsvarlden, 2013); on the other hand people are criticizing the merge. “Stora Enso” has not been able to create any value due to their size and a straggling structure is destroying the value even more (Svenska Yle, 2013).

Today, it is with a whole new approach companies understand merger and acquisitions. The reaction to the ongoing process with Scania is opposite to Astra’s. People are sad about losing the truck manufacturer that has been a symbol for Swedish engineering (DI, 2014). Another example of a not successful merger is within the food-industry between Arla and the Dutch company Campina in 2005. The problem here was cooperating difficulties between the companies due to the cultural clash, such as megalomania from the Dutch culture (SvD, 2005). Today people in Sweden are also more critical of M&As, even if there is a lot of news about mergers and acquisitions that turn out to be good, for example in the banking industry. Maybe the critical attitude is because Swedish people do not want to lose the great companies founded in Sweden.
1.2 Problem formulation
The main reason for doing mergers and acquisitions is to create scale and/or scope economies and to achieve a competitive advantage (Buono et al., 1985; Weber, 1996; Schuler & Jackson, 2001; Boateng & Lodorfos, 2006; Lin et al., 2006). There can also be more business related reasons for doing this type of M&As for example within the chemical industry, where companies want to acquire expertise, new technology, different products and complementing the development of a new product (Boateng & Lodorfos, 2006). In the banking and/or insurance industry, the argument for doing an M&A is to enter new markets. In order for companies to move quickly and get a broader global reach, as well as, cut costs and spread risks, the companies need to do either a merger or an acquisition (Schuler & Jackson, 2001). Although, reasons for doing M&As can be many, the goal is always to expand and grow. Schuler and Jackson (2001) argue for that it may seem impossible to do without M&As and still be a competitor on the market.

There is a lot of research done about M&As in the banking industry, mostly in the US (Buono et al., 1985; Lin et al., 2006; Weber, 1996). One reason for why banks are attractive to study might be because of the related merger type. When a bank merges with another bank they have a high potential for synergy because of similar functions and departments (Weber, 1996). This is also known as a horizontal merger (Cornell University, 2009). This results in lower risks; since they operate in the same industry and have a greater knowledge about it than if it would be an unrelated merger type, also known as conglomerate merger (Cornell University, 2009). Weber (1996) says, that in a horizontal merger, the employees of the acquired company are more likely to adjust to the culture of the acquiring company than in conglomerate mergers. A Swedish example in the banking industry is Nordea that merged with banks in Denmark, Norway and Finland between 1997 and 2002 (Björkman & Söderberg, 2006). A merger or an acquisition with companies that are similar to each other will make the integration process easier, both regarding cultural issues and the way of doing things.

Culture has a crucial impact on the result of a merger and/or acquisition. Buono et al. (1985) write that changes in culture are one of the most difficult things for a person. They continue by saying that culture is complex and many-sided. Boateng and Lodorfos (2006) claim that cultural elements during the M&A integration process have been identified to be one of the key issues to help explain why so many mergers and acquisitions fail. Usually people tend to
resist changes within the company, however if they can understand the purpose, they will support the change (Buono et al., 1985). Chatterjee et al., (1992) and Weber (1996) argue that culture in a broad perspective affects almost all aspects of the way members of a group interact with each other. Culture has become as important as structure, strategy and control for a company to prioritize (Hofstede et al., 1990).

Leadership in M&As is often a very central part of the discussions of a failure or a success (Gill, 2012; Schuler & Jackson, 2001; Weber, 1996). According to Schuler and Jackson (2001) leadership might be the single most important success factor. They continue by saying that if an acquired company is closely integrated with the acquiring company, then it is important that the leader has a solid knowledge about the company acquired. Hofstede et al. (1990) argue that the values of the key leaders shape cultures within a company and affect the employees through shared practices. The leader values become the employees’ practices. Another way of seeing the role of leadership is the skill to be able to analyze both the own company’s culture, as well as for the acquired company’s culture, regard norms, values, language, policies and so on. It is also in the leader obligation to enhance the positive as well as the negative attributes within both the companies. By doing so the leader will be able to create the best possible culture together with employees from both companies (Boateng & Lodorfos, 2006).

The influence that human resource management (HRM henceforth) gives in M&As, which is a third aspect in the process, has resulted in a lot of research. One of the challenges that the HRM implicates is, according to Schuler and Jackson (2001), the involvement; it should have a central role and be involved early in the process. One of the most important activities in HRM for a successful M&A is the communication between employees. In order to retain the key employees during the whole process and maintain a working cultural integration; the communication is crucial (Schuler & Jackson, 2001). However, Lin et al., (2006) write that it is important to enhance the resources and capabilities in order to keep up with the environmental conditions that are in constant change. Developing a company’s core competences is also something significant as well as to observe the HRM department early in order to create value for the company. The HRM also act as a link between the leadership and the culture. As written above, both Stahl (2004) and Schuler and Jackson (2001) argue for that the people play a crucial role. They determine weather the M&A process end up as a success
or not. Therefore HRM need to connect leadership and culture together and create the best possible outcome.

Previous research focuses on culture and leadership, but also analyzes HRM. Boateng and Lodorfos (2006) point out that the key issue for success is culture; Schuler and Jackson (2001) write that the most important factor for success is leadership. There is also a different view of the impact of leadership. Hofstede (1990) claims that it is the leaders that shape the culture, which then affects the employees. Boateng and Lodorfos (2006), on the other hand, say that the leader should analyze both companies with employees and then create the culture. The research done on M&As suggests that different stages are implemented during the process, in order to generate a simple and well-planned transfer after the process has been finished. Schuler and Jackson (2001) mention HRM and integration between the two companies to be very important during the M&A process. According to Lodorfos and Boateng (2006) culture is the crucial aspect that is determined for the whole M&A process.

Newspapers write and tell people about the result of the M&A, success or failure. Scientific articles, on the other hand, discuss what aspects should be included for success and reasons of what may be missing in a failure. However, the focus on what went wrong or right in a specific M&A is not researched. After reading articles, newspapers and books, the interpretation is that there is no guideline of what is the reason for a success or a failure. What the outcome results in is individual for each company since the failure can be because of non-reached financial goals. However, the failure can also be internal. This dissertation will not analyze if the acquisition process made between a Swedish and a French company was a success. The study will be on how culture, leadership and HRM shaped the process and how the process could have been made better.

1.3 Research questions
How did culture, leadership and HRM shape the acquisition process of a French/Swedish company?

1.4 Purpose
The aim of this dissertation is to explore the role of culture, leadership and human resource management in the acquisition process in a French/Swedish company.
1.5 Limitations
The limitations of this dissertation are that only the three aspects presented will be studied. There are more aspects that could be studied as for example financial. However, the three aspects chosen have been selected due to the relevance we found in them. Another limitation is that there is only one company studied. The theories of the dissertation are limited to culture, HRM and leadership.

1.6 Outline
This dissertation consists of six chapters. In the first chapter background, problem, research question and the theoretical limitations are presented. The second chapter presents the literature review followed by the third chapter where the method and ethical considerations are presented. A case study is presented in chapter four followed by chapter five which is the empirical findings and analysis. Finally, chapter six consists of conclusions and future research.
2. Literature Review

The literature review will begin with an explanation of mergers and acquisitions, followed by the different categories and a historical overview. There will also be an explanation of the different aspects; culture, leadership and human resource management, and how they together shape the acquisition process. Finally, the model created for this research will be presented.

First of all it is important to clarify that there is differences between a merger and an acquisition. When a company merges with another company, they create a new entity together. However, in an acquisition one company buys another one. The acquiring company chooses if the new company will join and together be one entity. Another way is if the acquired company will continue being independent but being influenced by the acquiring. In this way there will be two entities (Schuler & Jackson, 2001).

There are also different categories in M&As as horizontal, vertical and conglomerate (Cornell University, 2009). This is due to the degree of relation the companies have to each other when doing either a merger or an acquisition. M&As is in some way related, which means that they operate in the same industry when for example two banks merge (Weber, 1996; Cornell University, 2009). Vertical integration on the other hand, involves companies that operate in different stages in the same industry (Cornell University, 2009). Companies in conglomerate M&As are neither horizontal nor vertical. This means that the companies in the merger or acquisition do not operate in the same industry at all (Cornell University, 2009; Staahl Gabrielsen, 2003). Chaterjee et al. (1992) argue that, the likelihood is much higher that the degree of relatedness in horizontal M&As is greater than in vertical or conglomerate M&As. Hence, of the three different types; the horizontal merger will have the greatest likelihood of success (Staahl Gabrielsen, 2003).

2.1 Historical overview
Mergers and acquisitions have been a strategic process for companies for a long time. The processes take place in periods of specific time and are called “waves”, six discovered so far. The first wave started in 1897 and lasted until 1904. During this time it was the companies enjoying or wanting to build monopolies (Gaughan, 2010), especially in manufacturing industries for example railroads, electricity but also in the oil and gas industry that did M&As (Economy Watch, 2010; Petitt & Ferris, 2013). Most of the mergers were horizontal. The
majority of the mergers failed, since they were not able to reach the desired efficiency, which created a slowdown of the economy in 1903 (Economy Watch, 2010).

Between 1916 and 1929, with a focus on oligopolies the second wave took place. The wave started because of the economic boom after the World War I (Gaughan, 2010; Petitt & Ferris, 2013). Most of the companies did an M&A to benefit from economies of scale; otherwise they were not able to compete with the dominant players. The focus was on technological developments, which was necessary for the infrastructure at this time. A reason for the end of this wave was the crash in the stock market and the Great Depression (Economy Watch, 2010). In the 1950s and 1960s a third wave involved companies that were seeking to diversify to reduce their perceived risk. The mergers were conglomerate (Gaughan, 2010; Petitt & Ferris, 2013). They were shaped by both high stock prices and interest rates (Economy Watch, 2010). The third wave ended in 1973, due to the oil crisis (Petitt & Ferris, 2013).

