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# **Table of Contents**

Acknowledgements	2
Introduction	5
Theoretical Foundation	7
Organizational Change	7
Mergers and Acquisitions	10
Organizational Identification	14
Research Gap	16
Research Methodology	17
Research Context	17
Research Design	18
Data Collection	19
Table 1. Description of the Departments Investigated in the Case Study	21
Research Ethics	21
Data Analysis	22
Figure 1. Overview of Initial Codes and Themes	23
Figure 2. Theme Overview and Linkages Between Themes	25
Findings	26
Table 2. Summary of Findings	27
Positive and Negative Group Influence	27
Support and Lack of Support	31
Information Flow and Lack of Information	36
Autonomy and Lack of Autonomy	41
Low and High Organizational Identification	45
Summary of Findings	49
Discussion	50

Evaluating the Impact of Our Findings	50
Organizational Identification Across Departments	51
Impact of Group Influence	51
Impact of Support	55
Impact of Information Flow	59
Impact of Autonomy	63
Implications	67
Limitations	69
Recommendations for Future Research	70
Conclusion	70
Reference List	72
Appendices	77
Appendix 1	77
Appendix 2	<i>7</i> 9
Appendix 3	81

#### Introduction

In today's high-paced and rapidly changing society, organizational change and the constant development of organizations are necessary for their survival. Globalization and technology are advancing every day. Hence, it is crucial for organizations to keep up with competition and change according to the evolving needs of the stakeholders. Since changes in organizations are becoming more relevant, the research field of organizational change is becoming increasingly popular (Rafferty et al., 2013). However, most changes do not pan out as intended. Therefore, the failure rate of organizational change is high and estimated to be around 60-70% (Buchanan & Huczynski, 2019; Kotter, 2007; Beer & Nohria, 2000).

Mergers and acquisitions (M&A) are commonly utilized to increase market reach and customer base with the goal of improved revenue. An acquisition is when a company purchases another company, this will be highlighted as our company of focus has recently been acquired. (Alao, 2010). Acquisitions involve measures like implementing new technology, restructuring of the company or changes in corporate culture (Beer & Nohria, 2000).

According to the Norwegian competition authority, there are over a hundred acquisitions within Norwegian companies annually (Sørgard, 2021). Globally, the number of M&A-transactions is perceived to be around 50 000 (Statista, 2023). According to most studies, the failure rate of acquisitions is high and estimated to be between 70 and 90 percent. Excessive changes like acquisitions are difficult and demanding to implement successfully, and most of them fail because employees are experiencing integration problems with the new entity (Adetona, 2022; He, 2022). Yet the service supplier business is characterized by a wave of consolidations, where many of the big international competitors are acquiring the smaller ones. Furthermore, the wave of M&A's within this line of business is crucial as the contractors are starting to get rid of their machine parks to instead demand more of the service suppliers, thus they are expected to have a range of different machines (Brekkhus, 2020; Giæver & Selvik, 2020). The topic of M&A's is highly relevant as it is quite common procedures, but still one must overcome difficulties to succeed as there is a great risk for failure. Therefore, it is important to understand the process of M&A's, in order to search for new ways to improve it.

Negative consequences like employee stress, inadequate performance, poor integration of employees and poor organizational identification has been reported in the research literature of mergers and acquisitions (Conroy et al., 2017). Organizational identification is when an employee feels unity or ownership with the company they are a part of, and it is one of the things that may be affected by organizational change, either in positive or negative ways (Ismail et al., 2016; Conroy et al., 2017). Further, extensive changes to an organization also takes a lot of time to implement (Buchanan & Huczynski, 2019; Makri & Ntalianis, 2015). However, it seems as organizational support can moderate the negative effect of job stressors, caused by mergers and acquisitions, on employee health (Makri & Ntalianis, 2015). Consequently, in the settings of M&A's, it matters a lot that the employees are recognized and feel that the organization cares about their well-being.

