MOVING ON AND GETTING ALONG

A Case Study of the Dynamics behind Post-Acquisition Unification in a Multinational Corporation

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Cross-border Mergers & Acquisitions are currently representing the dominant way corporations expand internationally. In a field where up to half of the foreign investments are considered financially unsuccessful, scholars have started to explore the human aspects of post-acquisition integration. However, despite inconclusive or contradictory results, a considerable amount of the academic field uses cultural distance as an unquestioned driver for their models. In this deductive study, we use qualitative methods to impartially evaluate the existing theoretical field and explore linkages between factors that have been argued to influence post-acquisition unification. Through extensive literature review, nine factors with potential effects on cross-national post-acquisition integration were distinguished. Their relevance was explored through a case study based on a global logistics provider. 24 unstructured interviews with personnel from different regions and on different organisational levels were conducted, resulting in 1169 relevant quotes that were labelled, grouped and analysed. The conclusion provides a framework that broadens as well as questions parts of the current academic field. Furthermore, the findings suggest that *awareness* of the individual nature of acquisitions is the most important tool an acquirer can possess when aiming to successfully integrate a target into its organisation.

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1. INTRODUCTION

1.1 BACKGROUND

In a globalised world, multinational corporations are no longer a rarity. During the last thirty years, the annual value of foreign expansion has grown from $800bn to more than $11 700bn (UNCTAD 2015), with cross-border Mergers & Acquisitions (M&A's) representing the dominant way corporations expand internationally (Zander & Zander 2010).

This increasing amount of foreign investment naturally results in organisational integration. In a field where up to half of the M&A's are deemed financially unsuccessful, organisations have recognised the importance of handling 'the people issue' accompanying cross-border expansion (Cartwright & Cooper 1992, p 2-8). Despite this, scholars have only recently started to seriously consider the human aspects of multinational post-acquisition integration (e.g. Stahl & Voigt 2004; Reus & Lamont 2009).

The explanation for this lack of research is not that the academic field on the topic is small. Scholars have studied it for over thirty years, however the debate has to a great extent been focused around cultural differences as predictive measures of post-acquisition financial performance (Slangen 2006). This theory was first presented by Hofstede (1981; 1983; 2001), and although it has been heavily criticised over the years (e.g. McSweeney 2002; Baskerville 2003; Kirkman et al 2006), its influence on the field of research has been substantial (Minkov & Hofstede 2011).

Recently, ambivalent results from empirical studies of the effects of cultural differences (e.g. Datta & Puia 1995; Morosini et al 1998), has led to an expansion of the research field. Several other factors have been argued to be better predictors of post-acquisition financial performance; independently or in combination with a few others (e.g. Slangen 2006; Dikova & Sahib 2013). However, few studies have taken a people oriented approach and evaluated the explanatory value of human interaction (Stahl & Voigt 2004).

Although these people oriented scholars tend to examine the combined effect factors in their research, their reasoning usually originates from Hofstede's theory of cultural differences (e.g. Reus & Lamont 2009). Only a few scholars have questioned the interpretation of cultural differences as an objective measure and explored the dynamics behind the organisational

conflicts observed in unsuccessful acquisitions (Vaara 2002; Vaara et al 2012). It is to this progressing field of post-acquisition studies that this thesis aims to contribute.

1.2 PURPOSE AND RESEARCH QUESTION

Several studies have used quantitative methods to analyse one or a few factors that may influence post-acquisition outcomes, with results that have been conflicting or inconclusive (Slangen 2006). Some have recognised that the unification of beliefs is necessary for sustainable financial outcomes, but used cultural differences as an unquestioned driver for their models (e.g. Stahl & Voigt 2004; Reus & Lamont 2009). Furthermore, none of these studies have used the details of qualitative research to impartially explore how combinations of factors can affect post-acquisition unification.

Thus, this thesis aims to broaden the perspective of the current academic debate through a qualitative case study that explores the linkages between factors that potentially influence post-acquisition unification. The following research question has been used:

What combination of factors influences the post-acquisition unification process of a global corporation?

1.2.1 DELIMITATIONS

The unification process is here studied from the acquirer's perspective. Due to the change in ownership that an acquisition result in, the strategy and realisation of core value implementation is officially governed by the acquiring party. Therefore, taking the acquirer's perspective is deemed to provide better generalisation opportunities. This is consistent with how the topic has been handled by most scholars who have studied the human aspects of cross-national acquisition integration (Saunders 2009). This delimitation result in a view of a successful implementation process as one that provides a low level of acculturative stress[1].

Since the focus of the study is to evaluate the linkages between factors influential on the unification process, this thesis will not look into the financial performance of the studied objects. This is consistent with Stahl & Voigt (2004), whose findings imply that organisational abilities to learn and to create networks are drivers of sustainable financial performance. Vaara et al (2012) further strengthen this finding by recognising that unity is essential for learning and knowledge sharing.

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[1] This concept will be elaborated on in section *2.2.4.1 Acculturation.*

Finally, the perspective of this thesis is laid on an organisational level, since the last 20 years of research have shown that a national perspective add little explanatory value to the results of multinational acquisitions (summarised in Slangen 2006).

1.3 KEY CONCEPTS

GENERAL CONCEPTS

Unification process	The process of integrating two organisations in order to create a unified entity. Here also referred to as *Implementation process* and *Integration process*.
Factors	Aspects potentially effecting the unification process.
Company core values	Tangible aspects of a company's culture that have been agreed on within the organisation and that are considered to distinguish it from others. This thesis also refer to these values as *core values, Mainfreight culture, company culture* and *The (Three) Pillars.*[2]

TERMINOLOGY

Manager	Referring to top managers from Mainfreight that are either based in the headquarter in New Zealand or positioned on top positions in the acquired companies.
Employee	Referring to the personnel of the acquired companies, mainly in the Netherlands.
Team member	Company specific term used by interviewees to refer to employees.
Branch	Term used to describe business units that are separated in operational activities and/or geographical distance.

1.4 MAINFREIGHT

The empirical study of this thesis is based on the global freight and logistics provider *Mainfreight*. The corporation is based in New Zealand and operates around the world. Since 1978, Mainfreight has grown from being a New Zealand trucking business to a global logistics provider. Expansion to other regions has taken place through a total of ten acquisitions and joint venture

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[2] Described in *Appendix 1.*

buyouts. In all but a few foreign acquisitions[3], Mainfreight has installed a CEO with a New Zealand background and long history within Mainfreight to run the acquired company (Davies 2013).

In New Zealand, Mainfreight is known for their strong company culture, which is based on the *Three Pillars of Mainfreight*.[4] The three pillars state a total of 27 values based around the topics of *Culture, Family* and *Philosophy* (Davies 2013). The company put strong emphasis on the importance of limiting hierarchy and bureaucracy throughout their organisation (D Braid 2015, pers. comm., 8 April). To achieve this, they have open plan offices and present weekly branch results to all levels of the organisation (hereafter: Weeklies) (Davies 2013).

In 2011, Mainfreight expanded into Europe by acquiring the Dutch company *Wim Bosman Group (*hereafter: WBG) (Davies 2013), in which they are currently working on implementing their company core values (D Braid 2014, pers. comm., 8 Sep). One tool used for this is a training session called *Easy to Deal with*, which has been attended by all employees at the main European office (A Caspers 2015, pers. comm. 24 March).

WBG's main office, located in 's-Heerenberg, consists of the branches *Forwarding & Transport* (hereafter: *Forwarding*) and *Logistics*, along with the managerial team for Europe, the *European Support Team. Forwarding* is mainly working with domestic and international transport solutions, while *Logistics* handle different types of warehousing, value added logistics and supply chain management (Wim Bosman Group 2015).

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[3] Specifications of the acquisitions relevant for this study are presented in *Appendix 2*.
[4] For company core values, see *Appendix 1*.

2. THEORETICAL FRAMEWORK

This section introduces the field of research related to cultural change. It starts with presenting recent findings on human behaviour in change situations and continues with summarising and evaluating theoretical factors related to post-acquisition unification processes.

2.1 SENSEMAKING AND STORYTELLING

When studying cultural change, the interviewees' perception of that change is important to take into account. In change situations, individuals tend to use *sensemaking* as a way to rationalise what is happening and feel more at ease with the situation (Vaara 2003; Ravasi & Schultz 2006; Vaara & Tienari 2011). Vaara (2002) argues that this is usually done through different types of *stories* that are subconsciously constructed to make sense of the transformation. Among the four types of *storytelling, rationalistic* discourse has been found to be the most dominant. It involved a view of management as rational initiators and leaders of change; where success is measured appropriately and failure assigned to external factors. This differs from *cultural* discourse, where managers identify with their pre-acquisition organisation, and interaction between the two companies is seen as a confrontation of cultures or nationalities. In this discourse, national culture is frequently used for describing failure. The remaining two discourses are defined as *role-bound*, where a certain type of behaviour is explained by the individual's position within the company, and *individualistic*, where the characteristics of a certain individual are used to explain situations and events. The latter is particularly used in a positive context, where the person described is viewed as a hero (Vaara, 2002). *Storytelling* is believed to influence both how cultural change is described to another person and the individual's perception of it (Vaara 2002).

2.2 FACTORS OF CULTURAL CHANGE

Through extensive literature review and an informative interview with a researcher in the field,[5] nine important streams of research related to this thesis were discovered; *Cultural Distance, Organisational Distance, Level of Integration, Foreign Experience, Understandability, Communication, Relative Status, Geographical Distance* and *Acculturation*. These streams were treated as factors that were potentially relevant for the unification process. Among these factors, three general themes were discovered: *Foundational Factors, Young Factors* and *Outcome Factors*. These are presented below.

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[5] Emre Yildiz, researcher at Stockholm School of Economics with several published papers on the topic of cross-national cultural change.

2.2.1 FOUNDATIONAL FACTORS

The foundational factors *Cultural Distance* and *Organisational Distance* have been widely studied and influential in the field (Leung et al 2005). They have been heavily criticised, mainly for not making accurate predictions of the outcome of post-M&A performance (e.g. Viegas-Pires 2013), and for using arguable overly simplistic measures (Baskerville 2003; Drogendijk & Slangen 2006). From this criticism, some of the factors here referred to as *Young Factors* have arisen, aiming on adding more explanatory value. This frequently seen connection provides a potential link between the foundational factors and the younger ones that has not yet been explored. Thus, it was considered important to include the foundational factors in the study, despite the criticism they have received.

2.2.1.1 Cultural Distance

The concept of *Cultural Distance* was first drafted by Hofstede, through his studies on national cultural differences (Hofstede 1980, Hofstede 1983), and was later indexed by Kogut & Singh (1988), who named their measure *Cultural Distance*. Several compositions of the index have been used (e.g. Beugeldijk et al 2015), but the general assumption is that national culture can be measured and that the distance between countries can explain post-acquisition outcomes (Datta & Puia 1995). However, several researchers have questioned whether the outcome of implementation processes can be independently attributed to *Cultural Distance*, arguing that it cannot be seen as an isolated factor of success or failure (Tung 1993; Stahl & Voigt 2008; Coisne 2011). Others have argued that it is not the measurement in itself that is relevant, but rather the *perception* of cultural differences (Altendorf 1986, Olie 1994, both cited in Vaara 2003; Ybema & Byun 2005).

2.2.1.2 Organisational Distance

In his initial work, Hofstede (1980) proclaimed that cultural differences could also be seen on an organisational level, and some have argued that this is a more accurate predictor of post-acquisition outcomes (e.g Sirmon & Lain 2004). This idea developed into the field of *Organisational Distance*, where similar cultures were posited to achieve higher levels of integration (Schweiger & Goulet 2005). As a development of this notion, scholars have been studying the creation of what is called a *third culture*; a new culture evolving from the interaction of two organisations. This is considered to occur more easily if the organisational cultures are similar (Cartwright & Cooper 1993; Graen & Hui 1996; Hui et al 2004;). However, the *third culture* approach has been criticised as a contradiction, since cultures in themselves are self-preserving and not easily changed (Trompenaars & Wooliams 2003).