The fourth wave started in the beginning of the 1980s and lasted until the end of the 1980s (Gaughan, 2010). Borrowing cost and inflation rates were high, so companies trying to keep profitable tried to do M&As with lager-volume producers to gain from their economies of scale (Petitt & Ferris, 2013). The M&As took place in the pharmaceutical, banking and airline industry but also in the oil and gas industry. The wave came to an end because of an anti takeover law and financial institutions reform (Economy Watch, 2010). According to Petitt and Ferris (2013) the stock market crash 1987 also had an impact on the end. The next wave, the fifth, came in the 1990s and lasted for around 10 years. With the evolution of the global economy, companies started doing M&As. This was the fastest and least expensive process of growing in a foreign country and in the global economy (cross-boarding). The mentality between the companies now was “acquire or be acquired” and a lot of companies were expanding, for example in the pharmaceutical, automobile industry (Daimler and Chrysler) but also oil and gas industry. The wave ended in 2000 because of the dotcom bubble (Petitt & Ferris, 2013).

The latest wave was between 2003 and 2007 (Gaughan, 2010). Investors were interested in the processes and searched for higher yields and diversification benefits, poured money in assets as private equity and funds. Not surprisingly the wave ended in 2007, the same time as the debt crisis started (Petitt & Ferris, 2013).
2.2 The acquisition process
An acquisition process often implicates pressure from the acquired company to conform to the acquiring company’s culture, values and practices (Boateng & Lodorfos, 2006). In order to prevent collision there has to be a plan for the process. When studying an acquisition it is important to analyze the process in total. Both Schuler and Jackson (2001) and Lodorfors and Boateng (2006) divide the planning in stages. Schuler and Jackson (2001) are using three and Lodorfors and Boateng (2006) are using four. The stages will be explained further. There are aspects shaping both the planning and the process. These are culture, leadership and HRM. These aspects will be studied and then analyzed through a model to see how they influence the process.

According to Schuler and Jackson (2001) there are three main stages, pre-combination, and integration of the companies and evaluation of the process and they are presented below.

During an acquisition everything cannot be done at once, the process needs to be developed in stages. Therefore, a stage model is useful to get things done in the right order. Schuler and Jackson (2001) and Lodorfors and Boateng (2006) argue for the importance of such a model and agree with that the first stage needs to be “pre-combination”. The first stage include the HR issues that occur when carry out an M&A. The most important issues to deal with may be identifying the reasons for the process and not to forget, to seek and select which company to choose (Schuler & Jackson, 2001). The first stage also includes the negotiation process and in many cases a due diligence process (Weber & Yedidia Tarba, 2012). It also involves the trust making between the companies and trying to identify cultural differences (Boateng & Lodorfos, 2006). These differences are crucial to unravel and also important to start with as soon as possible (Schuler & Jackson, 2001).

Letting the employees know the background of the M&A and why the company implements it, is necessary in order to generate a successful process in an early stage. The choice of partner may be the most critical regardless of how well the other two stages may be done. If the choice of partner turns out to be wrong, it can damage the whole process. However, even if the partner is the right one the process can still go wrong if the other two stages are not well-planned (Schuler & Jackson, 2001). Lodorfors and Boateng (2006) and Schuler and Jackson (2001) claim that the planning for how to integrate the two companies is part of the “pre-combination” stage and fulfills in the next stages.
Integrating the companies is part of the second stage and here the planning made in the first stage is to be implemented (Schuler & Jackson, 2001; Boateng & Lodorfos, 2006). If the integration is weak, there may be problems with both productivity and employee satisfaction. In order to prevent these problems, an integration manager might be necessary. This manager has to work as a link and can contribute as a communicator, advisor, relationship builder and team leader just to mention a few functions (Schuler & Jackson, 2001). Other issues that are crucial are retaining the key employees after the M&A, communicating with all employees and also motivating them (ibid). The communication is very important and is something that needs to be working early. The second stage also includes training and development of the employees as well as re-organisation in the new entity (Boateng & Lodorfos, 2006).

The last stage, stage three, take the evaluation of the acquisition into account, as well as the revise with for example consultations (Boateng & Lodorfos, 2006). It also implicates some HR issues as assessing the new culture and for the new strategies and structures. In some cases a whole new structure need to be created (Schuler & Jackson, 2001).

According to the literature, there are three main aspects that affect and shape the stages within an acquisition process. These are culture, leadership and HRM. The aspects will be further explained below.

2.2.1 Culture
The first and most crucial aspect found is culture. This is an important factor in companies, especially within an M&A process. Here the cultures need to unify, and need attention when there is a change in a company. It can be seen as a central factor that influences the way that people act and interact in a business. National culture can over time affect organizations, both the individual and group behavior. The change in the process can involve a lot of adjustments for a company during a small period of time. Since shift in culture is one of the most difficult changes for people, problems in the integration of the entity can occur. However, if people can understand the need of the change they will be able to support it. Culture is a difficult factor since it is many-sided and complex, the change can be big even if the culture is related. Differences between cultures within an industry can be as great as across industries (Buono, Bowditch, & Lewis III, 1985).
Cultural differences create negative attitudes and lower commitment of the personnel in the acquired company vis-à-vis the new management (Weber et al., 2011). Therefore the communication between the two companies is crucial. According to Weber (1996) the more differences there are in culture the more ineffective the interaction process will be. A problem with culture is that if it is not working nor creating value for the company, it can be difficult to change it. People tend to stick to their ideas and values, which are partly created within the companies, but also partly from their own culture (Alvesson & Sveningsson, 2012).

In this dissertation the focus on culture will both be on an organizational level (the culture within the companies) and national culture. As said before, the national culture affects the organizational culture and reflects the people’s behavior and choices. These aspects are making culture even more complex because of the large amount of different cultures in the world.

Culture is a complex factor. In M&As culture has been identified as a key issue to explain why so many fail (Boateng & Lodorfos, 2006; Weber & Yedidia Tarba, 2012). It is not something easily modified; it is shaped by the employees, both by history and experiences (Chatterjee et al., 1992). The culture is unique for a company and affects all aspects in the organization. One example of this might be the reporting system. After an acquisition the reporting system might have to change and that can cause some disorder among the employees. If the cultural clash is a shock for the employees, the work in the new firm can be interrupted (Weber, 1996; Chatterjee et al., 1992). Culture has become as important to prioritize as structure, strategy and control for a company (Hofstede et al., 1990). Stahl explains culture as:

> The most fundamental challenge of any alliance or merger is cultural: if one does not believe anything can be learned from one’s new partners, the venture is doomed to fail. I have always believed that an alliance, merger, or acquisition— in fact, any corporate combination—is about partnership and trust rather than power and domination (Stahl, 2004, p.4).

Previous research is unified when it comes to culture. It is a difficult aspect since it affects the company in such a wide range as it does regarding leadership, HRM and all the stakeholders. If a culture clash or a problem arises, the integration process can take a lot more time than planned. The interaction can also be more difficult, inefficient and costly. Even if there are
cultural problems or the post-process takes more time than planned, it does not mean failure for the company. They can still achieve their financial goals and in the long term have a successful organizational culture. On the other hand, if the financial goal is not achieved but the company has created a working corporate culture, this can give a unique competitive advantage since it is very hard to copy (Alvesson & Sveningsson, 2012).

2.2.2 Leadership
No matter if you study an organization or a company, leadership is a critical part of it. Leadership is the second aspect presented in this study. Gill (2012); Shuler and Jackson (2001) and Weber (1996) are just a few arguing for the central part leadership has in the failure or success of M&As. Leadership might be the single most important success factor. They argue for that a key reason for a failure is the lack of a capable leader who can focus on the important aspects during the process. Another view of leadership is described in Alvehus (2012) where he writes “It has been said that the leadership of professionals are like herding cats; it is hopeless since they go wherever they want to”.

Since a leader is representing the core values and beliefs of a group or company, the way people characterize their leader can reveal how they see themselves. This can for example be how the personality of the leader is (Buono et al., 1985). A lot is written about how successful leadership is created and Gill (2012) says that it is proposed that in a merger or an acquisition, leaders should also take account of human and cultural factors (Gill, 2012; Schuler & Jackson, 2001). Hofstede et al., (1990) claim that the leader values become the employees’ practices. Stahl (2004) writes that in order to understand what goes right and/or wrong in M&As, recognition for how leadership plays a critical role in the process needs to exist. He also argues for an understanding of the role of leadership in M&As, which can help increasing the number of successful processes.

Something important to know is the difference between a leader and a manager. When talking about the distinction leader/manager, managers can be “only” managers or they can be leaders as well. Alvesson and Sveningsson explain the difference as:

Managers can get things done by others through the traditional activities planning, organizing, supervising and control without caring about what the employees think. Leaders are occupied by what people think and feel and also how it can be connected to the environment, the department and to the work (Own translation, from Alvesson & Sveningsson, 2012, p.311).
Alvesson and Sveningsson (2012) claim that leadership is not about how to control behaviors or to measure results. They continue by saying that leadership through cultural perspective is about the impact on how the employees adjust to their job assignments, clients, control systems and so on. A leader has influence that goes beyond the formal authority. Hofstede et al., (1990) write that the values the key leader possesses shape the culture within a company and affect the employees through shared practices. In order to reach out to the employees, well-functioning communication is important. In a company there are a lot of opinions from all directions due to for example cultural differences, and the challenge for a leader is to make it work. But instead of trying to melt everyone together, Stahl (2004) says that a leader should try to take advantage of the cultural differences between the employees. Sometimes it can be a challenge to be a leader due to the hierarchy that may change after an M&A.

Distributed leadership has become a popular representation of leadership. It is an approach where it is framed as a collective process, meaning that it is not the responsibility of just one person, instead it is a more collective understanding for the leadership process. The distributed view of leadership can contain a lot of different views and contributions but a great deal of work fails to take a cross and/or multicultural perspective (Bolden, 2011).