According to Stouten and colleagues (2018), there can be identified ten steps to successful organizational change, which emphasize the importance of including the employees in the change process. Employees' contribution and commitment are vital elements in achieving successful organizational change. Identification with the former company could lead to negative consequences like reduced cooperation, due to the employees' aspiration to protect the interest of the former organization. While forming identification to the new company could lead to more commitment to the workplace (Michel et al., 2010; Lupina-Wegener et al., 2012; Ismail et al., 2016; Conroy et al., 2017).

In this thesis we will examine how an acquisition affect employees' identification with a newly formed organization. We will investigate a specific case where a company has recently undergone an acquisition to further explore the subject. Additionally, we will look at differences across three departments within the chosen company to analyze if the changes have similar outcomes in the various departments. The subject of organizational change is a double-edged sword with both great possibilities for growth and progress, but also considerable risks for failure which could lead to negative consequences. Investigating employee's identification with the company, can hopefully provide some important insight into the topic and further knowledge on what is needed for successful organizational change.

Hence, our study aims to investigate the consequences of acquisitions and how these influence the employees within a company. Based on the topics of

organizational change, mergers and acquisitions and organizational identification, the following research question has been formulated.

"How does organizational change, in terms of acquisitions affect employee's identification with a newly formed organization?"

This thesis consists of six distinct parts. The first part involves a short introduction of the background for our research question. The second part is the theoretical foundation, which investigates the three key components of our research question. These are organizational change, mergers and acquisitions and organizational identification. Part three is devoted to the research methodology, where we introduce which strategy we utilized with regards to data collection and design. Part four outlines our findings and analysis, while the fifth part is a discussion section. The sixth and final part is a conclusion were our main findings are summarized.

#### **Theoretical Foundation**

This part of the thesis consists of pertinent literature for the purpose of laying the theoretical foundation related to our research question. Firstly, we are focusing on organizational change and the complexity of implementing changes successfully in an organization. The second part is devoted to research regarding mergers and acquisitions and the difference between the two. The third part focuses on organizational identification and its connection to successful implementation of organizational change. Lastly, we decided to gather the research gaps we found in a separate section. This is because the relevant articles addressing gaps in the literature concerned most of our topics, as well as them being interlinked

### **Organizational Change**

Organizational changes are in the literature often divided into different types, categories or scopes depending on how great impact the change has on the organization and if the changes are planned or more spontaneous. Weick and Quinn (1999) divide changes into two different types called episodic change and

continuous change. Episodic change is defined as changes that are planned, discontinuous and do not happen frequently. This could be changes prompted by new technology or new hires. Hence, such changes could be initiated by both internal and external events, like for instance acquisitions, which is relevant to our case.

Continuous changes on the other hand can be defined as changes that are current, emergent, evolving and increasing. It describes smaller changes that are constant adjustments to work processes, where all the little changes combined over time can generate significant change (Weick & Quinn, 1999). The types differ in how extensive the implemented changes are, and if they are planned for or more emergent, like smaller corrections. These two types of changes have a very different structure, where episodic changes are deliberate with the change going through three stages of unfreeze, transition, and refreeze. Continuous change on the other hand is continuous adjustment with three stages of freeze, rebalance and unfreeze. The difference in nature with these two types of changes also impact the role leaders have in the process. In episodic change the leader should be the one initiating change, while with continuous change the leader should redirect the workers and make sense of the change (Weick & Quinn, 1999).