2.2.2 YOUNG FACTORS

The *Young Factors* represent theoretical directions taken since the first criticism of the *Foundational Factors*. They all consider the human aspects of change processes from different perspectives. Both *Level of Integration* and *Foreign Experience* are affected by decisions made by the acquirer in the short or long run, but have so far mainly been studied from a financial perspective (e.g. Slangen 2006; Dikova & Sahib 2013). Thus, these factors are studied here for their potential effect on the people involved in the change process. Three additional factors that are emphasising organisational unification are *Understandability*, *Communication* (Reus & Lamont 2009) and *Relative Status* (Yildiz 2014), which are studied here due to their proposed effect on people during the change process. The final factor, *Geographical Distance,* can arguably affect the acquirers ability to control the acquired unit (Ragazzino 2009), and thereby potentially have an effect on the implementation process.

2.2.2.1 Level Of Integration

Level of Integration relates to the level of independence the acquirer accepts from the target. A low level is seen as merely a technical change in ownership whereas a high level would correspond to the control level of organic growth (Pablo 1994). Literature has mainly focused on whether there is an optimal integration level for an acquirer (e.g. Napier et al 1993; Slangen 2006). However, it has proven hard to define an appropriate integration level that provides both financial success and successful organisational integration (Napier et al 1993; Slangen 2006). The factor is sometimes considered in relation to other factors, such as *Cultural Distance* (Slangen 2006) or *Communication* (Saunders et al 2009).

2.2.2.2 Foreign Experience

The stream of *Foreign Experience* can be divided into two subgroups: foreign acquisition experience (e.g. Very & Schweiger 2001; Dikova & Sahib 2013) and general international experience (e.g. Reus & Lamont 2009).

Dikova & Sahib (2013) argue that previous experiences from foreign acquisitions will be beneficial for the post-acquisition performance, since the acquirer already has experience of handling obstacles related to integration processes.

Reus & Lamont (2009) find that in addition to previous acquisition experience, other types of foreign experiences can also be useful for a greater understanding of the human aspects of an acquisition. Examples include international alliance partners or prior operational experience in

the country of the acquisition. These experiences are argued to mainly influence the amount of *Understandability*[6] the acquirer has.

2.2.2.3 Understandability

Understandability is described by Reus & Lamont (2009) as the willingness two organisations have to learn from each other during the integration process, and argued that the factor is affected by the amount of *Foreign Experience* the acquirer has. Furthermore, they argue that *Cultural Distance* has a negative relationship to *Understandability,* where distance limits the possibility to learn from each other.

2.2.2.4 Communication

Numerous perspectives have been used in the studies of how *Communication* affects post-acquisition integration (e.g. Tung 1993; Saunders 2009). Reus & Lamont (2009) describe the factor as correspondence that takes plays between the acquirer and the target during the integration process. They also find that *Communication* appears to mediate the effect of *Cultural Distance.*

2.2.2.5 Relative Status

Encyclopædia Britannica Online (2015) describe status as "the relative rank that an individual holds /.../ in a social hierarchy based upon honour or prestige" and explain that a high status creates a possibility to control other people's conduct. In post-acquisition research, status has mainly been discussed by Yildiz (2014), who combined it with *Cultural distance* and related it to how organisations manage to interact with each other on a sociocultural level. According to Yildiz, an important criterion for status is that it is agreed on by both parties. The relationship is mainly observed indirectly, through the way the parties speak of each other in terms of status quo, implying that one is better than the other (2015 pers. comm., 19 Feb).

2.2.3.1 Geographical Distance

Geographical Distance has not been given an extensive amount of attention among scholars, but Ragozzino (2009) finds that *Geographical Distance* has moderating effects on *Cultural Distance* among American firms. Malhorta & Gaur (2014) suggest that physical distance limits the amount of control the acquirer opt for in an acquisition, which can be related to *Level of Integration.* Furthermore, Vaara (2003) mentions that distance complicates socialisation between business units in different countries.

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[6] Described and elaborated on in section *2.2.2.3 Understandability*.

2.2.4 OUTCOME FACTORS

The outcome factors consist of *Acculturation*, which provides a framework for assessing the outcome of post-acquisition integration by evaluating an acquired organisation's response to cultural change (Redfield 1937, cited by Berry 1992). Its relevance to this thesis is mainly as a measurement of the implementation outcome.

2.2.4.1 Acculturation

Berry (1983) describes four potential acculturative outcomes. These were arguably a result of the target's attitude and willingness to become part of the acquirer's organisation. Different outcomes have been suggested to result in different levels of acculturative stress, which create tension and aggravated cooperation between the organisations (Nahavandi & Malekzadeh 1988). The outcomes are listed below in sequence, from the most positive outcome with the lowest level of acculturative stress to the most negative outcome with the highest level of acculturative stress:

Assimilation   The acquired organisation willingly adapts to the new culture.

Integration   The acquired organisation wants to keep its values and beliefs, but accepts the structure of the acquiring company.

Separation   The acquired organisation does not want to be associated with the acquirer and separates itself from it.

Deculturation   The acquired organisation neither wants to be part of the acquirer's culture nor of their own (Berry 1983).

Barkema et al (1996) suggest that *Acculturation* is affected by both national and organisational culture, but there is no consensus in how to effectively reach positive acculturative outcomes. Haspeslagh & Jemison (1991) propose that acquired units should be listened to but not have the possibility to change strategic goals, while Stahl & Voigt (2004) argue that the process becomes smoother when values are created in collaboration.

2.5 IN CONCLUSION

The vast amount of potential factors and the suggested linkages covered in this chapter indicate that this field of research is complex and partly contradictory. It can be seen that despite the criticism *Cultural Distance* has received, it is still a suggested driver for many younger factors. It is surprising that only a few scholars have studied the potential linkages between more than two factors, especially considering the extensive amount of factors that is provided by the current field of research.

The field of research is summarised in Table 1 and Figure 1, illustrating the evolvement of the factors and describing the key concept of each of them.

FACTOR	SHORT SUMMARY AND INTERPRETATION
Cultural Distance	Differences in values and beliefs are related to national culture (Hofstede 1981; 1983; 2001). Kogut & Singh's (1988) cultural distance index provides a numerical measure.
Organisational Distance	Differences in organisational structure, operations and mentality. Similar organisations are supposed to be easier to unify (Schweiger & Goulet 2005).
Level of Integration	The extent to which practical changes have occurred in the acquired unit (Pablo 1994).
Foreign Experience	A combination of general international experience (Reus & Lamont 2009) and experience from cross-border acquisitions (Dikova & Sahib 2013).
Understandability	The extent to which employees in both organisations see an advantage in learning from each other (Reus & Lamont 2009).
Communication	What means of communication that have been used and to what extent (Reus & Lamont 2009).
Relative Status	How organisations speak of each other in terms of status quo, implying that one is better than the other. Usually seen by reading between the lines (E Yildiz 2015, pers. comm., 19 Feb).
Geographical Distance	Physical distance between New Zealand and the acquired company (Ragazzino 2009).
Acculturation	The acculturative outcome can be categorised according to the four acculturative outcomes (Berry 1983), where successful unification was seen as a situation where all employees in the acquired unit are assimilated.

TABLE 1: Summary and interpretation of the theoretical framework used in the study.
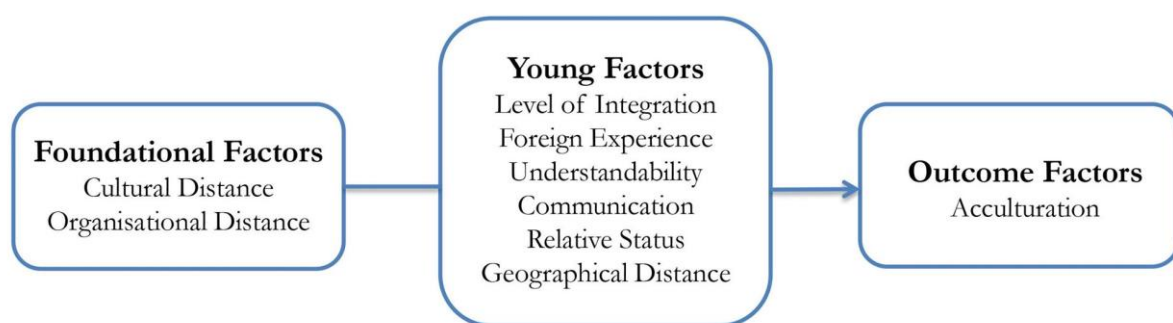

FIGURE 1: Illustrative summary of the theoretical field related to cross-national post-acquisition integration.

3. METHOD

This section presents the overall design of the study as well as the process of selecting, interviewing and analysing the cases on which the findings are based.

3.1 RESEARCH DESIGN

The overall design of this study is based on the interpretivist paradigm, which assumes that reality cannot be separated from our perception of it (Berger & Luckmann, 1967). This assumption is relevant when studying an intangible phenomenon as culture, since its existence is based on people's perceptions and beliefs. Interpretivist research is usually conducted through qualitative methods, since it allows for a dialogue between the researcher and the interviewees (Bryman & Bell 2005) and thereby creates a multidimensional picture of their perceived reality. In line with this methodology, the data in this study was conducted through unstructured interviews. This technique allows the interviewer to interact with the interviewee in a conversational way, which is considered to encourage a deeper type of dialogue and enhance personal reflection (Bryman & Bell 2005).[7]

The following study takes an exploratory approach, since no existing studies include all relevant factors and examine their influence on the implementation process. Furthermore, recent studies have come to inconclusive or contradictory results when using quantitative methods (Slangen 2006). This indicates that more exploratory research is needed to fully understand the complex dynamics of multinational unification processes. Thus, the details a qualitative study provides are desirable in this case.

Aiming on evaluating the linkages between identified theoretical factors, a deductive methodology was chosen. Through this approach, theories and ideas are compared with practice in order to analyse the relevance of existing theory (Bryman & Bell, 2005). For the same purpose, the process of the study was iterative. This allowed reshaping of focus and research question throughout the process, when new implications appeared. The iterative approach has been criticised for increasing the risk of subjective bias (Bryman & Bell, 2005). However, considering the interpretivist assumption about reality as a social construct, subjectivism cannot be avoided through research techniques but merely be accounted and adjusted for. This study does that through thorough analysis of 24 interviews from three organisational perspectives.[8]

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[7] For interview templates, see *Appendix 3.*
[8] Further described below, in section *3.2.2 Interviews.*

3.2 PRIMARY DATA

3.2.1 CASE SELECTION

The empirical study is based on *Mainfreight,* since the organisation was deemed suitable for the study through its clearly defined core values, experience of several foreign acquisitions and good openness to the study. It may be argued that only studying one company limits the ability for generalisations. However, we argue that this rather strengthens the results and the generalisation capabilities, since it provides an opportunity to compare outcomes from different acquisitions without having the disadvantage of adjusting for differences in core values. Thus, the potential differences in outcomes are less likely to be influenced by sample differences.

Despite this, some limitations are difficult to exclude even through the use of a single organisation. The primary limitation is the likelihood of differences in practical conditions over time, including global economic climate, communication tools and other technical developments. Secondly, cultures evolve and change over time, also within a company, which implies that time itself makes comparisons less valid. These obstacles have been accounted for in the selection process, by focusing on the most recent acquisition in the Netherlands as the main case and using four older acquisitions as reference cases. This enabled comparisons of managerial views on different acquisition as well as comparisons between employees and management in the main case.

The four reference acquisitions were chosen from a total of nine historical acquisitions, and represented all regions covered by Mainfreight's operational scope[9]. During the selection process, background information was collected from secondary data sources[10] and from an interview with a manager with comprehensive insight into the company acquisition history. Three of the nine acquisitions were excluded due to the length of time which had passed, resulting in them not being representative for Mainfreight's current culture. One was excluded for being a joint venture buyout rather than an acquisition, which was tried to be avoided in order to be able to study the first interaction between the two organisations. However, one case of a joint venture buyout is part of the reference sample, since the whole Asian region otherwise would have been excluded. This would limit the cultural spread, wherefore an exception was made for this particular case. Finally, one Australian acquisition was excluded in order to avoid an overrepresentation of Australian cases, which would increase the risk of sample bias. The final selection of cases was assessed to be examples of situations where Mainfreight's culture had played a significant role in

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[9] New Zealand, Australia, USA, China/Asia, Europe.
[10] Presented below in the section *3.3 Secondary Data.*

the unification process, but resulting in different outcomes. This made them good reference points to the main case[11].