2.2.3 HRM
The last of the three aspects in the M&A process is HRM. The role of HRM in an M&A is important and should be taken into account. An early involvement is preferable in the planning stage, which will result in making the integration process faster. One of the responsibilities the HRM should have is the communication between employees and the top management, as well as the communication between the employees from both of the companies. The communication in the acquisition in total is crucial since it creates a trust between the companies involved. Ineffective communication can make the cultural differences greater (Boateng & Lodorfos, 2006). The cultural integration part is the most important activity since integration problems affect, and in the worst scenario cause interruption in the work. Working with cultural differences and integration with employees is an important aspect; if it is not working it can lead to a failure (Schuler & Jackson, 2001). Stahl (2004) and Schuler and Jackson (2001) both claim that it is the people within the company that determine if the merger or acquisition will result in a success or not. However, Lin et al., (2006) argue that it is not only the work with people that is important. Because of the constant change in the company, it is important to keep up with enhancing the resources
and capabilities. Otherwise the ability to deliver to customers can be affected. They also say that the HRM should be involved in the development, planning and implementation of the corporate strategies. It can have an influence on the performance of the company if they are positioned to create value. The most challenging for the companies is to put the HRM in the central role at the right time.

According to Lin et al., (2006) advantages from HRM can be the most strategic asset to create sustainable competitiveness. The challenges the company is facing when giving the HRM responsibilities is to have the best people in charge. In the beginning the company needs to make important decisions when implementing the M&A deals, if taking decision early the planning and performing stage will be easier. Schuler and Jackson (2001) also claim, difficult decisions should be dealt with as early as possible, which require an early involvement with HRM. It will also be easier for them to take decisions and reach the employees if they are included from the start. When the department is dealing with cultural differences there are some specific aspects Schuler and Jackson (2001) think is specially important; to be sensitive when reaching the cultures and to be aware of the possibility of ethnocentrism. In some native cultures, the own culture is the best one and is not ready to neither share nor give it up. If the integration with the cultures fails the differences can lead to misunderstanding and miscommunication.

2.3 The model
A model is made to have an overview on how the aspects, found in the literature, affect the process within a merger or acquisition. The arrow is the process, from beginning to the end. The process is affected and shaped by culture, HRM and leadership. How much depends on every process. Culture is the biggest and most complex factor of them all since it is affecting everything else in the process; this is why culture is the grey big circle around the others. The integration, reporting system and communication are studied within the culture.

HRM are together with the leadership, stakeholders and employees affecting the process. Within HRM the integration, communication and the process are the most important to analyze. In leadership culture, hierarchy, communication and personality will be studied. Stakeholders and employees are also affecting and are influenced by the process and the aspects found.
Figure 2.1. The acquisition model

CULTURE
* Integration
* Reporting system
* Communication

HRM
* The process of change
  * Integration
  * Communication

Leadership
* Culture
* Hierarchy
* Communication
* Personality

Stages
3. Method

*In this section the dissertations method is presented. First is an introduction about the method, second the research philosophy and approach, secondly the choice of theory and empirical method. Followed by research design and the method for data collection. The section ends with the conceptualization, selection of samples, the trustworthiness of the interview and the ethical considerations.*

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Research methodology consists of different stages, which are dependent on each other, and the research onion model described in Saunders, Lewis and Thornhill (2009) is useful in describing this stages. This dissertation will follow a similar structure. The onion model consists of six different layers, starting from the exterior; research philosophies, research approach, research strategies, research choices, research time horizons and finally data collection and data analysis (Saunders, Lewis, & Thornhill, 2009). When working with the research onion, you start from the outer layers such as research philosophies and then work your way towards the center of the onion with data collection and data analysis.

![The research onion](image.png)

*Figure 3.1. The research onion*  
*(Based on: Saunders, Lewis & Thornhill, Research methods for business students, p.38, 2009)*
3.1 Research philosophy and approach
Research philosophy is something that has to be taken into account when writing a dissertation. It allows the researcher to make assumptions about how to see the world. The different philosophies are Positivism, Realism, Interpretivism and Pragmatism (Saunders, Lewis, & Thornhill, 2009). If the research uses a positivistic philosophy the production of credible data will only be on phenomena that can be observed. The researcher uses existing data, which will be tested through hypotheses (ibid). The realistic research is built on the belief that how we see the world through our senses is the reality. Realism and Positivism are similar in some distinctions; it assumes a scientific approach to the development of knowledge. The third philosophy, Interpretivism, recommend that it is important for the researcher to understand differences between humans in the role as social actors. Saunders et al., (2009) argue for that an interpretivist philosophy is suitable for business and management research, especially when focus are on human resource management, organizational behavior and marketing. This dissertation will use an interpretivist philosophy since we are studying business and some management with focus on HRM, culture and leadership. The culture will focus on both organizational and national. Pragmatism, which is the last of the four philosophies, allows the researcher to choose between the different philosophies since it is hard to choose and follow only one (ibid).

When a researcher is clear about the theory in the beginning of the research a choice how to approach the research has to be made. The different approaches are deductive and inductive. It can be useful to attach the approaches to the different research philosophies; deduction is more related to positivism and induction has a closer relation to interpretivism (Saunders, Lewis, & Thornhill, 2009). Deduction is according to Bryman and Bell (2011) an approach that is connected to the relationship between theory and research, where the research comes from hypotheses and ideas inferred from the theory. The inductive research approach is the other way around, the theory is generated out from the research (Bryman & Bell, 2011). This dissertation will use an abductive approach, which is a mixture of deductive and inductive approach. There are theories in this area that could be used in this dissertation. (Saunders, Lewis, & Thornhill, 2009).
3.2 Choice of theory
In the area of mergers and acquisitions there are a lot of theories that can be used. The theories we have chosen to use are culture, leadership and HRM. These aspects are broad and there is a lot to study in each aspect. However, we have chosen these aspects because we find them reappearing in research about M&As and we find relevant in relation to today’s society. Within the three aspects we have chosen articles that we find relevant and useful for this dissertation. In culture the main theories are from Buono et al., (1985), Weber (1996) and Weber et al., (2011 and 2012). Within the aspect leadership we have used Alvesson & Sveningsson (2012), Bolden (2011) and Stahl (2004). Finally in the HRM we have used Schuler & Jackson (2001) and Lin et al., (2006). We have perceived that the authors mentioned above have a central role in the research done about the aspects in relation to M&As.

3.3 Choice of empirical method
As a researcher you have to choose between using a quantitative and a qualitative method. Bryman and Bell (2011) explain quantitative research in broad terms as something that exhibit a view of the relationship between theory and research as deductive. Quantitative research on the other hand is an inductive view of seeing the relationship between theory and research. In a quantitative research the “investigator” is the one who is the driver while in a qualitative research the respondents is the ones who provides the point of orientation. Qualitative research is more unstructured than quantitative (ibid).

The purpose of this dissertation is to explore the role of culture, leadership and human resource management in an acquisition process between a French/Swedish company. Therefore, this dissertation will be based on a qualitative design. The qualitative design refers to words rather than quantification in the way of collect and analyzes data. The qualitative research design is as a research strategy inductive, constructive and interpretive but do not necessary answer all of the three features (Bryman & Bell, 2011).

3.4 Research design
After choosing research method a choice of design is needed. There are different designs to choose between: experimental design, cross-sectional, longitudinal design, case study design and comparative design (Bryman & Bell, 2011). Since the purpose of this study is to explore the process in the French/Swedish company it will be a single case. To be able have as much information as possible before doing the interviews a case study will be fulfilled. The case study presents an intensive and detailed analysis of the case chosen. The organizational
culture will be analyzed; therefore the case study will focus on the single organization at the company (ibid).

3.5 Method for data collection
Interviews are the way of collecting the data for this dissertation. The interviews will be semi-structured and cover some specific topics about an acquisition process, leadership, HRM and culture in an interview guide. Despite this, the respondents have a great deal of allowance in how to answer the interview questions (Bryman & Bell, 2011). If using a structured interview it will remind of a questionnaire, which can result in a shorter and shallower interview. The advantage of doing a structured interview is that it can be operated with a lot of different respondents (Alvehus, 2013). Semi-structured interviews are more open and flexible. The interviewer follows some predetermined questions that allow to be answered in a more open way. The questions may vary in order depending on the flow of the conversation (Saunders, Lewis, & Thornhill, 2009). However, in order to fulfill a semi-structured interview, the interviewer has to be an active listener and work with attendant questions (Alvehus, 2013). Interviews are flexible since it gives the respondent the possibility to explain what they believe is crucial for, in this case an acquisition process.

However, the interviewer plays a crucial role since they have to pick up important impressions of the respondent and ask attendant questions. It is also important not to influence the respondent in answer questions in a certain way. In other words, the interviewers actions are crucial to the result.

3.6 Conceptualization
To capture the problems in the interviews there need to be specific questions that highlight these problems. From our interview guide there are five questions that capture the main aspects in this dissertation. The questions are:

- Can you tell us how the acquisition process went through?
- Have the culture changed since the acquisition? Have you noticed any difference?
- Can you describe what a leader is to you?
- Can you describe how your relationship is? (with your manager)

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1 The interviews was held in Swedish and then translated in English. For all questions in English see attachment.
2 In the text the word ”manager” is used instead of superior because of the usage of ”manager” in the respondents answers. The word has the same meaning as superior.
• How is the communication working within the company?

Before the interview guide was created there was a need to have a picture of how the process was realized. This created the first question where the respondents were asked to describe the acquisition process. By asking this we were able to follow how they saw the process and their thoughts around it. We were also able to see if the process differs between the different positions. In the interview guide this was the fifth questions asked and was the last question in the section of warming up questions. When having questions like this in the beginning the respondent will be more relaxed and be able to give more trustworthy and honest answers later.

The second question was to see if there were some major changes after the new culture has been added to the company. Before this question, the respondents were asked to describe how the culture was before and what is unique about their culture. When asking this question a focus on the body language was important, to see if the were comfortable when answering or not. A reason for asking this question is to see if all the respondents have the same answer or not. Another aspect was to see if the answers had something to do with their position in the company.