According to Nadler and Tushman (1990) changes can be split into four types divided across two dimensions. The first dimension is strategic or incremental changes, and the second dimension is reactive or anticipatory changes. Incremental changes are changes that happen frequently in organizations within their existing state, but they are not necessarily small. It can be changes in structure or technology. Strategic changes, however, impact the entire organization and often require the existing systems to be redefined. Then the second dimension additionally divides the changes with regards to how they occur. Reactive changes are changes which are more emergent as a response to something external, while anticipatory changes are planned ones that are implemented because they are anticipated to provide competitive advantage (Nadler & Tushman, 1990). Changes that are anticipatory and incremental can be called tuning. Adaptation is the name for changes that are reactive and incremental. Re-orientation is the type of changes that are anticipatory and strategic. Re-creation is the last type of change which is the combination of reactive and strategic change. Tuning, re-orientation, adaptation and re-creation

are the four different types of changes defined by Nadler and Tushman (1990). Comprehensive changes like acquisitions could be defined as a re-orientation type of change, these are risky changes that takes time but provides the opportunity to learn and adapt from mistakes (Nadler & Tushman, 1990). According to Pardo Del Val and Fuentes (2003) it is however important to keep in mind that real changes are usually a mix of types and not singularly defined.

Stouten and colleagues (2018) define planned organizational change as "deliberate activities that move an organization from its present state to a desired future state". The aim of organizational change is to improve ways of thinking and functioning to further improve how adaptable the organization is to the setting in which they operate and organizational performance (Pardo Del Val & Fuentes, 2003). Implementing meaningful changes to an organization can however be challenging, with a high failure rate, where most of the implemented changes do not end up as desired (Stouten et al., 2018; Buchanan & Huczynski, 2019; Beer & Nohria, 2000). Studies also show that the problem is usually not the change itself, but that the change is implemented in a problematic way and therefore it does not work out as intended (Choi, 2011). Research has found evidence of increased stress in workers, overload, and demotivation as common and unwanted consequences of organizational change (Stouten et al., 2018; Buchanan & Huczynski, 2019; Makri & Ntalianis, 2015). Nonetheless, change is vital for organizations to gain competitive advantages and stay relevant in our constantly evolving society (Buchanan & Huczynski, 2019).

There has previously been a lack of consensus in the literature with regards to which processes and principles are needed for successful organizational change within change management. Therefore, Stouten and colleagues (2018) reviewed the existing literature within the field and came up with ten steps to use in managing planned organizational change. These ten steps are based on scientific evidence, whereas a lot of the other theories within the field have been based on expert opinions. Seven theories within the field have been reviewed and compared, and since a lot of them overlap, Stouten and colleagues (2018) ended up with ten steps which we will review and connect to our findings in our discussion section. The first step is diagnosis, assessing the situation that is the cause for the change and figure out if change is needed, gathering information from everyone invested in the organization and involving employees. The second step is to assess the readiness for change with regards to the organization's change

history, current stress and demands and management's ability to lead and implement the change. The third step is to identify solutions and implement change interventions that are based on evidence, to improve readiness. The fourth step is developing leaders through training throughout the organization, to make them effective with regards to change leadership. The fifth step is to develop and communicate a clear and compelling vision of change, finding out what one wants to achieve with the change and express the intention as well as what goals are being pursued, it should be appealing to the stakeholders.

The sixth step is utilizing social networks, it can be work teams or groups that should be approached as a team for positive influence with regards to the change. The seventh step is that employees should be supported using enabling processes, to further support implementation. These enabling processes are goal setting, learning, fairness and justice, employee participation and transitional structures. The eight step is that experimentation should be encouraged, to learn by doing to see what parts of the change are working and what are not. Progress and accomplishments should be made visible and conveyed to further reinforce the vision of the change. The ninth step is that the process of change should be managed continuously, the change should be assessed in terms of progress and outcomes over time. People should also be provided feedback, to better understand the effects of the change. The tenth step is that the change needs to be embedded in the organization, and it needs to be a part of everyday activities, company culture and practices. Further, the change needs to be fully integrated into the system of the organization (Stouten et al., 2018).