3.2.2 INTERVIEWS

In total, 24 interviews with 23 people were conducted. Sixteen were related to the main case, of which one was with the European Manager; five were related to the reference cases and three to the New Zealand headquarters.[12]

3.2.2.1 Sample Technique

There is currently a lack of consensus within academia regarding appropriate sample size for qualitative studies (Mason 2010). According to Baker & Edwards (2012), the most common conclusion among scholars is that it 'depends on when saturation is reached'. That is, when no new answers are added from one interview to the other. Thus, in this iterative study, the sample size was not determined beforehand, but interviews were added during the research process. After 19 interviews saturation was assumed, and after five additional ones, this assumption was confirmed and the data collection stage terminated.

The sample was gathered through chain referral sampling. A headquarter manager introduced us to several other top managers, from which additional interviewees could be contacted. The significant drawback of the chain referral method is the increased risk for biased results, since it is possible that chosen interviewees do not represent the entire population (Bryman & Bell 2005). However, for the purpose of this study, it was considered to be important to speak with people with comprehensive insight into the unification strategies in the reference cases, and with people on various levels and functions in the main case. Thus, a random sample would have been less likely to correspond to these criteria. Additionally, especially in the main case, it was necessary to talk to employees with a sufficient level of English, which would not have been possible to assure if a random sample had been used. Therefore, the chain referral method was regarded most beneficial.

3.2.2.2 Three Organisational Perspectives

The five reference interviews were held with managers that had played a significant role in the unification process in one or more of the reference acquisitions. The aim was to get their perspective of the process, and to obtain an understanding for company core values and their development over time. All interviewees were among the top management team for their region.

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[11] For specification of selection criteria, see *Appendix 2*.
[12] For specification of interviewees, see *Appendix 4*.

They had also been with the company for at least 15 years and were considered 'bearers of the Mainfreight culture' (M Devereux 2015, pers. comm., 5 March).

Three interviews were held with two headquarter managers; the Global Training & Development Manager and the CEO of Mainfreight Ltd. These interviews were related to all acquisitions in the study, and were based around the managers' opinions of the unification processes as well as their perception of difficulties encountered.

In the main case, the implementation process was incomplete at the time of the study. Managers and employees were still aware of the differences between Mainfreight as the acquirer and WBG as the target. This created an opportunity to study the interaction between the two organisations and how they perceived the unification process respectively. It also provided an extensive sample of interviewees with insight into the implementation process. Finally, its location in Europe made a visit to the main office possible. This was considered an additional reason for studying this case, as it allowed observation of the office atmosphere and thereby the company culture.

Arranging a physical meeting was not possible for the managerial interviews, since they were spread around the world. These were instead conducted through either telephone or Skype[13]. The lack of personal interaction in these cases, especially over telephone, was viewed as a potential obstacle during the preparation stage. Therefore, an interview template slightly shorter than the estimated time of the interview was constructed, in order to be able to move back to topics that could be developed further and to have time to clarify potential misunderstandings.[14]

3.2.2.3 Ethical Considerations

To further reduce the risks for misunderstandings and misinterpretations, all interviews were recorded, transcribed and sent to each interviewee for review and corrections. Before the interview, the participant was informed about their right to anonymity and updated on the main topic of the thesis. They were also asked for consent to record the interview, something that all 23 interviewees agreed to.

Due to a varying quality of the telephone line, parts of the recording from one interview were of poor quality. These parts have not been used for the study, and the interviewee has been informed about the obstacles and asked to take extra notice in the review of the transcript. It was possible to make general conclusions from notes and complementary comments from other interviewees even though some of the quotes could not be used.

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[13] Three interviews were made through Skype, and four by telephone.
[14] For interview templates, see *Appendix 3*.

The interview templates [15] were focusing on the implementation process, rather than the theoretical factors, thus letting the interviewee shape the conversation and the events he considered important for the unification process. This decreased the risk for the interviewer to influence the interviewee to talk about factors he otherwise would not have seen as important.

3.2.3 OBSERVATIONS

The visit to WBG made it possible to observe the company culture and the operations in actuality. The observations have mainly been treated as background information and will not be analysed independently.

3.3 SECONDARY DATA

3.3.1 COMPANY INFORMATION

As a part of the case selection process, news items about Mainfreight's acquisitions were studied through two databases; Factiva and Orbis. These were used as background information along with Mainfreight's most recent annual report.

3.3.2 "READY, FIRE, AIM - THE MAINFREIGHT STORY"

In 2013, Mainfreight published the book *Ready, Fire, Aim - The Mainfreight Story*, in which Keith Davies describes Mainfreight's journey from being a small trucking company to a global logistics corporation. One purpose of the book is to introduce new employees to the Mainfreight culture (M Devereux, pers. comm., 7 April). The story is told in an inspirational rather than informative style, but the book covers all major happenings in the company history, including the acquisitions. It also goes into depth about *The Three Pillars*[16]. For this study, the book was used to understand the company history and how the culture has evolved over time. Furthermore, it provided background information about the characteristics of each acquisition, both regarding numerical information and implementation strategy.

3.4 DATA ANALYSIS

Consistent with the deductive approach, interpretation and measurements of the factors were developed in consideration with the theoretical field.[17] From the 24 interviews, 1169 quotes with relevant information were extracted and categorised to the topic of each quote[18]. The quotes were thereafter analysed through an applied version of the *KJ technique*, a method developed for structuring large amounts of verbal data into groups and subgroups (Martin & Hanington 2012,

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[15] For interview templates, see *Appendix 3*.
[16] Described in *Appendix 1*.
[17] Summarised in *Table 1, p. 10*.
[18] For details of how the categorisation was made, see *Appendix 5*.

p. 104). Since the theoretical field had already provided potential group labels[19], the first step of the analysis was to analyse to what extent the data referred to these and if there were subgroups within each factor.

For quotes not related to any factor, but still considered important, a regular KJ process was conducted. Related quotes were grouped and labelled with a descriptive word or phrase and finally divided into subgroups. This allowed comparison between theory and practice, and a possibility to investigate other potential factors that might affect post-acquisition integration.

The quotes from the reference cases were analysed first followed by the main case and finally by the three headquarter interviews. This order was deemed beneficial for the objectivity of the study, since we saw a potential risk for a subconscious grouping to fit the main case if applying the opposite order. We recognised that there was a risk of applying practice to prove theory rather than testing theory by analysing its fit to practice. Conversely, starting with the reference cases provided an opportunity to explore if theory provided explanatory value for the obstacles that Mainfreight have faced during the implementation of their core values. Finally the quotes from the headquarter interviews were used as references towards the historical acquisitions, mainly to analyse the cultural consistency between the different regions and the main office.

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[19] As described in section *2.2 Factors of Cultural Change.*

4. EMPIRICS

This section consists of four parts. The first part examines factors where theory and practice differed, mainly in the way the factors were perceived. The second part presents a factor that has not been discovered in literature, but that was emphasised by interviewees as an important part of the change process. The two final parts introduce factors that were related to either acquirer or target, and observed linkages between them.

4.1 PERCEPTIONS OF THEORETICAL FACTORS

From the interviews, it was seen that the factors *Communication, Organisational Distance* and *Understandability* were mentioned by every interviewee in the main case. *Cultural Distance* and *Relative Status* were recognised in all but a few cases while *Geographical Distance* and *Foreign Experience* only were mentioned by a few people.[20]

The reference cases put a similar emphasis on the different factors, with *Understandability* and *Communication* as the most quoted ones and the *Foreign Experience* and *Geographical Eistance* as the least mentioned.[21]

4.1.1 GEOGRAPHICAL DISTANCE

Few interviewees spoke about *Geographical Distance*. No manager mentioned the distance between New Zealand and their country as something that had affected them during the implementation process. The employees in the main case that did mention it were mostly talking about how time differences could be a minor obstacle when having overseas meetings:

"It's not easy to have conference calls with [New Zealand] because sometime there is 12 hours time difference, /.../ but I think we manage." – Interviewee2.2

4.1.2 FOREIGN EXPERIENCE

It was noticed that *Foreign Experience* was mentioned by all managers in both the main case and the reference cases, while only a few employees mentioned it. The main way managers spoke about it was as a reflection of how Mainfreight's awareness of regional differences had increased with their expansion.

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[20] For details of the relative emphasis put on each factor in the main case, see *Appendix 6*.
[21] For details of the relative emphasis put on each factor in the reference cases, see *Appendix 6*.

"What I think we've learned is that we can create a Mainfreight Australian culture, a Mainfreight Asian culture, a Mainfreight European culture, and those things are important I think to the country of origin." – Headquarter Manager2.1

4.1.3 ORGANISATIONAL DISTANCE & CULTURAL DISTANCE

Several employees expressed that it was difficult to distinguish between what was New Zealand culture and what was Mainfreight culture. Thus, the difference between the factors *Cultural Distance* and *Organisational Distance* was unclear to most employees. However, this was not something they were concerned about. One interviewee expressed his indifference on the topic in the following way:

"I don't know if I experience the New Zealand culture... There are no New Zealand people here, but [the new owners] act as Mainfreight people" – Interviewee3.3

The managers had a clearer perception about what they considered organisational and cultural differences, and they put stronger weight on organisational differences. It was only in Asia, where the organisational cultures were deemed very similar, that cultural differences were spoken about as the main obstacle. It was also noticed that managers involved in acquisitions that were deemed problematic tended to put stronger emphasis on the degree of the differences.

Manager talking about a problematic acquisition in Australia and emphasising organisational differences:

"Everything was changed /…/ and that's pretty much why it was /…/ such a difficult acquisition. Cause it wasn't really much in that acquisition that was salvageable." – Australian Manager1.1

Manager talking about an unproblematic acquisition in Asia and expressing no organisational differences and a low degree of cultural differences:

"For the [company] culture, we really find it quite similar." – Asian Manager1.1

"I think the [national] culture is different, because in Asia /.../ the team always pick order." – Asian Manager1.1

The perception of cultural differences was not matching with the *Kogut & Singh index* scores. As seen below in Table 2, the American and Australian cases have the lowest index scores, and should therefore, according to the theory of *Cultural Distance*, have the least problematic

implementation processes. This has not been the case, as can be seen by comparing Australian Manager1.1's quote above, about the problems faced in the Australian acquisition, with the second Australian case:

> "We use [the second Australian acquisition] as the bench mark of what a good acquisition is, because of the way we handled it and maybe because of the size" – Australian Manager2.2

Furthermore, in the latter case, it can be seen that the manager do not emphasis either *Organisational Distance* or *Cultural Distance* but rather the way the process was handled.

Acquisition	Kogut&Singh Index
China	149.3
First in Australia	16.44
Second in Australia	16.44
The Netherlands	553.8
America	13.52

TABLE 2: The Kogut & Singh Index for each country of the reference acquisitions, in relation to New Zealand, which in this context has a score of 0. [22]

4.1.4 COMMUNICATION

Employees mainly perceived *Communication* as a tool used by the management. The communication related to the unification process was described in two ways: statements done by the highest manager, such as tearing down the walls of his own office; and company trainings where the meaning of the three pillars was taught. Most employees were positive about the communication they had received, but some expressed a wish for a more visible leader. Examples include:

Appreciative:

> "I think what is very important is the open office policy. I think [the CEO] took a *lead by example* decision when he, on day one, removed the walls from his office as a statement." –
>
> Interviewee3.3

Critical:

> "Everybody used to know [the previous CEO], and [he] also used to know everybody. You can't expect this from [the new CEO] of course. But [the previous CEO] we saw sometimes." –
>
> Interviewee6.3

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[22] For computation of the index, see *Appendix 7*.

All managers stressed the importance of having a non-hierarchical organisation and empowering people to speak their opinion. However, this was rather expressed as the goal of the implementation process than as a tool used during the process. Instead, the managers in both the main case and the reference cases spoke about the importance of acting as role models and coaches. They meant that this was an important tool when teaching people "The Mainfreight way". One manager expressed that:

"We spent a lot of time getting to the people and understanding them, encouraging them, introduce them to the opportunities that Mainfreight is bringing to the business and building the three pillars through and through." – Asian Manager2.2

4.1.5 LEVEL OF INTEGRATION
Level of Integration was not perceived in the same way by all interviewees in the main case. One of the first changes Mainfreight rolled out in the organisation was the *Weeklies*, which by some was seen as a major change. Others barely noticed them. The differing viewpoints had no relationship to any hierarchical level, but changes were generally seen as bigger in *Forwarding* than in *Logistics*:

Forwarding:
"Now, it's[reporting] every week, bam, bam, bam. So, it's more short. It's based now on weekly figures and you can feel that as a kind of pressure." – Interviewee 4.2

Logistics:
"And I have to say, in general, there were no big changes [at the moment of the acquisition], or even now." – Interviewee2.2, Background in *Logistics*

4.2 NEW FACTOR
One topic that was frequently mentioned by the employees in the main case was the way they had been recognised by their managers. These quotes were not related to any existing factor, but were considered as potentially important for the implementation process.