The third question was "can you describe what a leader is to you?" Since all of the people interviewed have a manager position we wanted to know their opinion of how a leader is. The reason for asking this is to be able to follow their perspective of how a leader should be and how they see themselves as a leader. To be able to capture the hierarchy in the company we asked the respondents to describe how the relationship is with their manager. This is the fourth question. Since they have two managers, one in Sweden and one in France there will be two answers. Here we were able to capture differences in cultures and hierarchies. Having the differences in cultures will make it possible compare this in the analysis. In this question we also wanted to see, by analyzing their body language, how they react when answering the question about their manager. The third and fourth question is asked in the middle of the interview, we wanted the respondents to feel calm and safe when answering since these questions can be sensitive and personal.

The final question asked was "How is the communication working within the company?" With this question we wanted to capture how the communication is working and if it could be
improved. We wanted to know both about the communication in the management team and the communication with the employees in the French company. This is an important question to ask to see if there are some differences.

Since most of the questions can be sensitive and personal we wanted the respondents to feel calm and safe in the interview.

3.7 Sample selection
The respondent was selected since it did an acquisition with a French company some years ago. The process was interesting to study for our dissertation because we wanted a process with cultural differences. We made a telephone call to the CEO and asked if it was possible to do a study on their process. Fortunately he was positive and suggested that we could have interviews with him, the CFO, HR-manager and the marketing director. We agreed with this since all of them are working closely with the French part of the company and were involved with the process. All of them are part of the management team as well.

The fifth interview was with a consultant that is specialized on leadership and is working with processes of change. The reason for doing an interview with him is to have a second opinion on the process. Since he has not been involved with this process, his opinion will be neutral.

3.8 Trustworthiness
Before the interview we asked the respondents if it was okay if we were recording the interview and also informed them that we are studying acquisitions. Before starting with our questions we asked them to let us know if any question was unclear so we could have the possibility to explain it further. This was to create a comfortable and more relaxed atmosphere.

The interview guide was constructed to be simple and easy to understand. We used different types of questions to have a variation in the interview. The types of questions used were (1) introducing, (2) follow-up (3) probing, (4) specifying, (5) direct, (6) indirect, (7) structuring, (8) silence and (9) interpreting questions (Bryman & Bell, 2011). The reason for using introducing questions is to make the interviewee relaxed, the best type questions to ask here is about themselves. The following-up questions are good to use when the answer needs to be clearer or to see how the respondent explains it again (if they keep the subject). To be sure that the answer is true you can ask the same question twice just in different ways. This is
called the probing questions (*ibid*). When the answers was unclear or they are talking with their body language, the specific question is good since the interviewee are forced to put it into words. In the end it can be good to ask the direct questions, if you do it too early there is a chance to influence the answers too much. Most of the questions are indirect, to get a broader answer. Complete with a following question if the answer before did not included interviewee’s opinion or view. Between the topics of questions we used the structuring questions to keep the respondent updated. Silence is a pause where you indicate to the respondent that they can have time to think and reflect about their answer. Here you can also analyze their body language, how they react after their answer (Bryman & Bell, 2011). The last type of question used is the interpreting questions which is asked to see if we understood their answer right or to make something said before more clear (*ibid*).

When making the interview guide, we adjusted the language to make it clear to the respondents and to be sure that they understood the questions. Before going to the interview we asked our supervisor to read it through to have a neutral opinion on the questions. One week before the interviews we emailed a sample of five questions so they had some idea of what we wanted to ask them. During all the interviews we both attended and the interviews were recorded to help us in the transliteration.

**3.9 Ethical considerations**

We have based this dissertation on a company that have been involved in an acquisition process and could share useful information about it. Since this company wants us to be as honest as possible they had a request about being anonymous, which we have to take seriously. This request is important to handle with respect and therefore we have decided to rename the company. We have chosen Sumo-Friis when talking about the company as a whole, both the Swedish –and the French side in order to make the dissertation clearer and avoid exposing the company’s real name. Sumo is used when talking about the Swedish side of the company and Friis is used when talking about the French side. Due to the anonymous request, we cannot mention the exact date for the acquisition process nor in which industry the company operates within. It is not right through an ethical perspective if we use the information in a wrong way since it can create problems both for us and the company studied.
4. Case study

*In this section a case study is presented and the acquisition process of Sumo-Friis will be explained.*

One of the first steps of this study was a case study with the HR-manager of Sumo. The reason for the case study was to prepare for the interviews and future research about an acquisition process.

In the last decade Friis acquired Sumo. The process took a year to fulfill after Sumo had found Friis suitable. However, the road to this acquisition had been long and not always easy, some adjustments within Sumo had to be made in order to complete the process. However, Friis is the world’s largest actor in its category and the company is privately owned. Friis have as a growth strategy to do mergers and acquisitions, so Sumo was a perfect match to entering the Swedish market.

When the HR-manager started she was hired to deal with the legal issues that may occur in an acquisition since she has a background as a lawyer. Right before the process started she became responsible over the HR-department as well. During the acquisition process she was busy with the legal issues that came together with the process, so she put the HR-related issues a side and focused on the legal part.

The whole acquisition process started with some profitability problems of Sumo. It started to look for stakeholders for a possible acquisition and the CEO of Sumo made a phone call and asked if Friis were interested in acquiring Sumo. Friis was interested and that became the start of the whole process. The process started with the financial factors. What should the price be? A due diligence process was carried out and after that Sumo handed over the information to Friis to revise together with its lawyers and auditors. The CFO had the responsibility for the financial part and to compile the information needed for Friis to analyze. He also had the contact with Friis and its consultants.
The CEO and the HR-manager, together negotiated the contract between the stakeholders of Sumo and the owner of Friis. The HR-manager worked as a link between Sumo and its law firm and also constructed the contract. When it was approximately three months left of the negotiations, both the CEO and the HR-manager decided to abstain from all negotiations. This was a tactic move so they could stay within Sumo-Friis without negotiated too far.
5. Empirical findings and analysis

This chapter will start with a short introduction of Sumo-Friis and also a presentation of the respondents in the interviews. Later, the results will be discussed and analyzed.

5.1 Findings and analysis

The interviews made on Sumo were with the CEO, CFO, marketing director and the HR-manager. All four of them have been involved in the acquisition process from the beginning. The CEO has been working within the company for eleven years and has been the CEO for six years. The company’s CFO have been working in the company for three and a half years, starting as a consultant during four months and then continued as a CFO. The HR-manager has been at Sumo for two and a half years and started at the company to deal with the legal issues since she has a law degree. In the end of 2011 the ordinary HR-manager stepped down, which gave the current HR-manager the position instead. The marketing director of Sumo has been working within the company for twenty years, mostly within the marketing area. There was also an interview made with a consultant to have a more neutral opinion about the process. The respondent is a lector at the institution of psychology at the university of Lund and is a consultant within organizations and leadership. All the interviews were held in Swedish and then the transcriptions were translated into English.

5.1.1 Culture

As mentioned in the beginning of the dissertation, one of the three aspects studied is culture. This section contained seven questions. Culture was the second topic after the introducing questions. Even before we asked the first question the CEO started to talk about culture and said:

The French leadership style is very different from our leadership style. ../ There is no hierarchy, with no sign of hierarchy. However the French part is extremely hierarchical, no women, you should have respect towards your manager and be loyal.

The first question asked to the respondents of Sumo regarding culture was “What do you think about the culture at Sumo?” The CEOs answer was simply “It is wonderful”. He continues with explaining that there is no hierarchy, the culture is built on innovation, giving space to the employees and a high degree of freedom. “Compared with the French culture it is not the same, sometimes they do not understand”. He tries to explain it further as when they have meetings everyone has their computer with them and are allowed to sit with their mobile phones and text, all this is forbidden in France.
The CFO thinks that even if it is a big company most of the time it is like working in a small one. Especially when it come to fast movement, ideas and the short ways of decisions. However, he thinks that after the acquisition it has become more bureaucratic. He thinks the culture is thanks to the CEO at Sumo, “His way of running the business characterize the local and he is very quick in his movement and entrepreneurial so that is affecting all of us in all parts of the organization”. The marketing director says that a lot of the employees are working within the company for many years and a lot of people want to work there. According to her the environment at the company is fantastic. On the other hand the HR-manager says that the culture is mixed at the moment. According to her, the new owners take a lot of space and that the management team is very busy with how the French culture is and what it is not. She does not only blame the culture, the company is a very special one.

The second question asked with the respondents of Sumo was if there was anything unique or typical for the company. The CFO explains that it is the low rate of employee turnover. The employees are working there for a very long time, once you have started you never quit. They feel a lot for both the company and its products. There is a special “Sumo feeling” within the company. According to the HR-manager it is the high degree of freedom of doing things when you have an idea, “There was actually not so many ‘no’, I would say”. However, the French culture has made it more structured and harder to push all of the ideas forward. The CEO continues from the question before and said “It is justice, justice is important /../ that the people are treated nicely. I think that is very important”. The marketing director explains it as: “Here is a very strong honesty and transparency”.

Another aspect studied was if the respondents of Sumo have the opportunity to say their opinions, which made the third question. The question was with a different angle to the CEO since his opinions were directed to Friis. His answer was “Yes but they do not care about it”. After some talking he continues with saying that Friis are following the Swedish culture more than they are aware of. In the beginning it was a straight no, however now they listen more to Sumo and how they act on the social media. To the HR-manager within Sumo there is no problems, however there are some difficulties towards Friis. The CFOs answer is mostly like the HR-managers, he explains it as:
Everything is like before and maybe even better since the bond has been stronger both between the management team and people. The reason for this is that we have the same enemy, or not enemy like that but the same opponent that we are not always on the same side with.

He continues, “Locally, the roof is high. Towards the French my mantra have been that I will not do things like I. I will not shut my mouth if I do not agree about things”. He thinks it is exhausting when they are not listening or having any comments about his opinions. We asked him if he enjoys working in Sumo-Friis and the answer was: “I have enjoyed it very much local but I have not enjoyed the French organizational culture”. He continues with:

I do not feel comfortable with the managing detail and that everything, even the small decisions, needs to be validated. I think if you establish a management team locally you should have confidence in them. Control it strict with copies and aggressive key ratios but let the people working locally run the business and then if it is not working then you can analyze to see if there is some one that needs to go, but as long as it is working I think the owner should just stay out of it.