# **Mergers and Acquisitions**

Mergers and acquisitions are changes which are relevant for gaining a competitive advantage. The terms merger and acquisition are often used in combination and interchangeably, even though they are not the same terminologies. Therefore, it is crucial to know the difference between them and their purpose. A merger can be seen as the process where two or more businesses become one organization, and therefore only one of the firms survives as a legal entity (Alao, 2010). While acquisition on the other hand is when a large entity buys a part of or the whole organization, which is much smaller than the acquiring company. However, according to Malik and colleagues (2014), they are both actions that alter the

ownership structure of businesses and involve takeovers, corporate restructuring, or corporate control. Further, they may be seen as important tools when it comes to expansion of organizations. In mergers, two companies are combined and the best solutions from them are selected. In acquisitions on the other hand, the acquired company has no power, and the changes are simply forced upon them. The primary motivation for choosing one of these tools is to collaborate with other businesses, which in the long run may offer more advantages than operating independently in a market (Malik et al., 2014). For our thesis we will mostly focus on acquisitions, as the chosen company has recently been acquired. However, in 2017 before the acquisition, they merged with two other companies. Therefore, this may be revealed in some of the answers in our research, since they may bear the mark of recent experiences.

As mentioned earlier, the failure rate of M&A's tends to be high, which may be caused by numerous reasons. The core of the problem could be that the loyalty and identity employees have built up for the organization changes when going through with either a merger or an acquisition. Furthermore, it often takes time to implement changes in a manner which the remaining employees are used to, they might struggle with unfamiliar procedures such as technological changes, different work arrangements, and job tasks with little to no information. All of these may result in employees having commitment issues or leaving the new entity (Makri & Ntalianis, 2014). However, communication during mergers and acquisitions are highly researched and may be feasible if the correct stages are seen through. According to Davenport and Barrow (2009) the high failure rate of M&A's is not that surprising as the communication and cultural challenges are huge, and in fact it is found to be even more surprising that people succeed. He further argues that transparent and honest communication is the key to a successful M&A.

As mentioned, the process of M&A's may be divided into different stages, where each stage has its own challenges but also opportunities that may help with seeing the process through. According to Davenport and Barrow (2009) there are six stages in the timeline.

Stage one consists of the strategic need and identifying a partner. The goal of this first stage is to provide an idea of the variety of difficulties that a communicator may encounter depending on the planned level of integration. At this initial stage there are no changes for either of the two, and they might

continue as before with no changes to operations. The only change going forward would be in the financial reporting. However, the goal is to further create a new organization where no one remembers who used to work for which of the former ones. In stage one there is according to Davenport and Barrow (2009) four alternatives to integration: preservation of the old ways in each organization, assimilation of the target into new parent, integration with best of both companies and the creation of the new company. Yet, the level of integration will vary with the reasons of the acquisition. Hence, it depends on the size of the new company and if the organizations are engaging in similar business. This will also influence the required quantity and sorts of communication (Davenport & Barrow, 2009). The most crucial advice from this stage is to communicate the pending acquisition early on, in order for the employees to feel involved and that they are heard.

Stage two is the due diligence, this is where the firm collects all detailed information. In some M&A's a lot of the due diligence may be done before the deal is presented, but mostly the detailed version is collected amid the announcement of the deal and the finish line. With regards to communication at this stage, it is important to examine both one's own and the other company's communication framework. This should be done to get a closer look at their organizational culture, which involves their working relationships and ability to change. It will further give insight on whether the communication strategy should be changed or kept with only small manifestations (Davenport & Barrow, 2009).

Stage three is the stage where one prepares for and makes the initial announcement. Most of the key decisions such as coming up with a new shared name and location of headquarters are usually made before this stage. The importance of this step is to remember to make sure that the message about the initial announcement is clear for the audience and that the concerns of the employees are covered. The message is usually conveyed a bit differently depending on the friendliness of the arrangement. If there were to be a hostile takeover or a bidding process, the communication during the negotiations would be challenging and both sides usually then prepare documents about how they see the future. As this is not the case for our company, it is not that important to look further into at this point (Davenport & Barrow, 2009).