4.2.1 RECOGNITION
The characteristics of *Recognition* was an expressed feeling of being recognised or appreciated by management. It was expressed by the employees, and could be on a personal level, such as a promotion or increased responsibility; or on a branch or unit level, such as investments in the department of the interviewee. As one interviewee put it:

"We get more responsibilities at the job, and [since] one year ago [our unit] has grown." –
Interviewee5.1

4.3 FACTORS RELATED TO THE ACQUIRER

4.3.1 RELATIVE STATUS

Through the way the interviewees expressed themselves, it could be observed that the managers considered Mainfreight's status to be higher than the target's. They frequently emphasised that the newly acquired business was in need of their help to reach profitability, entrepreneurial spirit or responsible leadership. One manager expressed his opinion about one acquired company in the following way:

"[It was] a business in down needs of love really. For the people and for the facilities, there weren't good facilities... That means, you know, the people would never look out for it." –
Australian Manager1.1

In some cases, the acquired unit agreed on Mainfreight having higher status. This was the case in the Netherlands and is exemplified by how a interviewee spoke about his first reaction to the news of WBG being acquired:

Agreed status relationship in the Netherlands, expressed by an employee:
"The feeling around [being acquired by Mainfreight] was like: Oh wow, if we are being acquired by such a company, it's cool." – Interviewee3.2

However, in some cases the acquired unit disagreed with Mainfreight about the status relationship. They either perceived their country or their company to be of higher or equal status. In the second Australian case, one manager expressed it as a rivalry between the countries:

Disagreed status relationship in Australia, expressed by a manager:
"In as much as Australia and New Zealand have fought side by side in battle fields or wars, we've got a very healthy rivalry that occurs." – Australian Manager.2.2

In the cases where the status relationship was agreed on, the acquired unit tended to interpret the communication in a positive way. Contrastingly, in cases where the status relationship was disagreed on, the same type of communication was interpreted more negatively. This is illustrated by quotes from the Dutch and the Australian acquisitions presented below, which describe how the open office structure was perceived:

Agreed status relationship in the Netherlands, expressed by an employee:

"[They brought] open space and everybody can talk to anybody and managers are not in their own offices with closed doors anymore. That was good I think." – Interviewee6.2

Disagreed status relationship in Australia, expressed by a manager:

"In the first couple of weeks, no one [in the office] spoke to me. I had to initiate all discussion, and then, one day, one of the team members came up to me and asked: "Why are you sitting down here? Are you spying on us?" – Australian Manager2.2

In some cases, the managers noticed that they had to adjust their communication to how the employees perceived the status relationship. One manager described how he understood the pride American's felt about their country, and how he adjusted the way he spoke to them according to that. A headquarter manager expressed the same type of experience when realising that the managerial communication was better received in Australia if they did not compare the employees' work with how things were done in New Zealand.

In America:

"The Americans are very proud of their country and very proud of who they are. They are the biggest economy in the world /…/ so, we can't be saying /…/"This is the way we do it in New Zealand". – American Manager1.1

In Australia:

"The worst thing for us to say is "This is the way we do it in New Zealand" and the Australian's goes: "This is the way you might do it in New Zealand, that's just not the way we do it around here". /.../ If we compared cities /…/that seemed to have less defeats from the people in Australia." – Headquarter Manager2.1

4.3.2 UNDERSTANDABILITY

Understandability was not explicitly expressed by the managers, but the extent to which the factor was present could be deduced from the interviews by looking at their willingness to understand and learn from the other party. The link between *Understandability* and managerial communication can be seen in below comparison between the first Australian acquisition and the Asian one. In the former, the manager emphasise how hard it was to turn people into what they wanted them to be. Although he reflects on poor communication from his side as part of the issue, his main solution was to find people with the right mind-set. A difference can be seen in the Asian case, where the managers expressed stronger awareness of employee needs and how these should be handled. Their solution was to meet their needs to create more enthusiasm among the employees

and to enhance the learning process by introducing *bus tours;* exchanges that go between Asia and other regions where Mainfreight operates. The following quotes illustrate the different approaches:

The Australian acquisition:
"There were people that /.../ weren't able to take on the vision about where we wanted to take it [the Mainfreight culture]. I can understand that. /.../ That might come down to poor communication from my part..." – Australian Manager1.1

"We just had to find people that had the same mind-set as myself." – Australian Manager1.1

The Asian acquisition:
"What we focused very early on to bring into the Asian business was an understanding and an opportunity for them [the team members] to become more enthusiastic and motivated by being part of Mainfreight." – Asian Manager1.2

"Last year we sent our team from Asia - different levels, different branches - [to] visit Australia and New Zealand. And the same, Australia and New Zealand sent team members to [Asia], to better understand the operations and how we handle the business." – Asian manager1.1

In the main case, an even higher level of *Understandability* was deduced from the managerial quotes, in which not only culture but also learning possibilities for Mainfreight were emphasised:

"I think that [the European Trainee program is] better than anywhere in the world. I'm really positive about it." – European Manager1.1

This type of recognition of WBG's advantages was appreciated by the employees, who expressed satisfaction about contributing to Mainfreight's operations:

"A colleague just went to New Zealand and explained why we have to [load trucks from the back] and why [Mainfreight] have to change it. We are happy now that there is somebody from Europe at the supply team there." – Interviewee3.1

4.3.3 FOREIGN EXPERIENCE
From the managerial interviews it could be seen that the communicational tool box had increased over time. In the first Australian case, the manager expressed a form of storytelling as the main tool to motivate people to be part of the company culture:

"We just did our best to describe what we have in New Zealand and why it was successful and what was fantastic about the business over there and translate that into what we want to achieve here in Australia." – Australian Manager1.1

In the second Australian acquisition Mainfreight had the opportunity to merge the new business into the existing one in Australia, but the usage of a new communicational tool was also emphasised; managers that travel and are visible.

"I had to travel around the country, because [the acquired company] /.../ had branches in all Australia. So I spent a lot of time travelling, meeting with people, just trying to install trust and Mainfreight culture." – Australian Manager2.2

In Asia, this development continued. Language differences made it necessary to translate the pillars into new languages. One manager describes the process:

"We translated the pillars into Mandarin and Thai, and we translate the pillars into a local language of the operations where we're working, to give them the opportunity to better understand what they mean. /…/ We've spent a lot of time trying to translate our intention of the pillars, not just the written words." – Asian Manager1.2

In the Netherlands, the *Easy to Deal with* trainings were introduced on a European scale, taking all employees through the three pillars and their meaning in everyday business. As one employee put it:

"Training's that we had, for example *Easy to deal with...* /.../ It was not really a sort of brain washed training or introduction of the three pillars, but you could see that it was really important for a company like Mainfreight." – Interviewee4.3

Headquarter Manager2.1 reflected on how he perceived that his awareness of the individuality of each acquisition has increased over time:

"I think that previous experience gives you the ability to understand that the cultural issues will take longer and that they will be different from one acquisition to the next. It just allows you to be more thoughtful and to understand those difficulties and to be able to deal with those difficulties when they arrive." – Headquarter Manager2.1

4.4 FACTORS RELATED TO THE TARGET

4.4.1 THE FIRST IMPRESSION

The employees in the Netherlands were mainly positive about the communication received from top management during the implementation. No one criticised how they had received the acquisition message. Instead, several employees described a feeling of excitement when hearing about who the acquirer was:

> "I think everybody were quite happy that Mainfreight bought the company /.../ Because, if [European Competitor] would buy us, then maybe they keep *Logistics* and sell all *Forwarding* and then you lose your job maybe. Everybody was happy [about Mainfreight]." –Interviewee3.1

Also during the implementation, most employees appreciated how the European Manager communicated. However, a small group of people, unrelated to each other in position and business unit, was of the opinion that the management was not being as visible as before.

Appreciative:

> "He gives you the feedback and he supports that. So it's more sparring and that's also what I need." – Interviewee2.2

Critical:

> "[The new CEO] is not like [the previous CEO], physically he is not wanting to walk around to be seen." – Interviewee2.1

4.4.2 DRIVERS OF ACCULTURATION

From the general impression of the interview, every interviewee was assigned an acculturative outcome, as summarised in Table 3. Most interviewees were considered assimilated, some were integrated and a few were either separated or deculturated. The latter ones were all working in *Forwarding*.

Employee Acculturative Outcomes			
Acculturation	**Total**	**Logistics**	**Forwarding**
Assimilation	9	5	4
Integration	1	0	1
Separation	1	0	1
Deculturation	1	0	1
Total	**12**	**5**	**7**
Outcomes assessed from interview transcript, where assimilation express the highest degree of adaptation to the acquiring company's values and deculturation the lowest.			

TABLE 3: Summary of the acculturative outcomes among employees in the Netherlands, excluding top management and interviewees without clear acculturative outcome.

4.4.2.1 Perceived Level of Integration & Organisational Distance

As described in section 4.1.5, employees perceived the level of integration differently. In *Forwarding*, people were emphasising changes that were barely noticed in *Logistics*. It was also noticed that employees in *Forwarding* put stronger emphasis on organisational differences, while people in *Logistics* rather spoke about similarities.

Forwarding:

"In the past, no financial figures were shared with the team so it was a little bit of a shock for people that /.../ all of a sudden they [should] present the weekly result on Monday afternoon, and they were like 'What is happening?'" – Interviewee3.2

Logistics:

"I think [the organisational culture] was rather the same. And that is why I think [the previous owner] also sold the company to Mainfreight." – Interviewee5.3

Separated or deculturated employees were strongly emphasising organisational differences, but it was noticed that also assimilated *Forwarding* employees were expressing a stronger recognition of *Organisational Distance* than assimilated *Logistics* employees. One *Forwarding* interviewee mentioned how he had seen the management structure being changed, due to the large differences in how the organisations were run. A *Logistics* interviewee with similar insight into the management structure did rather express the opposite opinion when asked about practical changes since the acquisition.

Assimilated interviewee from Forwarding:

"The way how the management team was organised [was changed]. So in the past we had [the previous owner] as the CEO and we had the CFO, and it was in fact the two men that lead the company. Then [the European Manager] came and started to build on this European Support Team [which was] responsible for divisional managers." – Interviewee3.2

Assimilated interviewee from Logistics:

And I have to say, in general /.../there were no big changes at that moment of time, or even now. – Interviewee2.2

4.4.2.1 The Role Of Recognition

As shown in section 4.2.1, several employees expressed that they had been recognised. It was noticed that assimilated employees tended to more frequently express how they or their unit had been seen or appreciated by the management. Even small signs of recognition were emphasised, as illustrated in the following quote:

"My manager has asked me to go to the meetings with buyers." – Interviewee5.1

Non-assimilated employees rather expressed a lack of recognition from the new top management.

"[I want] that [the new CEO] is more on the working floor. That he/…/speak to [the team members]. /…/ He doesn't know who I am or what I am doing, I know for sure." – Interviewee6.1

It should be noted that not all assimilated employees expressed feelings of recognition. Some rather viewed Mainfreight's ownership as an opportunity for their career. As said by one interviewee:

"[Mainfreight] is always so that people who are on level A can be B and C. The possibilities are here to grow." – Interviewee5.1

5. ANALYSIS

This section follows the same structure as section 4, and analyse the above presented observations. The first two parts revaluates the relevance of the six factors that were found not corresponingd to existing literature. The two final parts analyse the discovered linkages between relevant factors for the acquirer and the target respectively. Each part is summarised by a Sectional Conclusion, and the two final parts are accompanied by graphics that illustrate the findings.

5.1 PERCEPTIONS OF THEORETICAL FACTORS

5.1.1 GEOGRAPHICAL DISTANCE

Geographical Distance was not considered important by the interviewees. A possible explanation is that Mainfreight's strategy in all acquisitions but one[23] has been to have a manager with a clear understanding for the company core values on the highest position from the start. This appears to have made it possible to control the implementation process on spot, thus eliminating the geographical distance.