We asked the CEO what he thinks is the most important thing in work; his answer is the teamwork, the existence of cohesiveness and passion. That most of the people are going to work with a smile on their face.

The fifth and last question asked to all of the respondents was if the culture has changed since the acquisition. According to the CEO they have become a bit half French. He thinks it is both good and bad and that both cultures have learnt something from each other. “We are a lot for finding opportunities, challenges and positive things. The French are more focused on problems.” He points out that they have learnt what they need from the French culture and are trying to use it. He thinks it is good; they have become a better company compared with two years ago. They are showing better results and their self-confidence is better. Now they are able to compare themself with competitors. The HR-managers thinks the culture has changed. She says, “We don’t have the opportunity to be so flexible anymore, now there are very clear structures”. She explains Friis as cost-conscious and detailed steered, “They are very introvert” which she thinks affects Sumo. According to the marketing director the culture has not changed. The only thing she comes up with is that the work has become more stressful, there is more to do nowadays.
This question was also asked to the CFO and his answer was that they are not as independent as before, however the Sumo spirit is still there. He thinks that the good thing is movement, the company is more calm now, “Our decisions are better now but I also think it impedes the creativity”. The last question we asked the CEO was if the employees at Sumo are doing things together, outside work. “We did more before, I think the French culture destroyed it a little bit” and he thinks this is something negative “It is for the teamwork, the team spirit needs it”.

The consultant was asked “Can you describe organizational culture?” and he answered “The way we do things around here”. He continued and explained that it is both unaware and aware processes, valuations and attitudes that affect our behavior. By observing an organization, the answer is how people do things. The second question asked was “What is typical for a Swedish organizational culture?” He started to say that there was not a typical Swedish culture but answered after a while:

The power distance is not that big between managers in Sweden as in many other countries and I think you can notice that. I mean, we can see it in the whole society. In Sweden we dare to question in a whole different way.

We continued by asking if there was any difference in culture depending on foreign ownership. He answered:

The management team, or the culture or the valuations that prevails on the top has a tendency of rain downwards. And I think that managers in Sweden are quite good at acting like gatekeepers. Thus, this whole business with questioning upwards, defending the employees, really make sure that what goes down to my employees must work.

He continued and explained that in other countries everything just keep falling down. The middle managers do not question and then the top managers directions come directly down. The consultant further explained “This results in insecurity since the managers have to fight and protect their work”.

5.1.1.1 Analysis of culture
Culture is a very important aspect when two companies are going to be one or are going to collaborate with each other. This is shown both in the literature and the interviews made. As studied, this is also a very complex factor that can be difficult to handle (Boateng & Lodofos, 2006; Weber & Yedidia Tarba, 2012). According to Hofstede et al., (1990) the culture has
become as important to focus on as structure and control. During the interviews the CEO, CFO and HR-manager was explaining and comparing the Swedish and the French culture in most of the questions. As Buono et al., (1985) explains the culture is a central factor. They also say that the culture affects how people act and then affects the organizations. The CEO begins to compare the different leadership styles, saying that Friis is hierarchical and strict. However, Sumo is very soft with practically no hierarchy at all. According to the HR-manager within the management team it takes a lot of time trying to understand how the French culture works. This is a sign of the differences in the cultures. Both the CEO and CFO say that there is no problem within Sumo when it comes to listen to each other. However, when it comes to having opinions towards Friis there is a lack of interest.

Another big difference between the companies is the way of controlling and managing in detail. In Sumo the relations is built on trust and responsibilities. However since it became Sumo-Friis the validations of decisions and managing has been more detailed, a difference that was mostchocking for the CFO. The differences have been great and tough for the employees and this is not surprising. According to Buono et al., (1985) shifts in culture is very difficult to people and can create integration problems. A difference in culture the consultant highlights is the way of questioning. As he explains, everywhere and about everything the people in Sweden question, which in a company can work as gatekeeping from the manager team and downwards in the business. However, in other cultures people do not question, they accept which means that the decisions fall down in the organizational chart. This difference can be difficult to accept for both sides, the manager in Friis is not used with employees questioning him and the employee (from Sumo) is not used having a manager with no answer, since the decision is not him/hers. This is one aspect to think about during the integration process, as Weber (1996) says, if the cultural differences are many, the integration process can be more ineffective.

Even if there are some cultural collisions and integration problems, Sumo mostly accepts them. All of the employees were very aware of the need of the acquisition and is grateful that it went through. Before, they had financial problems and were worried if they could continue. As Buono et al., (1985) claim, if there is an understanding of the change it will be more accepted and supported. However, Sumo is wishing for Friis to better understand their culture as Sumo is trying to understand the culture of Friis. We think that it was very crucial for Sumo to understand the need of the acquisition to be able to accept the Friis, otherwise the
integration part would be more difficult and take a lot more time than it did. We also think that the communication would not work at all.

All of the interviewed explained the culture at Sumo as special. They are explaining it with words like “fantastic”, “strong honesty” and “transparency”. When doing the interview they seemed to be very proud of their culture and were not ready to give it up, which they did not do during the acquisition. They explained the French culture as bureaucratic, strict and very structured. However, the owner of Friis wanted Sumo to still be Sumo and keep the culture. The only thing that should be integrated was the managing tool and Friis decision system. Both Weber and Chatterjee et al., (1992) are saying that if the reporting system needs to change it can create some problems between the employees and also some of the work can be interrupted. The HR-manager and CFO explain that the difference in culture and ways of communicating takes time. A problem with keeping the culture is the different opinions about it, as the CEO explains, the managers between him and the owner does not agree and do not seemed satisfied with that decision.

However, we think that keeping the culture and to still be an own entity was a very good decision for both parts. By doing this they were able to keep the market, all customers and instead of starting from zero they were able to develop the products they already had. Sumo was also able to keep the spirit in the company and the key employees. The only one leaving so far is the CFO, he thinks the managing in detail have become too much and did not enjoyed the work as much as before the process. The reason that he is leaving now is because a good option came, otherwise he would still been working there but maybe open to other things to do.

The main thing expound from the interviews is that the culture in Friis is very proud and have a hard time to adapt to other cultures. They seem to be very sure about what they do and how they do things. As Alvesson and Sveningsson (2012) say, some cultures and peoples are like this. We think that this impede the integration and communication between the companies. This is not preferable since the communication is very important. All of the interviewed said that they had a manager in Friis they were reporting to, between them a relationship was created. The communication seemed to be okay but could have been better. The CFO wanted more trust from Friis to his work. The communication is crucial, it can otherwise create attitudes that are negative or lower the commitment between the employees (Weber et al.,
2011). As the marketing director pointed out, “communication can always be better”. We agree with Stahl (2004), when he claims that an acquisition is about trust and partnership more than domination and power. If Friis would give Sumo more of the space they want the communication between Sumo-Friis would be better and the cultural differences not take so much energy.

5.1.2 Leadership
The second aspect studied is leadership. We had five questions about leadership to the respondents of Sumo. The first question asked was about how the respondents would describe a leader, and the answers were very clear and detailed. The CEO of Sumo described it as “A person who has taken the assignment to lead and develop the employees and of course the business/... it is a lot about responsibility”. He continued and said that in Sumo it also involves the cultural clash between Sweden and France. In Sweden people are grown up with taking responsibility and the French people are not. He explains that the leader styles collide since Swedish people tend to take responsibility for their actions while the French people blame someone else. A true leader takes the responsibility no matter if it is good or bad.

The HR-manager answer what a leader is for her as:

Someone who is actually genuinely interested in being a leader and who is interested in people. That is what I think is necessary. That actually interest in their employees’ well-being and development and also understand that they need their employees.

She answers that it is important that a leader is someone that the employees want to be around, someone that has charisma. The CFO of Sumo describes a leader as:

Well, for me it is a lot regarding to coach, inspire, and be available but also to guide. I am not into philosophy and to manage in detail, but my primary mission is to get the right people on the right place.

He continued by saying that he thinks that the most important thing is to have the right people in the organization, which will make the leadership simple. When we asked the second question, if he sees himself as a leader based on his own description, he answered that he sees himself more like a leader than a manager. He explained that the climate on the office is positive and that he is satisfied with his colleagues. However, it is important to allocate responsibility, trust and be aware of mistakes that might occur. These mistakes are important
to correct and as a result the organization will develop. The HR-manager does not see herself as a leader and explains that she has some things to work on. She continues and answers that it is important to have an interest in having performance-reviews and have the ability to know when to have them. Unfortunately she lacks interest in having these.

The CEO on the other hand, answered that he definitely sees himself as a leader. He has the responsibility for everything on Sumo but also the obligation of the development of his employees. He gives a very detailed description about the performance reviews that he has together with the employees. He has a very clear idea that in the end of each year the CV of each employee shall be developed and stronger than the year before. Sometimes it means that an employee has become attractive to other employers. However, he thinks this is something positive since he has created the situation. He really gives the impression of a leader and he is very enthusiastic and inspiring when describing his vision of how a leader should be.

The third question was who their closest manager was. The CEO answered that his closest manager was the manager of North of Europe. He says that he does not see his manager as an actual manager. He continues by saying that he solves his problems together with his team, the management team, and informs his manager if necessary. The CEO explained that he wished he could have a more inspiring manager, with a more Swedish behavior. We continued by asking if he felt controlled by his manager. He answered that due to his personality, he does not allow people to control him. He says that they want to control him, and of course they do in some matters.