Stage four is the time between the announcement and day one, where the deal is public but before the actual M&A takes place. At this phase there is seen to be three activities going on at the same time: regulatory approval, further due

diligence and preparation for the gathering of the two companies. This stage is seen as the hardest one for communicators, as the final approvals are not yet finalized. Therefore, answering questions from the colleagues is hard at this point as their faith is not yet sealed. However, according to Davenport and Barrow (2009) what is to be prioritized at this phase is maintaining morale and motivation, which is often a bit hard due to people feeling that their job is at risk. Consequently, the information needs to be clear and informing, and the employees needs to be seen. They will need information about their personal and professional development and how they can further develop. Moreover, they will have to be kept in the loop of the new organization instead of listening to rumors. According to Davenport and Barrow (2009), other ways to handle this stage could be to implement a help desk in the business, to further guide the employees and answer their questions in person.

Stage five is the first 100 days of the Merger or Acquisition, and even though the announcement and day one is important for the new company, the first 100 days are seen as even more crucial (Davenport & Barrow, 2009). The first 100 days will give people an indication of what it is really going to be like, and not just the certain impression they have gotten up until now. However, what is good about this stage is the willingness of the people, as research suggests that there is a small window at the beginning of a new company when people are ready for change and welcome it. The challenges are that companies often tend to be more concerned with business as usual and not changing too much, which will result in staff having the us against them mentality. Therefore, the crucialness of having a visible change and to not waste this window of opportunity, cannot be stressed too much. So, to implement visible changes, such as redecorating, during the first 100 days is seen as vital to make a statement and this will have an immediate impact on the employees and form their view on change (Davenport & Barrow, 2009).

The sixth and final stage, is the phase where the new employer brand is established. After having gone through the announcements with the change in structure and management, this is the stage where the building of the new brand starts for real, and the opportunities or challenges will hit the organization from this point on. With regards to communication at this stage, it is still important to ensure that the feedback is acted upon and that the plan for communication is in place (Davenport & Barrow, 2009).

# **Organizational Identification**

To have a successful organizational change process, such as an acquisition, will depend on the employee's cooperation and participation. Which includes supportive organizational attitudes, values and behaviors (Michel et al., 2010). However, research shows that organizational changes, like M&A's, cause a lower level of identification with the original organization after the changes are implemented. Those who identify with groups whose identities are adversely damaged by change make these negative effects worse (Mühlemann et al., 2022). The ability of the merging firms to compromise and adopt each other's business methods is one of many tangible and intangible elements that affect the success of M&A agreements (Ismail et al., 2016). Since low identification with the post-merged organization is often cited as a key reason for M&A failure, it is highly relevant to look further into organizational identification (Lupina-Wegener et al., 2012).

There are many ways to define organizational identification, but it is frequently described in the literature as the act of identifying oneself in terms of the organization(s) of which one is a member of. Then there is a notion of unity with or belongingness to that specific organization (Ismail et al., 2016). Further, according to Ismail and colleagues (2016), organizational identification affects employees' intentions to remain and perform well for their company and is associated with their behavior and work-related attitudes. There are several favorable outcomes for employees which can be related to a positive identification, such as increased organizational citizenship behavior, intention to stay, motivation at work, job satisfaction, extra-role performance, job performance, loyalty and dedication. A high level of organizational identification is often thought to be advantageous to organizations (Ismail et al., 2016; Neill et al., 2019; Conroy et al., 2017).

There are however also negative outcomes related to organizational identification such as over-identification, unethical behavior, work-family conflict, reduced cooperation, and difficulty with change (Conroy et al., 2017). Conroy and colleagues (2017) also found that organizational identification can pose problems with regards to change. For instance, high organizational identification can obstruct successful implementation of change processes and it may also facilitate resistance to change efforts like mergers and acquisitions. This is due to how changes can pose a potential threat to the already established

identity and could therefore serve as a driver for such negative outcomes. One of the main causes of a failed staff integration after a M&A deal is thought to be the new management's inability to establish and foster psychological relationships with the acquiring business. Employees may begin to hold an identity that management disapproves as a result of this failure, which almost certainly has a negative psychological impact (Ismail et al., 2016). Therefore, it seems relevant to investigate findings in the literature about how changes, like acquisitions, can pose challenges yet also advantages for the company, with regards to organizational identification. One example is transformational changes, which are those that involve fundamental changes in how operations are carried out. These can cause issues with internal communication, which can make it difficult to maintain organizational identity and they may even require the transformation of organizational identity (Neill et al., 2019; Buchanan & Huczynski, 2019).