The low emphasis put on *Geographical Distance* could possibly explain the limited amount of research related to the factor. The suggested connection to *Cultural Distance (*Ragozzino 2009) was not observed, however it cannot be determined if this has to do with the case specific settings of this case. There was neither a clear connection between *Geographical Distance* and the amount of control Mainfreight opted for.

5.1.2 FOREIGN EXPERIENCE

Foreign Experience was mainly mentioned by managers. Significant for all of them was that they had been in the company for at least 15 years[24]. It is likely that this made it possible for them to relate to the company acquisition history, which provided them with knowledge of how acquisitions had been handled in the past. Naturally, this was not possible for the newly acquired employees. This indicates that *Foreign Experience* mainly relate to the managers of the acquirer.

This adds an additional perspective to the theoretical field, by suggesting that *Foreign Experience* only is relevant in an implementation process if managers from the acquirer can relate to the company acquisition history[25].

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[23] For more specific description of this acquisition, see *Appendix 2.*
[24] As described in *3.2.2 Interviews.*
[25] This finding will be further elaborated on in section *5.3.3 Foreign Experience.*

5.1.3 ORGANISATIONAL DISTANCE & CULTURAL DISTANCE

Since employees tended to assign imposed changes in culture to Mainfreight as a company rather than to New Zealand as a country, it is indicated that the acquired company view *Organisational Distance* as more important than *Cultural Distance*. However, it is possible that this would be perceived differently if the employees had had a clear picture of what the national culture in New Zealand looked like. This theory is supported by the managers' clear perception of what characteristics that belonged to each factor. Since most of them had their roots in New Zealand and had lived a long time in the country they were based in, it was possible for them to make comparisons. Only in the Asian case, where the organisations were considered similar, managers emphasised *Cultural Distance* as a more important cause for implementation problems than *Organisational Distance*. This indicates that the interviewees tended to use the factor they *perceived* as higher when retrospectively explaining implementation obstacles. The perceived level of *Cultural Distance* is in line with Vaara's (2002) theory of sensemaking, but the observations here suggest that the theory also appear to relate to *Organisational Distance*.

The theory of *Cultural Distance* as a perceived factor is further strengthened by the lack of congruence that was seen between the *Kogut & Singh* scores and the amount of implementation issues Mainfreight have had. The first Australian acquisition is remembered as the most problematic in the company history, while the second is described as one of their most successful. This would not have been possible if *Cultural Distance* alone was an accurate predictor of integration outcomes. Altogether, this suggests that the factors rather should be spoken of as *Perceived Organisational & Cultural Distance*.

5.1.4 COMMUNICATION

The large amount of quotes related to *Communication* indicate that it was perceived as an important factor, which also is in line with how existing literature emphasise the importance of it (Saunders 2009). However, a finding not emphasised in existing literature is how both employees and managers perceived *Communication* as a tool mainly used by managers to teach and guide. This implies that one-way communication was mainly used during Mainfreight's unification processes[26].

5.1.5 LEVEL OF INTEGRATION

The perception of *Level of Integration* differed between the interviewees, which could be seen through the varying ways people interpreted companywide changes. Although not appearing to

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[26] The employee reception of the managerial communication will be further elaborated on in section *5.4.1 The First Impression*.

have a connection to any hierarchical level, there seemed to be a connection to the branch the interviewee worked in. There could be several reasons for this: the changes might affect the daily work in *Forwarding* more than in *Logistics*; the people in *Forwarding* may talk about the changes more and therefore perceive them as larger than people who do not talk about them; or there could be a general dissatisfaction with the changes in *Forwarding* that is not present in *Logistics*.

Independent of the reasons behind the differing perceptions, the *Perceived Level of Integration* appears to be of greater importance for employees than the actual changes. This has not been seen in existing literature, but appears to potentially be important for the implementation process[27].

5.1.6 SECTIONAL CONCLUSION

Geographical Distance has in our case not proven important. However, it cannot be concluded that the factor will be unimportant in cases where no representative from the acquiring company is present during the implementation process.

It can be concluded that *Foreign Experience* mainly relate to the managers of the acquirer, whom can relate to the company's foreign acquisition experience.

Through the lack of congruence between the *Kogut & Singh* scores and the amount of implementation difficulties makes it possible to conclude that *Cultural distance* is an inaccurate predictor of integration outcomes. A more accurate way to speak of *Cultural Distance* as well as *Organisation Distance* appears to be as *perceived differences* rather than *actual*. It should also be noted that managers mainly used *Organisational Distance* and *Cultural Distance* to retrospectively explain integration obstacles, while employees tended to mainly relate to *Organisational Distance*.[28]

It can be concluded that the interviewees saw employees as recipients of managerial communication, which implies that *Communication* was used as a one-way tool during the implementation process.

Although the reasons for the subjective perceptions of *Level of Integration* cannot be stated, it can be concluded that the *perceived* level does not necessarily correspond to the *actual* level. This implies that in order to understand unification outcome of an implementation process, it might be beneficial to look at the *Perceived Level of Integration*.

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[27] Linkages to the factor will be analysed in section *5.4.2 Drivers of Acculturation*.
[28] The employee usage of *Organisational Distance* will be further elaborated on in section *5.4.2 Drivers of Acculturation*.

5.2 NEW FACTOR

5.2.1 RECOGNITION

Since *Recognition* was expressed by employees as positive attention that had been given to them or their business unit from the new owners, the factor was implied to affect the relationship between the two organisations and therefore seen as potentially relevant for the unification process.[29]

5.2.2 SECTIONAL CONCLUSION

The empirical support for the factor *Recognition* indicates its potential relevance for the unification process.

5.3 FACTORS RELATED TO THE ACQUIRER

5.3.1 RELATIVE STATUS

The empirical findings imply that the dis/-agreement of the relative status relationship between the involved organisations had effects on how managerial communication was interpreted among employees. This link is strengthened by the finding that the *same* communicational tools were interpreted *differently* depending on the dis-/agreement of the status relationship. In the Australian case, the manager was looked on suspiciously when practicing the open office structure. In the Netherlands the same practice was appreciated. Thus, there is a strong implication that communication will be interpreted more sceptically if the status relationship is disagreed on.

This does not entirely correspond to Yildiz's (2014) view on how the status relationship should be seen. He argues that the status relationship has to be agreed on from both parties to exist and to be of importance, whereas this study suggests that a disagreement on the relationship increases its relevance. From the findings in the American and Australian cases, it can further be seen that managerial awareness of the way communication should be carried out is essential in situations where the status relationship is disagreed on.

5.3.2 UNDERSTANDABILITY

The presence of *Understandability* appeared to increase during the acquisition history. The way the Australian manager focused on *finding* people that could adapt to the Mainfreight culture rather than seeing it as a learning process clearly differed from the Asian manager's focus on getting people to understand each other. Their communication strategy was shaped from an understanding of the employees' needs and recognition of the importance of learning from each

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[29] The relevance of *Recognition* will be further analysed in section *5.4.2 Drivers of Acculturation.*

other. The development of communication that was seen in cases where the factor was highly present implies that the amount of *Understandability* found among top management is reflected in their usage of *Communication*.

This link is further emphasised through the main case, where the manager's outspoken recognition of learning capabilities for Mainfreight was particularly appreciated by the employees. This also implies that communication shaped by *Understandability* has a positive effect on the integration outcome.

The by literature implied link between *Cultural Distance* and *Understandability* (Reus & Lamont 2009) could not be observed in this study. The opposite was rather the case, where a higher level of *Cultural Distance* appeared to create a higher level of *Understandability*. However, this relationship is questionable, due to above conclusion about *Cultural Distance* as an inaccurate measure. A more likely explanation to the increase is *Foreign Experience*, which has also been suggested to affect the factor (Reus & Lamont 2009). This link is mainly implied by the noticeable increase in *Understandability* over time, where the last case shows the most extensive understanding for the other party's advantages.

5.3.3 FOREIGN EXPERIENCE

Mainfreight's foreign experience increased as they expanded into new regions and so did their communicational tool box. What appears to be the driver of this increase is the *awareness* the international presence has given. As Headquarter Manager2.1 put it, the awareness of potential difficulties has helped the company to prepare for and manage the difficulties when they occur. This has made it possible to develop an increasing amount of communicational tools over time, in order handle each particular acquisition. This implies a link between *Communication* and *Foreign Experience*.

This linkage is not clearly expressed in existing theory, but a potential reason for that is that most studies related to *Foreign Experience* have used quantitative approaches and solely analysed the numbers of foreign acquisitions (e.g. Dikova & Sahib 2013), thus missing the finer nuances of what actually drives performance outcomes.

The aforementioned link between *Understandability* and *Foreign Experience* is also strengthened by the findings in this section. The way Headquarter Manager2.1 reflects on how the organisation has learnt to adapt to the individuality of each new acquisition implies a relationship between experience and understanding. Altogether, this implies that international experience not only

create a larger communicational toolbox but also increase the understanding of how and when to use it.

5.3.4 SECTIONAL CONCLUSION

A strong connection between *Relative Status* and *Communication* was found, where a disagreement on the relative status relationship increased the importance of managerial awareness of how to effectively communicate with the target. Furthermore, management appeared to be able to balance their communication if they understood the dynamics of the status dis-/agreement.

A link can also be seen between *Understandability* and *Communication*, where *Understandability* depends on the amount of *Foreign Experience* the acquirer has. Furthermore, the effect *Foreign Experience* has on *Understandability* and *Communication* appears to be driven by *awareness* created from exposure towards international communities. Therefore, it can be concluded that a vast amount of foreign acquisitions are not in themselves a success factor, but rather an opportunity for increased *Understandability* and communicational learning.

The findings in section 5.3 are summarised in the following figure:
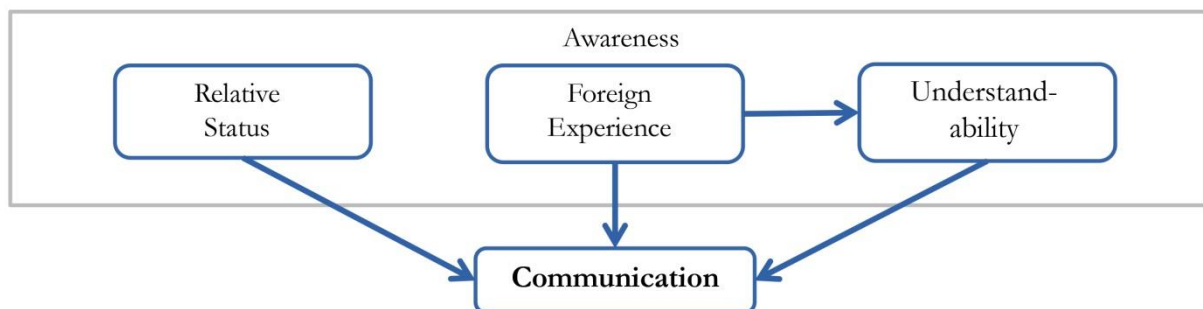
FIGURE 2: Combination of factors that affects the acquirer's communication during the integration process.

5.4 FACTORS RELATED TO THE TARGET

5.4.1 THE FIRST IMPRESSION

There was a significant amount of people expressing positive feelings about being acquired by Mainfreight. This is likely to be due to the knowledge most employees had about WBG being for sale, and the relief they felt when they learnt that Mainfreight was planning on developing the company rather than harvesting it.

Most employees also appreciated how the top management had communicated during the implementation process. This supports the link between *Communication* & *Relative Status* and *Communication* & *Understandability*, [30] which suggested that Mainfreight used appropriate communication during this acquisition. The observation that those who did express criticism were few and unrelated to each other further strengthens this finding.

However, since all interviewees had a positive first impression of Mainfreight, it has not been possible to analyse if the general perception of the managerial communication was affected by the initial employee attitude towards the acquirer or not.

5.4.2 DRIVERS OF ACCULTURATION

It appears to be a link between *Perceived Level of Integration* and the perceived degree of organisational differences, since the *Forwarding* employees expressed both a higher integration level and recognised *Organisational Distance* to a larger extent than *Logistics* employees. This link was strongly emphasised by people with negative acculturative outcomes, but was also seen among assimilated employees in *Forwarding*. Thus, the feeling of change appears to generate a feeling of distance towards the other party, which potentially makes it harder to relate to and adapt to their company culture. However, since some employees with positive acculturative outcomes also emphasised this relationship, it is likely that other factors also affect *Acculturation*.