The HR-manager has the CEO of Sumo as her closest manager, but has a French HR-manager as well as a legal manager in Friis that she can have dialogues with and discuss HR-related or legal issues with. The CFO has also the CEO as his closest manager but has a manager in Friis as well that he can discuss with and have some dialogues with if necessary. He is very accurate about pointing out that the CEO is his closest manager even if his French manager sometimes can have a lot of opinions. The CFO further explained that he had a hard time when he first started in Sumo because of the relationship between the precursor and the CEO. They were alike in their way of acting and it took almost half a year before the CFO and the CEO felt comfortable with each other. Today they have a very close relation and the CFO is very satisfied with the relation.
The CEO of Sumo described, from the fourth question, his relationship with his manager as very professional, not like the relationship he has with the other employees. There is some hierarchy even if he does not like it. Sometimes their discussions “explode” as he described and this has a little bit to do with the French culture. He explains that in the French culture it is common that you “push” people until you reach the breaking-point. However, this is not something that people in the Swedish culture does according to the CEO. He explains it as of course; people are being pushed in Sweden as well. However, in Sweden you stop before you hit the wall and then show some respect. The CEO continues by saying that his employees are allowed to speak up, he expect them to do it. In France on the other hand, this is something unusual and can put you into trouble. We continued with the fifth question if the CEO feels like he can speak up towards his manager and he answers “With pleasure”. He further explains that in the French culture it is allowed for a manager to send the responsibility over to someone else and then hold that person responsible no matter if it goes right or wrong. “The difference is that they does not take responsibility the same way we do, that is the hardest part” he said.

We asked the HR-manager the same question, how she would describe her relationship with the CEO. She answered that it is no hierarchy at all, more on the contrary. They have a very close and open relationship, which has resulted in a more personal relation. She continues and explains that it is because of the CEO; she was not used with this type of relationship from her former working experience.

According to the CEO the communication tools within the company is email and text messages above all. Sometimes ordinary telephone calls can be necessary but it barely happens once a week. The CEO explains that his manager visit Sumo once a month and attend one or two meetings. Due to the well-functioning computer system, he can follow all of their reports. They cannot hide anything.
The consultant was asked how he would describe a leader. He answered:

A leader is a person that is being perceived by its colleagues to belong to them. So, not ‘we’ and ‘him’ or ‘her’ but the person that perceive to belong to the entity. And it is a person that together with its colleagues makes them do things because they want to.

He continued by giving his view of the distinction between a manager and a leader. He explained it as “A manager is someone that should be seen as a part of the group but at the same time there is a clear line saying ‘I am the manager’ when decisions had to be made”.

5.1.2.1 Analysis of leadership
A leader is necessary to make a group function. However, during an acquisition process the leader needs to focus on the most important factors. The CEO is the leader of Sumo but describes that there are five levels between him and the actual leader, the owner of the company. A leader can be described in many ways, Alvesson and Sveningsson (2012) describe a leader as someone who takes care about what people think and feel. This is in line of how the respondents in Sumo would characterize a leader, someone that takes responsibility, who cares about their employees and are innovative. Both the CFO, HR-manager and marketing director sees the CEO as an inspiring leader. As Alvesson and Sveningsson (2012) write, the leader has influence that goes beyond the formal authority and this is exactly how the CEO of Sumo is. Both the CFO and the HR-manager agrees about what the CEO does for Sumo. He has made the company what it is today and really stands up for his ideas and thoughts. He also takes responsibility for the development of the employees through for example the performance-reviews. The idea of strengthens the CVs of the employees for each year is an excellent example for how he preserves the development of his employees. According to the consultant a successful leader is someone that makes people do things because they want to and not because they have to. This is in line for the interpretation we have after the interviews with Sumo. The CEO has the ability to make the employees do things because they want to and he does not have to force them.

During the interviews with Sumo we noticed the respect and appreciation the CFO, the marketing director and the HR-manager had for the CEO. They gave the impression of being proud and inspired of him. The CEO both showed and explained that he had a personality that did not allow anyone to control him too much; instead he tried to solve his problems together with his team instead of help from his manager. His personality of being independent and
strong and preserve the Swedish culture has dispersed to the rest of the employees. This can be compared to what Hofstede et al., (1990) wrote about the values that the key leader possesses shape the culture and also impact the shared practices among the employees. Buono et al., (1985) claim that the personality of the leader will affect the employees. The consultant’s opinion on how a leader should be is in line of what Hofstede et al., (1990) said. The consultant was very keen on his view, that a leader should be a part of the group and not stand at the side. In other words, decrease the power distance. This can be difficult to fulfill in a company with different cultures as in Sumo-Friis. We have the interpretation that Friis has a power distance that is more obvious than in Sumo. In Sumo there is no actual power distance, the employees know who their closest manager is but do perceive any distance.

Another way of seeing leadership is through Alvehus (2012) view. He claims that leading professionals is almost impossible since people tend to do whatever they want to. We have not perceived Alvehus way of seeing leadership in Sumo. We have the perception that the CEO is the leader of Sumo and due to his personality, the employees tend to follow him instead of the CEO leading them. We interpret that this is due to cultural differences; the CEO uses a more familiar way of being a leader.

As the CEO of Sumo explained, the culture in Friis is more direct and sometimes a bit “pushy” since it tends to push the people until the breaking point. This is not used much in Sweden and in Sumo the way of managing people as in Friis is not appreciated. We noticed that there are tensions between the two companies due to the culture above all, but also due to the different way of seeing leadership. The CEO of Sumo explained that he and his managers’ conversations usually end up in loudly discussions. He explains it as a collision between the different cultures since it is not common to speak up to your manager in the French culture as it is in the Swedish. This creates of course tension from the managers of Friis when their associates speak up since they are not use to it. And when they react to that, the managers in Sumo react back and it creates a vicious cycle.

We interpret that the loudly discussions the CEO explained that he and his manager in Friis usually have, are also a result of the power distance mentioned above. The Swedish culture in general does not use power distance, which can be shown in Sumo. Therefore it may be because of this that the CEO of Sumo and the manager of Friis end up in discussions. The
CEO is not used to having the power distance and the manager in Friis is not used to a colleague that does not support the distance.

The Swedish culture in Sumo is about showing respect and responsibility, and is collective in the way of working. Bolden (2011) mention the distributed leadership as a popular view of seeing leadership. It is the approaches were the collective process is more favorable than the individual. In Sumo the CEO has the tendency of fit in this approach since he is collective in his way of being a leader.

The impression we have created after the interviews and the case study at Sumo is that the French culture tends to be more prestigious and “pushy” than the Swedish. Gill (2012) claim that a leader should take into account the human and cultural factors that occur after an acquisition. This is something that is important and sometimes forgotten. Since the Swedish culture is about respect, responsibility, questioning and speak up and the French culture is more a about tradition, manage and power distance these factors have to be taken into account. Schuler and Jackson (2001) also argue for the importance of this, to be aware of the differences and not to ignore them; otherwise the consequences can be severe.

As Alvesson and Sveningsson (2012) explained, it is important to know the difference between managers and leaders. They authors have explained it as managers get things done by the more traditional activities like planning, organizing, supervising and control, without actually care about what the employees think. A leader on the other hand, are occupied by what people think and feel about the work. On the other hand, the consultant gave his vision of how a manager should be as someone that are seen as a part of the group and in parallel mark that he or she is a manager when decisions have to be made. We got the impression that the CEO is the manager of the CFO, HR-manager and the marketing director but act more as a leader than a manager in relation to what Alvesson and Sveningsson (2012) claim. The CFO explained during the interview that he is not into managing in detail and tries to be more of an inspiratory. The CEO explained that the managers of Friis often act as typical managers that like to supervise and control more than act as leaders. We have the perception that the CEO of Sumo can be seen as a leader according to Alvesson and Sveningsson (2012) and the consultant’s point of view. However, the way the consultant argue for how a manager can be seen are more in line of how we have interpreted the CEO as a manager than Alvesson and
Sveningson (2012) view. The CEO is part of the group but when there have to be decisions made in Sumo, he steps forward and mark that he is the manager.

A reason for why an acquisition can fail is the lack of a leader that can put the focus into the right things during the process according to Gill (2012); Shuler and Jackson (2001) and Weber (1996). The CEO put his focus on the right things as for the CFO and the marketing director. However, for the HR-manager her focus on the HRM was omitted due to her focus on the legal issues.

The communication through the whole acquisition process is crucial as for the leadership. A leader has to communicate with all employees. After an acquisition process there has to be a well-functioning communication system in order to make all of the opinions work due to the cultural differences that might occur. The consultant pointed out several times that the communication is crucial for the whole process.

The CEO mentions that the communication between him and his manager is doubtful at some times. He does not see his manager as an actual manager, which might contribute to the heavy discussions they sometimes have. The challenge for a leader is to make everything work, even if there are cultural differences that might create heavy discussions. Stahl (2004) mentioned that instead of melting everyone together, a leader should take advantage of the cultural differences and we agree that this is exactly what both the CEO of Sumo and the owner of Sumo-Friis does. Even if the CEO can have explosive discussions with his French manager he is aware that his manager act the way he does because he cant relate to the Swedish culture of speaking up and questioning. The CEO explained that the owner of Sumo-Friis is keen on keeping the culture in Sumo Swedish, and the culture in Friis French. However, this is something that the middle managers disagree about.

5.1.3 HRM
The third aspect studied was HRM and we had two main questions. However, there were a number of following-up questions to all of the respondents.

In the beginning of the interview with the HR-manager, she said that she officially had the responsibility for HR. However, she was not working with it since her other position where she was dealing with the legal issues took all the time. The ones taking care of the HR department was the employees working in the organization whereby she had the role as a
project manager. During the leadership questions she mentioned that she have qualities to improve. We asked if she felt that it affected her position as a HR-manager, her answer was “Yes, absolutely and of course in the function that I have it is very important to have these qualities”.

Later on, we asked questions about the communication, one of them were “How is the communication working within the company?” When we asked the HR-manager she said, “I think we are a bit bad on it and it is partly my responsibility”. She also explained that before, they had a person responsible of the communication that later resigned. This is her word regarding the communication in Sumo:

At the moment I would say that it is a big question mark about who is the one that is responsible for the communication and I think the CEO thinks that it is me. However, I am trying to push it away. Maybe it is HR that should take responsibility, the thing that it is a bit unstructured.

When we were asking her about the communication with Friis she said that her relation with the people with the same responsibilities is good. However, she thinks it can be improved.