In times of organizational change, it is important that leaders are open and facilitate an environment of trust where employees are involved in the process and in decision making. This is because it enables the information flow and builds confidence in the organization and its leaders, which in turn can further build and encourage organizational identification, because it may create a sense of belonging, community and a feeling of ownership to the organization, which is crucial during times of change (Neill et al., 2019). It is especially important, because building identification with the organization can further build affective commitment to change as well as behavioral support for change (Neill et al., 2019).

Research also suggests that during times of change it is important for managers to boost dis-identification with organizational attributes previously utilized, and instead encourage re-identification with new organizational attributes. This can be done through communication strategies. For instance, by emphasizing where both new and old organizational attributes overlap, to create a linkage (Neill et al., 2019). However, continuity between the old and new organization is in general important because it reduces uncertainty and can contribute to maintaining organizational identification during times of change (Elstak et al., 2015).

## Research Gap

Klok and colleagues (2022) explored emotions during mergers and acquisitions, while Edwards and colleagues (2017) investigated identification in a longitudinal study while comparing different M&A settings. So, there are several articles within the same field of study, investigating a lot of the same interconnected topics as us. Further, Elstak and colleagues (2015) address a gap in the literature with regards to how or if differences across departments can impact responses to a merger. We therefore hope that our case study can provide some additional insights into responses to an acquisition, by looking at employee's identification to the organization across departments in a recently acquired company.

Prior M&A-related research shows that organizational change frequently causes low levels of post-merger affiliation with the new firm and a declining level of identification with the pre-existing organization. Therefore, it seems relevant to investigate if those who identify with groups whose identities are adversely damaged by change, will make these negative effects worse. Hence, that employees who highly identify with their previous workplace are going to suffer when they lose their pre-existing organizational identity (Mühlemann et al., 2022).

Stouten and colleagues (2018) review article, addresses the issues of how focus in previous research has mainly been on lower-level employees, which therefore might make them respond more desirable to change when it is initiated by immediate managers rather than top managers or managers that are not working closely with the employee. Middle managers are the managers who are immediate to the employees, they are below top management and implement decisions made at the top level of the organization (Stouten et al., 2018). Thus, middle managers could be more relevant to investigate as change leaders. Although our study aims to investigate employees' responses to an acquisition, including middle managers and comparing their insights to those of the employees could be relevant, as they work more closely with the employees and are the ones implementing change. This also emphasizes the potential relevance of including middle managers of different departments, as they may communicate and implement changes in various ways, and employees may react in different ways depending on the department.

These apparent gaps in the literature have inspired our research question, we want to look more closely at employees' organizational identification after an

acquisition has been initiated. Where we will be going in depth and exploring this connected topic within the setting of organizational change, which will hopefully provide new insight and lay the foundation for future research.

#### **Research Methodology**

In this section of our thesis, we will summarize how we gathered our data and reasons for our choices during collection. We will also explain our choices with regards to analysis and briefly sum up what we focused on and why.