One such factor appears to be *Recognition*. The feeling of being recognised was a common topic among assimilated employees. Those who did not mention it rather emphasised that they saw Mainfreight as a company of opportunities, which could be seen as a possibility for future *Recognition*. The factor was not spoken of by the negatively acculturated employees, who rather expressed a feeling of being neglected. The link between *Recognition* and positive acculturative outcomes has not been explored in earlier research, and the dynamics behind its positive effects have not been possible to evaluate in this study. However, the factor appears to be of significant relevance for the acculturative outcome.

5.4.3 SECTIONAL CONCLUSION

The employees' mainly positive reception of Mainfreight's communication strengthens the aforementioned links between *Communication* & *Relative Status* and *Communication* & *Understandability*. It also implies that initial attitude towards the acquirer might affect the way communication is interpreted during the implementation. However, due to the setting of this study, this particular linkage could not be evaluated.

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[30] Analysed in section *5.3 Factors Related to the Acquirer.*

It can be concluded that there is a link between *Perceived Level of Integration* and *Perceived Organisational Distance,* and that this link appears to be more significant among negatively acculturated interviewees. This implies that the combined effects of *Perceived Level of Integration* and *Perceived Organisational Distance* affect the acculturative outcome in a negative way.

It can also be concluded that *Recognition* has a positive effect on *Acculturation,* although the reasons for these effects could not be determined. Thus, both negative and positive aspects appear to affect the acculturative outcome of an implementation process. However, the relative emphasis put on negative aspects versus positive aspects of the integration process appears to be related to the managerial communication, which in the main case was mainly perceived in a positive way.

The findings in section 5.4 are summarised in the following figure:
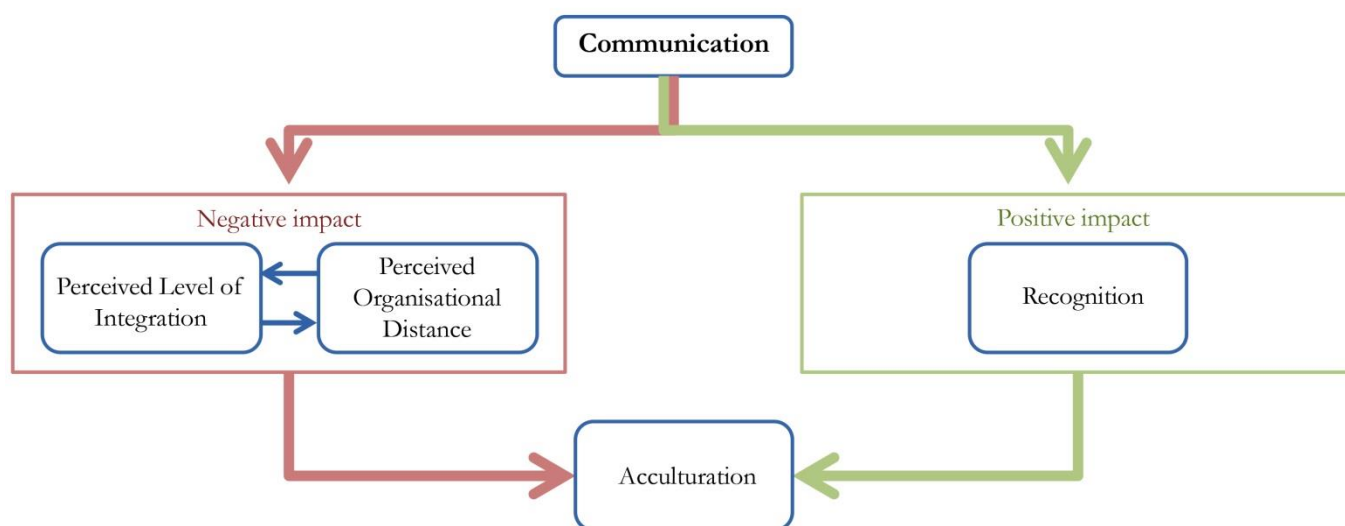
FIGURE 3: Combination of factors that affects the acculturative outcomes of employees in the acquired unit.

6. CONCLUSION AND DISCUSSION

This section presents the conclusion of the study, discusses its implications and indicates their relevance for academia and practitioners. The ability to generalise the findings of this study is also discussed, along with suggestions for future research.

6.1 CONCLUSION

This thesis aimed to broaden the perspective of the current academic debate by exploring the linkages between factors that potentially influenced post-acquisition unification. The following research question was used:

What combination of factors influences the post-acquisition unification process of a global corporation?

It could be seen from the analysis that *Geographical Distance* appeared to be unimportant for the implementation process. *Level of Integration* and *Organisational Distance* were found to have an effect through employees' *perceptions* rather than as actual values. These perceived factors along with *Recognition* were found to relate to the target rather than to the acquirer and to have both negative and positive effects on the acculturative outcome.

Managers spoke of *Cultural Distance* and *Organisational Distance*, but mainly in order to retrospectively explain unsuccessful outcomes or problematic processes. Therefore, the managerial use of these factors have here been assessed to be an effect of *sensemaking,* without clear links to the actual implementation process. This differs from the way employees were affected by especially *Perceived Organisational Distance*, which in their case was a driver for negative acculturative outcomes.

The main tool used by the acquirer during the implementation process was *Communication,* which both parties saw the employees in the acquired unit as recipients of. The acquirer's ability to use appropriate communication was affected by its awareness of *Relative Status*, *Foreign Experience* and *Understandability*, where the latter was positively related to the amount of *Foreign Experience* the company had.

Although *Communication* did not eliminate the negative impacts of the implementation process, the factor appeared to affect the relative emphasis employees in the acquired unit put on them. Negative outcomes were particularly seen when the target had interpreted the managerial communication in a negative way. Thus, *Communication* provides a crucial link between the

acquirer and the acquired that appears to affect the final acculturative outcome and the level of unity between the organisations.

These findings can be summarised in the following model, by which the research question is answered.
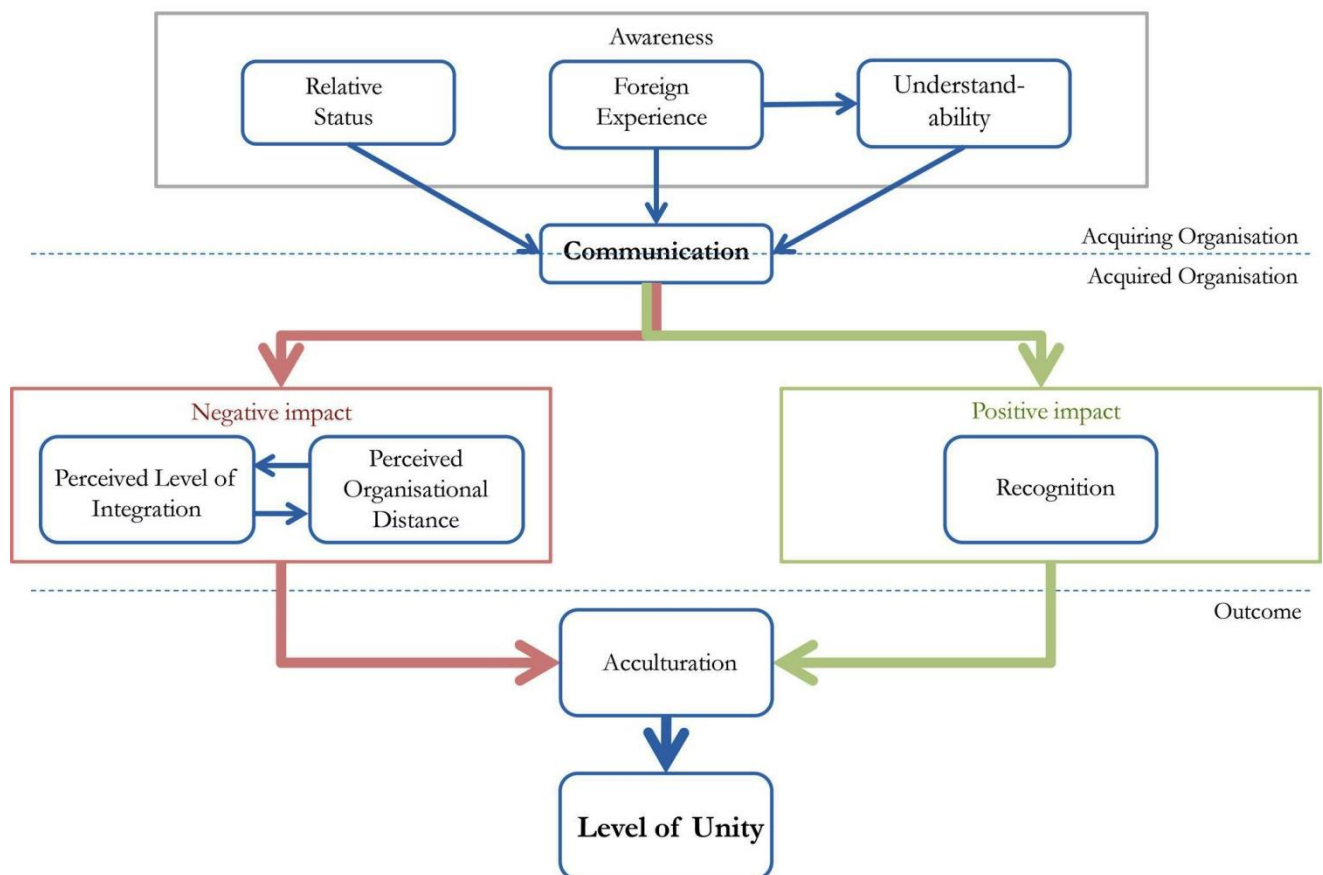
FIGURE 4: Combination of factors that affects the post-acquisition unification process of a global corporation.

6.2 DISCUSSION

6.2.1 IMPLICATIONS

The first implication of this thesis is that the unification of two companies is a complex and delicate process, where several factors need to be balanced and understood for a successful outcome. Awareness of this is something that both practitioners and scholars could benefit from when working with or researching the topic.

Secondly, this thesis implies that employees and managers perceive and relate differently to different factors. Especially on an employee level, it appears to be of greater significance how factors are perceived than to what extent they actually have been present. This is an implication of how Varaa's (2002) findings on *Cultural Distance* as a subjective measure is relevant, but that it

also can be expanded to include *Organisational Distance* and potentially *Level of Integration.* An important remark on this matter is that even though these factors appear to be subjective, they still affect the target's attitude towards the acquirer. Therefore, their relevance for explaining outcomes is still significant, although the method of treating them as objective measures here is argued to be irrelevant.

Thirdly, an important implication of this study is that the integration outcome is an effect of the interaction between the parties. The interaction is enabled through *Communication,* with its ability to influence the relative emphasis put on negative and positive aspects of the change process. This finding is particularly relevant since it provides a tangible link between the acquirer and the target, thus implying that actions have effect on outcomes. This further questions earlier theory of post-acquisition performance as predetermined by factors beyond the control of the people involved in the acquisition process.

Although the findings in this thesis do not give the acquirer a 'one best way' to handle post-acquisition unification, it offers an explanation to why previous studies' have presented contradictory results. It also offers a framework for how acquirers can think of the unique aspects of individual acquisitions, without arguing that one particular way of using the framework offers a solution to every situation. Instead, we argue that awareness of the individuality of each acquisition is the most important tool an acquirer can possess when integrating its culture into another organisation.

6.2.2 GENERALISATIONS

It should be noted that this is a qualitative study based on one company, wherefore the ability to generalise the findings could be argued (Bryman & Bell 2005, p. 508). As with most qualitative studies, the main aim with this thesis was to provide a deeper understanding for the complex dynamics behind the topic studied, rather than to make broad generalisations. With this qualitative approach we successfully managed to uncover previously unknown links between factors, thus providing a potential explanation to why earlier studies have shown conflicting or inconclusive results.

However, it should be noted that some case specific aspects were not possible to account for in the study. The most important one was the positive attitude employees expressed towards Mainfreight before the acquisition, which might have affected the mainly positive acculturative outcome.