We asked the CFO the same question about the communication and he thinks the communication is developing. He explains that everyone has their relationship with the manager in Friis and they are responsible to build it up by themselves. He also explains how the Friis see it:

If you have performed a lot of times you finally get accepted. However, have you only performed once it is nothing. Have you delivered good results ten months in a row it is okay. Furthermore, if you’ve done it thirty months, as we have done soon, then you get more space; the relationship is built on history.

Internally the CFO thinks it can be better, he says that the employees are sometimes missing some information. He explains that he is trying, however sometimes do not think about the importance of the information he has. Before, he explained that the communication was not perfect with his manager in Friis, and he thinks it is because of the cultural differences. The HR-manager thinks the communication with Friis is better; her relationship with the manager is working. However, she says the ways of communicating differ. The marketing director answers that communication can always be better, not just in work but in all relations, “Everything is about communication”.

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In the end of the interview with the HR-manager of Sumo we had some following-up questions about her role as a HR-manager. We asked her if she felt that it was too much with two positions and responsibilities in the process. Her answer is that it is not a good combination and it is absolutely wrong in a process like this. The next question was if she felt that there should be more focus on the HR during the process. Here she says yes but not for the cause of the process, for the organization. She explains that she way very new in this position and that were ambitious people in the organization helping her. When we are asking her again if there was a need of the HR in the process or for the organization her answer was following:

No, well you can think about this, but sure you can put more effort in a process like this, I think it is very important to communicate. /./ I think it is a very good thought that in a process like this having one with the HR responsibility that is not so involved within the project, that instead have the focus of being updated and inform everyone around.

She continues to say:

A process like this starts a lot of thought as well, “what will happen now, will them change anything and will I loose my job” /./ there is a lot of work integrating a concern in this size. And surely you could have done this better than we did. /./ How to handle and motivating the employees, and maybe the things we are talking a lot about now, the cultural clash and so on.

In the end of every interview we had a conclusion part where we asked how they think the process went and if there was something they wanted to change. The CEO answered that the process was sometimes turbulent. However, in the end he thinks, “It became maybe the most successful deal made”, the company created new spirit, the investments became bigger and the market was praised. He would not want to miss that trip. He finished by saying “Turbulent but amazing”. There is nothing special he wanted to change, the only thing he can think of is some details, not only actions from him. He is satisfied and he feels that “The owner is very happy, the seller is very happy and the employees are very happy”. In the very end of the interview he is telling a story about the owner when he was visiting and they were on their way to the airport. The owner said “Remember one thing, keep the spirit”. The CFO commented, “He understood. Keep the Swedish and the company spirit and it will be fine and he had never said that before”.

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Both the marketing director and the CFO are satisfied with the acquisition, the CFO says “It is fantastic that we made this deal together with the complexity there was”. He thinks it was good for both companies. However due to the cultural differences it was not good for the organizational culture at Sumo. He explains:

It is not working to apply one model on all the acquisitions. /./ There is even differences between Sweden and Denmark. In Sweden it is very soft, quite flat. You do not get authority in the organization through you title, it is how you act that counts. It is okay to say something bad about the manager in Sweden if he/she behaves badly and in France for an example you are out.

When we asked him if there were something he would like to change he said that the process went well. However, he would like the French employees to be more responsive to the needs locally. As he felt, he had to do things he did not want to or was inspired to do and he blames the culture. This is also his reason for leaving the company. He received a job offer that took, as he says “People maybe not leave just because but they are open to alternatives in another way if they are not satisfied”. When we asked him if there had been other people that left the company since the process he said two people. However, they left on other conditions and their positions were not replaced as his has to be.

Both he HR-manager and marketing director answered the same as the CFO in the first question; the HR-manager was also satisfied and is talking about the complexity in the deal. There is nothing specific they would like to change either. However, the HR-manager has some complaints on how Friis was dealing with the negotiations.

During the interview with the consultant we asked how important the communication is in a process and he simply answered “Really important.” He further explains:

It is extremely important. The transparency, the openness but not just that, but that there are assemblies as well. If I want to be heard, how can I do it? The existences of this type of communication channels, even if they do not are filled all the time. People should know the existence and that they can use it if necessary.

Since the consultant is working with processes of change and are actively working with organizations, we asked his opinion of the importance of HR in an process of change. He answered that the HR has an important role. “Somehow it is HR you expect to have the
knowledge. They are a support function to the managers who has the employee responsibility. Thus, from the CEO and down to the head of department.”

He continues explaining the role of HR as:

However, this is how I think of it, they should work like a sounding board and speaking partner and also support to the managers and a bridge between managers and possible external consultants. They should not stand on the barricade and present a lot of results and say ‘this is they way’. That is the work of the management team.

5.1.3.1 Analysis of HRM
HRM is the third important aspect in an M&A. In Sumo the HR-manager also had the responsibility for the legal issues. Since there are a lot of legal issues that needs to been taken care of, this position took around 90% of her time. She said that she barely had any time at all over for the HRM. According to Boateng & Lodorfos (2006) there is a need for HRM in processes that are changing. One important function they should work with is communication. If it is ineffective the differences in culture can be major, which has been shown in the acquisition between Sumo- Friis. The cultures between Sweden and France, understood from all of the interviews, differs a lot. As Boateng & Lodorfos (ibid) say the HRM should be involved early, this can result in a faster integration between the companies and cultures. The communication is crucial since it creates trust between the companies and makes the process work easier. According to Lin et al., (2006) the HRM should be in a central role at the right time. However, since there was no one that especially worked with the HRM the functions within it were lacking. They were not able to adapt it neither early in the process nor at the right time. The most important function is the communication, both between the employees and between the management team and the employees (Boateng & Lodorfos, 2006). The HR-manager said that her position in the HRM was more like a project manager with other people actively working with it. On the other hand the marketing director said she was the one communicating with the previous owners. The communication feels unstructured and is mostly divided to all the managers. According to both the HR- manager and CFO they are responsible for the communication with their managers from Friis but also the employees working in their department.
According to the consultant the role of HRM should have a support function in the process and not taking decisions. They should listen and be updated about information and be responsible for delivering the information to the employees in the business.

Another reason why HRM is important is that is it the people that decides if the process will be a success or a failure (Schuler & Jackson, 2001; Stahl, 2004). This is why it is important to work with the people, inform and communicate. As the consultant says, the communication is really important. He thinks is should be transparent, open and an existence of communication channels. And letting the employees know this so if they want to ask something they know where to go and to whom. This might be a responsibility the HRM could have. Schuler and Jackson (2001) further explain the communication, when working with the people in different cultures; the HRM should be sensitive when adopting a new culture. They should also think of the ethnocentrism that can exist in cultures. However, since there was no working HRM these considerations were lacking. When this is not working and the differences still exists there can be both misinterpretation and miscommunication (ibid).

If the HRM would have been working we think the communication would be better and the people within the management team would enjoy their work more. We also believe that the cultural clash would have been minor. The management team would also be able to focus on what to do instead of trying to figure out how the culture was working.

5.2 The acquisition model for Sumo-Friis
In the analysis of the three aspects culture, HRM and leadership, we found that culture is the most crucial aspect since it affects both HRM and leadership in different ways. In HRM culture affects the integration process and the communication. However, if the cultures differ a lot, the integration process can be longer or more difficult (Weber, 1996). In leadership the culture affects the leaders national culture and his/her personality. The hierarchy is also affected; how a leader is and how you should deal with your leader. In both leadership and HRM the communication is important and highly affected by the culture. The national culture affects the communication in many ways, it shape how employees interact with each other (Buono, Bowditch, & Lewis III, 1985), how responsive they are toward new cultures and differences (Alvesson & Sveningsson, 2012). If the communication is not working the process will affected.
In the acquisition made between Sumo-Friis the HRM was missing. We have the perception that if the HRM would work as a support in the communication, the effects of the cultural differences in the companies would have been minor. It would make it easier for Sumo to keep their culture, as the owner wanted, and keep the management team for Sumo more focused on their functions. The HRM should also support the integration between Sumo and Friis. Since this was missing the managers of Sumo needed work with the HR related issues as well. We believe that the managers should focus on their actual functions instead of solving the HR related issues. This can sometimes create insecurity since these issues is not something that the managers are used to work with. Instead of Sumo fighting for keeping their organizational culture and trying to understand the culture in Friis, they would be able to develop their business and products. However, this process was fulfilled even without the HRM. We believe that the reason for the success despite the missing HRM is, even if Sumo is a big company it works like a small one. The communication within Sumo is also well functioning and the employees appreciate the organizational culture. Despite this there are employees that perceive the French culture is affecting a lot and that the controlling have become significant. However, the communication between Sumo and Friis are still lacking.

The acquisition process made is also analyzed. The first stage, pre-combination, includes finding the reason for doing a merger or an acquisition, finding the right company and studying the cultural differences (Boateng & Lodorfos, 2006; Schuler & Jackson, 2001). Sumo identified the reason for doing the acquisition and was aware of the crisis that needed a change. After the identification they were searching for the right company to find a solution with. Finally, they found a company interested in Sumo and their possibilities. The company interested was Friis.

The cultural differences however, were not studied enough. In the first stage, negotiations and due diligence are also included in the first stage. After Sumo and Friis found interest of each other their negotiations begun. Both the CEO and the HR-manager of Sumo were involved together with the owner of Friis. However, when there was three moths left of the negotiations the CEO and HR-manager abstained from the negotiations. The action was tactic since they knew that they could stay within Sumo-Friis if they did not negotiate too far. We agree that this indeed was a tactic move and we believe that if you negotiate too far, you loose the respect of the acquiring company if the acquisition is performed. This can result in future
conflicts between the two managers and instead of collaborating the acquiring manager does not take the other manager into account.