#### **Research Context**

We are specifically looking into a service supplier organization which is providing equipment and machine rental to both the professional market and private customers. The service supplier we are investigating was recently acquired by an international organization operating in the same industry. We will therefore explore how employees identify with the newly formed organization. The former company was one of eastern Norway's largest distributors of machine rental, which consisted of four departments. The company was highly successful with a turnover of 300 million NOK and 80 employees. They started out as a small family-owned business with only 30 employees, which merged in 2017 with two other family-owned businesses, which is when the four departments were formed. The company has not experienced any other extensive changes since 2017, before being acquired in September 2022. The acquiring company is international and is based in several European countries, with nineteen facilities and 350 employees spread out across Norway. They are now expected to have a turnover of 900 million NOK in Norway. The acquiring company has chosen to keep all the employees from the acquired company, although some employees and managers has gotten changes made to their role in the company. They have also decided to keep all the departments across Norway as they were, none of them have been combined or split up, and they are located in the same geographical area as previously. They have also opted to provide the staff with the most beneficial agreements from both firms with regards to pension plans, insurance policies and

other internal legal agreements. Thus, they have compared the two companies' agreements and recognized which agreements that benefits the employees the most and then chosen to implement these.

We conducted interviews with participants from three different departments in the company, these will be referred to as department A, B and C. The three departments we are looking into were previously three of the different companies who chose to merge in 2017, where only department A's name was kept in the process. We initially intended to include the fourth department, but the candidates from this department chose to not partake in our study.

#### **Research Design**

For our study we chose a qualitative research strategy and a case study design. Our qualitative research design is selected as we found gaps in the literature which we hope to fill through an inductive approach. A case study design involves a rigorous and comprehensive analysis going in depth on a single case. We have chosen to investigate a single organization, with the goal of this design being to provide unique insights to the case and the case intricacy (Bell et al., 2019).

Our aim is to capture the nuances of post-acquisition organizational identification across departments by utilizing semi-structured interviews, to see how applicable previous findings are or if we discover anything new. This is because findings could vary depending on the organizations history, industry, type of change and size of the organization, and thus might not be generalizable (Neill et al., 2019; Mühlemann et al., 2022). We chose to use qualitative methods of data collection in terms of semi-structured interviews with open ended questions, to gain more depth on the subject. This type of interview is structured in the way that there is a plan for what questions to ask. However, the order in which they are asked can be changed and there is also room for adding further questions if noteworthy responses emerge, which require further elaboration (Bell et al., 2019). We made an interview guide to ensure reliability, which was based on the theoretical foundation with our three chosen topics of organizational change, mergers and acquisitions and organizational identification. We also added some closed questions regarding the participants' background, to collect data on variables like gender, age and role in the company (See Appendix 1).

To maximize the learning and understanding of the change effect on the employees, we wanted to look at selected respondents and conduct interviews. We investigated the organizational identification of the employees within their current stage of the acquiring process (Bell et al., 2019).

Our study aims to look for correlations or differences in responses or perspectives between employees and middle managers, therefore we included both groups as part of our selection. We examined the participants across the different departments, to see if the they had different responses to the acquiring process. With our main aim being to investigate all the selected participants' identification with the organization after the planned change process had been initiated. We wanted to provide in depth insights from the case to broaden the understanding of the case complexity.

#### **Data Collection**

To begin with, we arranged one test interview with our contact, who is also a middle manager within the company. He further helped us select our respondents, and the ones selected collectively differed a lot with regard to tasks, age and competence. This is because we wanted our selection to be as widely ranging as possible, with employees from all parts of the business, to gain further understanding. However, all the candidates originally selected did not partake in our study, as they were not available for interviews on the dates chosen. We also tried to select respondents with varying gender, however the industry is mostly dominated by male employees. Therefore, our selection is not evenly spread with regards to gender, and the company has no female middle managers.

We made sure to divide tasks during the interviews, so one could take notes while the other asked the participants questions. This was done to better capture the essence of the interviews with regards to pronunciation, facial expressions and tone of voice, but also to make it easier to fully transcribe the interviews later. All interviews were also recorded after the participants had signed our consent form. The interviews were conducted in Norwegian, afterwards we translated them to English. This was done because all the participants we interviewed were native Norwegians. We wanted the replies to be as authentic and heartfelt as possible, and we recognized that holding interviews in the candidates' mother tongue would contribute towards this.