Despite these uncertainties, we believe that the implications discussed above are highly relevant for the research field and for understanding the linkages between previously unconnected or undiscovered factors. It also adds to the recent findings of the importance of human aspects in post-acquisition integration.

6.2.3 SUGGESTIONS FOR FUTURE RESEARCH

Firstly, we suggest that qualitative studies look further into the linkages presented in this thesis, mainly focusing on the how *Communication* affects *Recognition*, since this link was merely implicitly suggested in this study. We also suggest that future researchers evaluate the internal relationship of *Understandability, Foreign Experience* and *Relative Status* and their relative effects on *Communication*, since these factors are implied to be of major importance for the acquirer's ability to communicate effectively.

Lastly, we suggest quantitative studies to test our framework on different countries and industries, thus evaluating its generalisation capabilities. We also encourage in depth analysis of separate parts of the model in order to evaluate the relative importance of each factor under specific conditions.

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8. APPENDICES

APPENDIX 1: THE THREE PILLARS – MAINFREIGHT'S CORE VALUES

CULTURE
- Under-promise, over-deliver
- Keep reinventing ourselves with time and growth
- Education is optional, learning is compulsory
- Let the individuals decide
- Keep it simple
- Tear down the walls of bureaucracy, hierarchy and superiority
- Avoid mediocrity – maintain standards and beat them
- Look after our assets
- Immaculate image and presentation
- Promote from within
- Integrity - how it affects other people
- No job descriptions

FAMILY
- Eat together – use mealtimes as a discussion time
- Listen to each other
- Share the profits and the successes
- Openly discuss problems and openly solve them
- Don't beat up your brothers and sisters
- Have respect – seek it from others and show it by actions

PHILOSOPHY
- 100-year company
- Profit comes from hard work, not talk
- We are driven by margin, not revenue
- Train successors, so that you may advance
- An enduring company is built by many good people, not a few
- We are here to make a positive difference, as well as a dollar
- We 'care' for our customers, environment and community
- Total quality management base
- Ready, Fire, Aim

APPENDIX 2: HISTORICAL ACQUISITIONS

Acquisition	Year	Style of take-over	Specific feature
First in Australia	2000	Acquisition	First major foreign acquisition.
Second in Australia	2004	Hostile takeover	Only hostile take-over, previous presence on market.
China	2007	Joint venture buy-out	Only Mainfreight integration in Asia.
America	2007	Acquisition	First major acquisition in America, kept the previous CEO.
The Netherlands	2011	Acquisition	First acquisition in Europe and the most recent one.

Characteristics of the different foreign acquisitions by Mainfreight through history studied in this thesis.

APPENDIX 3: INTERVIEW TEMPLATES

FOR MANAGERS

General information presented to every interviewee

Anonymous

Scientific purposes

Record

Topics

Could you describe how and why you came to Mainfreight?

Describe [the acquired company] with three words?

Describe Mainfreight at this point in time with three words?

Describe Mainfreight nowadays with three words?

What was your role during/after the acquisition?

What do the three pillars mean to you?

What were your first thoughts when you came to [the acquired company]?

What was the atmosphere like when you got there?

What was the first thing you did?

What kind of practical changes did you do? Why?

When would you say that [the acquired company] started to feel like a "real" part of Mainfreight (not an acquired company)?

Are people at Mainfreight still talking about the acquisition? In what way?

What are your expectations for the future?

FOR EMPLOYEES AT THE MAIN CASE
General information given to all interviewees
Anonymous
Scientific purpose
Record

Topics
Could you tell us how and why you ended up at Mainfreight/WBG?

Describe WBG before the acquisition with three words/phrases?
Describe WBG/Mainfright today with three words/phrases?

What was your role before the acquisition?
- How has that role changed since the acquisition?

When did you receive the information that WBG was being acquired?
- What was your reaction to that?

When did you start noticing that the company had new owners? How?

You said that WBG was characterized by XX and YY before the acquisition, can you tell us a bit more about what you mean by that?

How is it to work at WBG today compared with before the acquisition?

How would you describe [the previous CEO's] leadership?
How would you describe [the current CEO's] leadership?

What has improved since the acquisition? What was better before?

Any last comments or something else that you want us to know?

FOR HEAD QUARTER INTERVIEW 1

General information given to the interviewee
Anonymous
Scientific purpose
Record

Topics
Could you start by describing Mainfreight with three words/phrases?

What is your role at Mainfreight and how did you get there?
What is Mainfreight for you?
How did you see Mainfreight before you started? How has it changed over time?

What are your best and worse experiences?

How involved have you been in the acquisitions?
How do you notice the acquisitions in New Zealand office?

FOR HEAD QUARTER INTERVIEW 2

General information given to the interviewee
Anonymous
Scientific purpose
Record

Topics
What do the three pillars mean to you?

Can you describe what "Easy to Deal with" is and why you have it?

What is the training "Outward bound"?

What other tools do you have for training and development?

What expectations do you have on graduates in New Zealand? In Europe?

Do you have a management trainee program in New Zealand? How does it work?

What would you say differ between the mentality in New Zealand and the one in Europe?

If you could change one thing at WBG straight away, what would that be?

How much contact do you have with people on lower levels in the organisation?

Is it important for the top management to be visible for the team members on different levels?
What's Mainfreight's goal, culture wise, for the regions?

FOR HEAD QUARTER INTERVIEW 3
General information given to the interviewee
Anonymous
Scientific purpose
Record

Topics
What does a successful acquisition look like when it comes to implementing company core values?

Which acquisition would you describe as the most successful in Mainfreight's history?

Which was your least successful?

What do the three pillars mean to you?

What other (cultural) values are important to Mainfreight?

What is the core of the culture? What can never be compromised?

Do you see any problems with the existing culture?

If you could do one change of the global Mainfreight culture, what would that be?

What would you say differ between the mentality in New Zealand and other parts of the world?

Has the Mainfreight culture changed during your time in the company?

Has your leadership changed during the years, as the company has become more and more global?

How do you think people perceive you as a leader?

How much contact do you have with people on lower levels in the organisation?

Is it important for top management to be visible for the team members on different levels? How do you do that?

You seem to have had really strong leaders throughout the company history. How has that affected the company?

What is your vision for the culture in the long run? 5, 10, 100 years

APPENDIX 4: INTERVIEWS

INTERVIEWS AT WIM BOSMAN GROUP

Date	Interviewee	Branch	Hierarchical level
2015-03-25	European Manager1.1	European Support Team	CEO
2015-03-24	Interviewee2.1	European Support Team	Training and Development Manger
2015-03-23	Interviewee2.2	European Support Team, Background in Logistics	Manager Sales
2015-03-23	Interviewee3.1	Forwarding	Branch Management
2015-03-24	Interviewee3.2	Forwarding,	Branch Management
2015-03-24	Interviewee3.3	Logistics	Branch Management
2015-03-24	Interviewee4.1	Forwarding	Middle Management
2015-03-24	Interviewee4.2	Forwarding	Middle Management
2015-03-25	Interviewee4.3	Logistics	Middle Management
2015-03-25	Interviewee5.1	Logistics	Operational Management
2015-03-24	Interviewee5.2	Forwarding	Operational Management
2015-03-25	Interviewee5.3	Logistics	Operational Management
2015-03-24	Interviewee6.1	Forwarding	Team member
2015-03-24	Interviewee6.2	Logistics	Team member
2015-03-25	Interviewee6.3	Forwarding	Team member
2015-03-25	Interviewee6.4	Forwarding	Team member

All interviews in the main case were conducted on spot at Mainfreight/WBG in s'Heerenberg, the Netherlands.

INTERVIEWS WITH MANAGERS FROM REFERENCE CASES

Date	Interviewee	Reference acquisition	Communicational tool
2015-03-20	Australian Manager1.1	First in Australia	Telephone
2015-04-07	Australian Manager2.1	Second in Australia	Telephone
2015-03-30	Australian Manager2.2	Second in Australia	Telephone
2015-04-13	Asian Manager1.1	First in China	Skype
2015-03-30	Asian Manager1.2	First in China	Telephone
2015-03-27	American Manager1.1	First in USA	Telephone

Australian Manager2.2 and Asian Manager1.2 refer to the same manager and interview time. The interviewee had been involved in two of the reference acquisitions and in the interview both cases were discussed separately.

INTERVIEWS WITH NEW ZEALAND HEADQUARTER

Date	Interviewee	Position	Communication tool
2015-03-05	Headquarter Manager1.1	Global Training & Development Manager	Skype
2015-04-07	Headquarter Manager1.2	Global Training & Development Manager	Skype
2015-04-08	Headquarter Manager2.1	CEO of Mainfreight Ltd	Telephone

The first interview with the group manager team development was a briefing interview for general background and the second specifically related to the study.

APPENDIX 5: CATEGORISATION OF QUOTES

The categorisation process of factors was done twice. The initial round, which categorised the quotes into existing factors and "others", was conducted by both researchers. In order to have a unified categorisation, the second round was conducted by only one researcher, who also categorised the quotes into subcategories. The labels of these subgroups are presented under each factor.

Cultural distance: All quotes regarding different nationalities. The factor has three subgroups: *Similar, Different* and *Other* with following definitions:

1. *Similar:* The interviewee expressed similarities between New Zealand culture and the acquired unit's culture. Exemplified by:

    "[The companies] could be so much alike while being so far away from each other." –
    Interviewee2.2

2. *Different:* The interviewee expressed differences in New Zealand culture and acquired unit's culture. Exemplified by:

    "I think that the [New Zealand] culture, it's a little bit more open, they share things. We are a little bit reserved as Dutch people." – Interviewee3.1

3. *Other:* The interviewee spoke about other national cultures than New Zealand and the acquired unit's. Exemplified by:

    "While in Germany or other countries it's much more formal. So you are used to coping with cultural differences." – Interviewee2.2

Organisational distance: Interview quotes related to organisational differences and/or similarities, either in operations, structure or policies. The factor has two subgroups: *Similar* and D*ifferent,* both defined below.

1. *Similar:* Expressions or implications of Mainfreight and the acquired unit as being similar in operations, structure and/or policies. Exemplified by:

    "I think it you have to [choses a company for acquisition] that suits your company/…/ you have to know your customer/…/. And if you if you can do that I think it's good. And I think that's a reason [Mainfreight] choose WBG [they work in the same way]." –
    Interviewee 5.3

2. *Different:* Expressions or implications of Mainfreight and the acquired unit as differencing in operations, structure and/or policies. Exemplified by:

"In the past, no financial figures were shared with the team." – Interviewee3.2

Level of integration: Interviewee quotes related to the practical changes made in the acquired unit. The factor had three subgroups, related to how the interviewee emphasised the changes and how major they perceived them. The three subgroups were *High, Medium* and *Low,* exemplified by:

1. *High:*
   "Yeah, we now see that everything [interior] is gone. Like I said the doors were red. And we had other carpet and I think one month ago we got blue carpets and it's becoming Mainfreight more and more. And finally the name of WBG will disappear, it will be Mainfreight" – Interviewee5.3

2. *Medium:*
   " [Mainfreight's initial approach when acquiring WBG was] "Just don't change anything, cause we wanna just learn. And the business is profitable, so let it just do what it does". But of course Mainfreight was bloody hopeless - we just can't help ourselves. So after a couple of months, just learning and driving around trucks and meeting our customers it was obvious that we really had to start our journey to get our business into a shape that we thought was. [Mainfreight's standard]" – European Manager1.1

3. *Low:*
   "When they are here, the only [difference from WBG], where I can see that they are not [originally] this company is that they are talking English, so that they can understand each other." – Interviewee6.4

Foreign Experience: In the interview context, *Foreign Experience* became a somewhat subjective measurement, which focused on Mainfreight's experience of the world. Since it was mainly used by managers, the subgroups where labelled *Used by Mainfreight* and *Not used by Mainfreight* and defined in the following ways:

1. *Used by Mainfreight*: The interviewees referred to previous experience from an international context, which they had taken into account at the time of the acquisition. Exemplified by:
   "You know, if it's not right, explain or show them [the team members] an example of other companies in America that do it the same way as Mainfreight does it, or similar and they can see that Americans can do these things." – American Manager1.1

2. *Not used by Mainfreight:* The Interviewee express that Mainfreight could have acted in another way if they would have a certain kind of foreign experience, or that they were unexperienced. Exemplified by:

> *"Unexperienced in Australia and anxious for change." – Australian Manager1.1*

Understandability: Measured by comparing the interviewees expressions of *Understandability* with his expressions of lack of *Understandability.* The former showed a willingness to learn from the other party and/or understanding for the other party's difficulty to adapt to changes, whereas the latter one expressed the opposite. The factor had three subgroups: *They can learn from us, We can learn from them* and *Understandability problems,* which are defined below:

1. *They can learn from us:* The interviewee either expressed that the other party could learn from his company or spoke of his company as being better at something than the other party. Exemplified by:

> "And I think that slowly but surely we are convincing New Zealand that sometimes [they] have to be more [pointing with whole hand, indicating directness]." – Interviewee2.2

2. *We can learn from them:* The interviewee either expressed that there was something to learn from the party or spoke of something done by the other party that was being better than his own company did it. Exemplified by:

> "[I have learned from people at Mainfreight New Zealand] that you can really have a good balance between work life and private life. And that it's also something that is really accepted." – Interviewee3.2

3. *Understandability problems*: The interviewee expressed that the parties had a problem with understanding each other and disagreed on the best way to handle a situation. This can be exemplified by:

> "I think a lot of people didn't really understand the purpose [of *Easy to Deal with*], because they were given the feeling that everything that they did was good." – Interviewee6.2

Communication: Measured by how and how much communication that had been received/given. The categorisation differed between the managers and employees.