The second stage includes the integration (Boateng & Lodorfos, 2006; Schuler & Jackson, 2001). During this stage; Friis were integrating Sumo by introducing their way of controlling and validating. They also introduced their reporting system, which also works as the communication tool in Sumo-Friis. The second stage needs a lot of focus, especially when it comes to communication. The last and third stage is the evaluation of the process. This is very important to be able to learn from the process (ibid). However, during the interviews we found that the evaluations were missing, therefore the evaluation is marked in red. In some of the questions the respondents answered that they have not been thinking of the question, and some of the answers were not thoughtful. Therefore, we believe that the process has not yet settled.
Figure 5.1: The acquisition model for Suma Fris.
Our general impression is that culture is the most important aspects of the three aspects studied. As shown in both the literature review and the interviews made the culture, both organizational and national, shape and affect the leadership and HRM. Within culture, the communication is very important to take into account and to work with since it can lower the effects of cultural differences and make the leadership easier. Communication is something that always should be improved and developed.
6. Conclusions

The sixth and final chapter will begin with a short summary of the dissertation and the method used. There will also be a discussion of the findings and ethical implications. In the end of this chapter the recommendations for future research is presented.

6.1 Summary of the dissertation
A lot of research is done on M&As. We found three aspects that reappear in the research about M&As. We wanted to analyze if these aspects have an actual affect in a process of change and decided to contact Sumo that had been involved in an acquisition process. The aim of the dissertation is therefore to analyze if the aspects culture, leadership and HRM had an impact on the acquisition process in Sumo. The three aspects have further subjects that influence each and one of the three main aspects. Therefore we designed a model to make it clearer, easier to follow and understand the acquisition process.

Before we performed the interviews, a case study with Sumo was fulfilled. We decided that this could facilitate our work since we could acquire a clearer picture and develop a greater knowledge about Sumo. After the case study, the interview questions became easier to design since we could adjust the questions especially for the process between Sumo-Friis. Through our interviews with the management team we found that during the acquisition process, the lack of important parts of culture, leadership and HRM had impact on the process. However, when analyzing the acquisition process of Sumo we discovered that the evaluation of the acquisition is missing as shown in our model.

6.2 Conclusion and critical review
The interviews we made with the management team was useful and gave relevant and interesting results. All of the respondents at Sumo had been involved in the acquisition process and could give their version of the process. We decided to have a consultant with experience of processes of change as a respondent as well, in order to have a general and neutral point of view about an acquisition process. The interviews helped us create a picture of how a process can proceed. However, the findings we perceived during the interviews were in line with the theory about the acquisition process we presented in the literature review. Our conclusions of this study are that culture, leadership and HRM are crucial and were a central part of the acquisition process of Sumo-Friis. The three-stage model that we presented in the literature review is followed through the process except for the evaluation part. We found that
especially culture has an important and central role in the process as well as for the communication, which influence all of the three aspects.

The aim of this dissertation was to explore the role of culture, leadership and HRM in an acquisition process in a French/Swedish company. We are aware that an acquisition process can be realized in different ways and does not have to follow our model. An acquisition can be fulfilled in different ways and the three aspects can have different impact.

In this acquisition process we realized that actively working with the HRM were missing and the cultural differences were remarkable. We believe this had an impact on both the integration and the communication. In this process the managers had to work with the issues related to the HRM, as communication between Sumo and Friis and the integration of the companies. This led to less focus on their usual responsibilities. Since the cultural differences were significant and Sumo kept their culture, a lot of energy from Sumo were put into fighting for keeping their culture. However, we think that keeping the culture saved the company, as well as for their products and most of their key employees. The only employee leaving so far is the CFO, since the culture and the managing in detail became too much.

The importance of having a capable leader that put the focus into the right things is also something we have presented in the literature review. We have the interpretation that the CEO of Sumo is an exceptional leader and that the employees agreed on this as well. The cultural differences have a major impact in the way of seeing leadership in Sumo-Friis. The French culture is very keen on cherish the power distance which impregnate the way they perform their work. However, once again we have found that the cultural differences have an impact not only in culture but also in leadership and HRM.

6.3 Ethical implications

The finding in this dissertation could have ethical implications due to the cultural analysis we have done regarding an acquisition process. Cultures are complex and a sensitivity need to exist when handle cultures and to be aware of the possible ethnocentrism. If an acquisition process is made between cultures that are ethnocentric, it is even more important to focus on the integration and the cultural differences. The findings in this dissertation regarding culture are our interpretation of the culture described by the respondents of Sumo. It can be a risk to generalize cultures when only studies one company, in this case the Swedish and the French culture. Since we only studied one company and the cultures are an interpretation from the
interviews made, this study has to be tested in other contexts in order to see if the results will be the same.

6.4 Future research
As described in the first chapter, the limitations of this dissertation are that only three aspects are studied. Therefore, future research should if possible, study more aspects together with culture, leadership and HRM. It should also include additional processes to be able to have a broader analysis. It could be preferable to study acquisition processes with other cultures than the French, and within different industries to generate a deeper understanding regarding the affect culture have on the other aspects and on the process.
Reference list


Appendices

Appendix 1: Interview guide – Sumo (Swedish)

Uppvärmningsfrågor:
- Hur länge har du jobbat på Sumo?
- Vad gjorde du innan du började på företaget?
- Vad har du för akademisk bakgrund?
- Hur har du fått den position som du har idag?
- Vart ser du dig själv om fem år?

Processen:
- Skulle du kunna berätta om hur förvärvet med Friis gick till?
- Hur togs beslutet om att göra detta förvärv?
- Hur långt i förväg fick du reda på att förvärvet skulle ske?
- Hur såg processen ut för dig?
- Vad tycker du om förvärvet?

Kulturen:
- Hur tycker du kulturen på Sumo är?
- Vad är typiskt och unikt för Sumo?
- Känner du att du får föra fram dina åsikter?
- Trivs du med att jobba här?
- Vad tycker du är det viktigaste i arbetet?
- Har kulturen här förändrats sedan förvärvet, märks det någon skillnad?
- Vad har förändrats i företaget sedan förvärvet?

Ledaren:
- Skulle du kunna beskriva vad en ledare är för dig?
- Vem är din närmaste chef?
- Hur länge har han/hon varit din chef?
- Kan du beskriva hur er relation ser ut? Är det hierarkiskt?
- Hur ser rapporteringssystemet ut? Vem rapporterar du till?
- Hur agerade din chef under processen? Du fick du den informationen som krävdes?
- Har det blivit någon förändring efter förvärvet?

HR:
- Vem har ansvar för HR?
- Vilket ansvar hade han/hon i förvärvet?
- Hade du några uppgifter/ansvarsområden i förvärvet? Vilka?
- Hur fungerar kommunikationen i företaget?

Sammanfattning:
- Hur tyckte du att förvärvet gick till?
- Finns det något du hade velat förändra? Vad?
- Hade du kunnat tänka dig att göra ett förvärv igen?
Appendix 2: Interview guide – Sumo (English)

Warming-up questions:
- For how long have you been working at Sumo?
- What did you do before you started to work at the company?
- What is your academic background?
- How did you get the position you have today?
- Where do you see yourself in five years?

The process:
- Can you describe the process with Friis?
- How was the decision made to fulfill the acquisition?
- How long in advance did you get the information about the process?
- How was the process to you?
- What do you think about the acquisition?

Culture:
- What do you think about the culture at Sumo?
- What is typical and unique for Sumo?
- Do you feel free to express your opinion?
- Do enjoy working here?
- What is the most important at work according to you?
- Has the culture changed since the acquisitions, is there any difference?
- What has been changed in the company since the acquisition?

Leadership:
- Can you describe what a leader is for you?
- Who is your closest manager?
- For how long has he/she been your manager?
- Can you describe your relationship? Is it hierarchical?
- How is the reporting system working? To whom are you reporting?
- How did you manager act in in the process? Did you get the information you needed?
- Has there been any change since the acquisition?

HR:
- Who has the responsibility for HR?
- Which role did he/she have in the process?
- Did you have any assignments/responsibilities in the process? Which?
- How is the communication working in the company?

Conclusion:
- What did you think about the acquisition?
- Is there anything you would like to change?
- Can you imagine to do another acquisition?
Appendix 3: Interview guide – Consultant (Swedish)

Uppvärmningsfrågor:
- Vad jobbar du med?
- Hur länge har du jobbar med detta?
- Vad gjorde du innan?
- Vad har du för akademisk bakgrund?
- Vart ser du dig själv om fem år?

Process:
- Hur brukar en förändringsprocess se ut för dig?
- När brukar du bli involverad?
- Ungefär hur länge håller du på med en process?
- Vad är viktigt i en förändringsprocess?
- Finns det något speciellt som brukar gå snett?
- Brukar du göra någon form av uppföljning?

Kultur:
- Vad är organisationskultur för dig?
- Vad är typiskt för en svensk organisationskultur?
- Har du jobbat med någon annan kultur än den svenska? Vad är den största skillnaden?
- Har du någon erfarenhet om den franska kulturen? I så fall, kan du beskriva den?
- Hur skulle du hantera kulturella skillnader som kan uppstå i samband med ett förvärv/fusion?

Ledare:
- Skulle du kunna beskriva vad en ledare är för dig?
- Ser du dig själv som en ledare?
- Vilken roll brukar du ta i en process?
- Hur skulle du beskriva skillnaden mellan ledare och chef?

HRM:
- Hur viktig roll har kommunikationen i en process?
- Hur viktig roll har HR?
- Vilka ansvarsområden anser du skall ingå i HR?
Appendix 4: Interview guide – Consultant (English)

Warming-up questions:
- What do you work with?
- For how long have you been working with this?
- What did you do before?
- What is your academical background?
- Where do you see yourself in five years?

The process:
- How is a process in change usually for you?
- When in the process are you usually involved?
- For how long, approximately, are you working with a process?
- Is there something special that usually goes wrong?
- Are you usually doing a following-up on the processes?

Culture:
- What is organizational culture to you?
- What is typical for a Swedish organizational culture to you?
- Have you been working with another culture than the Swedish one? What are the biggest differences?
- Do you have any experience of the French culture? If yes, can you describe it?
- How would you handle cultural differences that may occur in a merger or an acquisition?

Leadership:
- Can you describe what a leader is for you?
- Do you see yourself as a leader?
- Which role do you have in a process?
- How would you describe the difference between a leader and a manager?

HRM:
- How important is the communication within a process?
- How important is the role of HR?
- Which responsibilities do you think should be in HR?