Employees: In this case, most quotes referred to communication received from managers or people with influence over the implementation process. It could be what a manager had done, what had been said or in which context the message was received. There were two subgroups: *Appreciative* and *Critical*.

1. *Appreciative:* The interviewee expressed appreciation for the received communication. This was either seen by use of positive words or from a general impression from the interview. Exemplified by:

   "What I thought was also very good - he [the CEO] went to every department and introduced himself. So that's also good for morale, I think." – Interviewee5.2

2. *Critical:* The interviewee expressed criticism about the used communication or the general impression from the interview was that he was unhappy with it. Exemplified by:

   "We've been talking about [the *Easy to Deal with* training] and the general idea was that this missed the purpose a little bit. Because it was too positive and too much, open door, basically." – Interviewee6.2

Managers: The managers mainly spoke about how they had used communication in their interaction with the employees. There were four subcategories, of which four related to the mean of communication: *In person, Written* and *Lead by example;* and the fourth consisted of quotes related to general thoughts and reflection regarding communication. On example was language issues and misunderstandings related to that. This factor was called *Others.* Exemplified below:

1. *In person:*

   "And people were just, blown away that, the global leaders would actually come and shake their hand and ask how who they were and what they did." – American Manager1.1

2. *Written:*

   "A lot of team members can talk good on email, but they are not confident talking on the phone." –Asian Manager1.1

3. *Lead by example:*

   Well, I don't think I've ever had to force anyone to tear a wall down, since I tore my own down. /…/ So that's sort of leading by example. – European Manager1.1

4. *Other:*

"He [Asian Manager.1.2] is first of all from overseas, he cannot speak the language and sometimes he got issues... When he's talking, people may not understand him 100%." – Asian Manager1.1

Relative status: Interviewee implications of a status quo where one of the organisations and/or countries was of higher status than the other. The factor had initially two subgroups: *Mainfreight/New Zealand has higher status* or *The country/company of the acquired unit has higher status.* In the reference cases the subcategory *Conflicting image of status* was added, which related to interviewee implications of a disagreement on the status relationship, such as speaking of Mainfreight as the better part, even though they can be seen on a lower hierarchical position. Exemplified by:

1. *Mainfreight/New Zealand has higher status:*
   "The feeling so to say around it [being acquired by Mainfreight] was like: Oh wow, if we are being acquired by such a company, it's cool." – Interviewee3.2

2. *The Country/Company of the acquired company has higher status:*
   "The Americans are very proud of their country and very proud of who they are. They are the biggest economy in the world /…/ so, we can't be saying /…/"This is the way we do it in New Zealand". – American Manager1.1

3. *Conflicting image of status:*
   "And we didn't have anything to start with [when we arrived in Australia], we just had the [acquired] business that we had to convert the people that were in that business to the Mainfreight way." – Australian Manager1.1

Geographical distance: Quotes regarding the physical distance between New Zealand and the acquired company. The factor has two subgroups; *Time Difference* and *Other.* Exemplifying quotes from these subgroups are presented below:

1. *Time Difference:*
   "Well it's not easy to have conference calls with [New Zealand] because sometime there is 12 hours' time difference, /.../ but I think we manage." – Interviewee2.2

2. *Other:*
   "It's far away" – Interviewee4.3

Recognition: Interviewee expressions of any kind of special attention given to him or from him. The managers mainly spoke about given recognition and employees about receiving it, wherefore the sub-categories differ between the cases.

Employees: There were two subcategories: *Has experienced* and *Has not experienced*. Exemplified by:

1. *Has experienced:*

   "We get more responsibilities at the job, and [since] one year ago [our unit] has grown." – Interviewee5.1

2. *Has not experienced*:

   3. "[I want] that [the new CEO] is more on the working floor. That he/…/speak to [the team members]. /…/ He doesn't know who I am or what I am doing, I know for sure." – Interviewee6.1

Managers: There were two sub-categories: *Given* and *Not Given.* Exemplified by:

1. *Given:*

   "I spent a lot of time travelling at the branches, talking to all and all levels of the teams and not just... I used to have big branch meetings and call everybody together and explain what we were doing. I talked from the store man to the highjacks on the decks, to, team leaders, to the branch managers and their branches." – American Manager1.1

2. *Not given:* There were no quotes expressing that a manager had not recognized their employees. Since this was a factor identified retrospectively from the interviews, no questions related to the topic was asked during the interviews. This may have influenced the lack of quotes in this sub-category.

Acculturation: Due to the different perspective of acquirer and target, these category was split into two groups, one relating to managers and one to employees. The overall assessment of the acculturative outcome was made taking the impression from the whole interview into account. For the main case, the assessment was made on an individual level, while the reference cases were assessed on the overall outcome of the target. The sub-categories were the same in both case: *Positive* and *Negative,* but with slightly different meanings.

Employees in the main case: Expressions related to the extent to which the interviewee wanted to be a part of Mainfreight and its culture. The sub-categories are exemplified below:

1. *Positive:*

>"[Nowadays], we really invest in our team members so they can grow into the company. So you can grow with us, you have every opportunity." – Interviewee2.2

2. *Negative:*

>"[Mainfreight is more standardised], that is a little bit my feeling. I don't think that we listen enough to why a client wants something. Why can't we do that?" – Interviewee6.3

Managers in the reference cases: Expressions related to the extent to which the manager had seen signs of employees wanted to be part of Mainfreight and its culture. The sub-categories are exemplified below:

1. *Positive:*

>"Mainfreight USA today had a real passion for Mainfreight." – American Manager1.1

2. *Negative:*

>"[Mainfreight] America is only 7 years old, so our managers are still a little bit shy in making standalone decisions and going on with doing the decision making themselves without the supporters, you know, senior manager. But that is changing." – American Manager1.1

APPENDIX 6: FREQUENCY OF CITATIONS

TABLE 5: TABLE OF FREQUENCY OF MANAGERIAL CITATIONS RELATED TO THE FACTORS

Interviewee	Cultural distance	Organisational distance	Level of Integration	Foreign experience	Understandability	Communication	Relative Status	Geographical distance	Recognition	Acculturation
Australian Manager1.1	5	4	3	3	0	3	5	0	1	4
Australian Manager2.1	2	3	8	1	8	5	2	0	1	1
Australian Manager2.2	0	4	1	2	3	10	3	0	2	4
Asian Manager1.1	3	4	0	2	16	14	1	0	1	2
Asian Manager1.2	4	4	1	1	8	4	1	0	4	0
American Manager1.1	2	4	4	2	10	8	6	0	4	10
European Manager1.1	15	13	7	3	24	19	6	1	3	3
Sum	**31**	**36**	**24**	**14**	**69**	**63**	**24**	**1**	**16**	**24**

TABLE 6: TABLE OF FREQUENCY OF CITATIONS IN THE MAIN CASE RELATED TO THE FACTORS

Interviewee	Cultural distance	Organisational distance	Level of Integration	Foreign experience	Understandability	Communication	Relative Status	Geographical distance	Recognition	Acculturation
Interviewee 2.1	0	3	1	0	9	9	2	1	3	20
Interviewee 2.2	8	7	3	0	2	6	0	2	4	10
Interviewee 3.1	6	10	8	0	5	9	4	2	2	12
Interviewee 3.2	4	11	8	0	4	16	3	1	3	16
Interviewee 3.3	2	8	7	0	4	12	1	0	1	15
Interviewee 4.1	6	11	4	1	2	12	3	1	5	11
Interviewee 4.2	1	2	2	0	4	13	1	0	1	11
Interviewee 4.3	0	5	3	0	1	12	1	2	2	12
Interviewee 5.1	0	6	4	0	1	10	0	0	3	11
Interviewee 5.2	2	10	6	0	4	11	1	2	2	17
Interviewee 5.3	0	7	7	0	9	16	1	0	2	8
Interviewee 6.1	2	6	6	2	2	5	3	0	5	8
Interviewee 6.2	1	7	2	0	2	15	0	0	1	6
Interviewee 6.3	0	8	8	0	7	18	0	1	5	13
Interviewee 6.4	0	2	7	0	1	8	3	0	1	2
Sum	**32**	**103**	**76**	**3**	**57**	**172**	**23**	**12**	**40**	**172**

A summary of the emphasis each interviewee put on each factor. Since the Headquarter interviews focused on multiple acquisitions, these were not categorised by this framework but rather used to support the findings made from these quotes.

APPENDIX 7: CALCULATION OF KOGUT & SINGH INDICES

USA		Iij	Iinz	(Iij-Iinz)^2	Vinz	(Iij-Iinz)^2/Vinz
LTO		26	33	49	2,81	17,44
MAS		62	58	16	0,83	19,31
PDI		40	22	324	17,68	18,33
IDV		91	79	144	16,57	8,69
UAI		46	49	9	2,34	3,84
Sum						67,60
CD: USA						13,52

Australia		Iij	Iinz	(Iij-Iinz)^2	Vinz	(Iij-Iinz)^2/Vinz
LTO		21	33	144	2,81	51,24
MAS		61	58	9	0,83	10,86
PDI		36	22	196	17,68	11,09
IDV		90	79	121	16,57	7,30
UAI		51	49	4	2,34	1,71
Sum						82,20
CD: Australia						16,44

The Netherlands		Iij	Iinz	(Iij-Iinz)^2	Vinz	(Iij-Iinz)^2/Vinz
LTO		67	33	1156	2,81	411,37
MAS		14	58	1936	0,83	2336,28
PDI		38	22	256	17,68	14,48
IDV		80	79	1	16,57	0,06
UAI		53	49	16	2,34	6,83
Sum						2769,02
CD: the Netherlands						553,80

China (Hong Kong)		Iij	Iinz	(Iij-Iinz)^2	Vinz	(Iij-Iinz)^2/Vinz
LTO		61	33	784	2,81	278,99
MAS		57	58	1	0,83	1,21
PDI		68	22	2116	17,68	119,68
IDV		25	79	2916	16,57	175,97
UAI		29	49	400	2,34	170,66
Sum						746,50
CD: China (Hong Kong)						149,30

The calculations are based on the Kogut & Singh index (1988), where cultural distance is calculated by the following equation:

$$CD_j = \sum_{i=1}^{4} \{(I_{ij} - I_{inz})^2 / V_i\}/4$$

$$I_{ij} = index\ for\ the\ ith\ cultural\ dimention\ for\ country\ j$$

$$I_{inz} = index\ for\ the\ ith\ cultural\ dimension\ for\ New\ Zealand$$

$$V_i = the\ variance\ in\ the\ index\ of\ the\ ith\ dimension$$

$$CD_j = cultural\ distance\ of\ the\ jth\ country\ from\ New\ Zealand$$

Definition of abbreviations in table above:

LTO= Long-term versus short-term orientation
MAS= Masculinity versus femininity
PDI= Power distance index
IDV= Individualistic versus collectivism
UAI= Uncertainty avoidance
CD= Cultural distance