We ended up with sixteen respondents from the pool of employees and middle managers. Our participants ranged in age from 33 to 63 years. In collaboration with our contact in the company, we recruited five females and eleven male respondents. With regards to position and tasks in the company, five of them were middle managers and the remaining were employees in different positions. An overview of their roles is displayed in table 1. To provide a better overview of similarities and differences in the departments, we included table 1 which gives a general description of the departments. The three departments all function in the same way and have the same tasks, roles and responsibilities, with their greatest difference being their sizes and where they are located. Department A was the largest one, therefore half of our participants were selected from their pool of employees. The other eight participants were equally divided from departments B and C.

There are some additional components which are not displayed in table 1, they are however important to include as they are relevant for our discussion section. We examined how many participants had changes in roles by asking them if their position had changed after the acquisition, there were a lot more changes in participants' roles for department A compared to B and C, as department A had changes in roles for 5/8 participants, while department B and C had changes in roles for only 1/4 participants. Only minor changes in responsibilities or tasks were not considered changes in role. We also asked general questions regarding management, where it was uncovered in the interviews that department A and B had a new middle manager, while only department C kept their initial manager.

All the interviews were conducted in the office of each department, except for two interviews which were conducted virtually through Zoom. We aimed to hold all the interviews face to face, however for the two interviews conducted virtually we used a video feature to better replicate the conditions of a live interview. Nevertheless, we tried our best to avoid Zoom interviews because we wanted the setting to be less artificial and more natural for the candidates, which is why we chose to meet them where they work.

Table 1. Description of the Departments Investigated in the Case Study.

	Department A	Department B	Department C
Change of name related to merger	Retained	2017	2017
Department size after the acquisition	40	30	15
Average time working in the company before the acquisition (months)	127,5	28,5	61,5
Roles of the participants	Middle manager, Business controller, Customer service, Transport coordinator, Sales associate	Middle manager, Sales associate, Technical manager, Transport coordinator	Middle manager, Customer service, Mechanic, Business controller

We chose to interview the candidates seven months after the acquisition, which took place in September 2022. Consequently, we arranged interviews with the candidates throughout March 2023, with approximately 30-45 minutes per interview. Because we chose to hold our interviews a few months after the acquisition, the employees and middle managers had some time to experience the change process before the interviews were conducted.

### **Research Ethics**

Early on in this process we knew which company to investigate, therefore we applied to Norwegian center for research data (NSD) and got our project approved ahead of starting (See Appendix 2). Following the guidelines from NSD we are complying with legal and ethical regulations; the material is saved in a proper manner where only we and our supervisor have access to it. Sensitive information is excluded or anonymized. All the participants we interviewed had to sign a consent form prior to each interview, they were also informed that they at any time without reason could withdraw their consent (See Appendix 3). We also took measures to ensure as much reliability as possible. These measures involved us collaborating when conducting all the interviews, but also with transcribing and translation, to ensure agreement on findings, which thereby increase internal

reliability (Bell et al., 2019). As mentioned we also made an interview guide to further ensure internal reliability. However, internal validity and generalization, is more difficult to ensure in qualitative research, since it usually involves small samples and case studies, like we have utilized in our thesis.

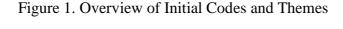
#### **Data Analysis**

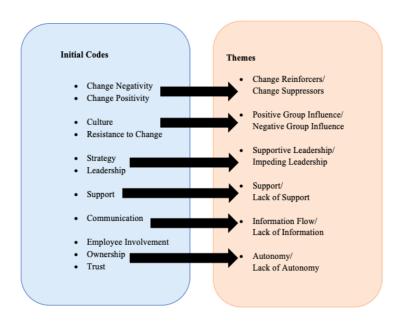
For our analysis we have chosen to use the approach of a theoretical thematic analysis, this due to us looking for specific aspects related to our research question, which is connected to the theories from our literature review. A thematic analysis regards analyzing and reporting patterns in the data, we chose this approach as it is highly flexible and suiting the data we collected (Bell et al., 2019; Braun & Clarke, 2006). During the interview process we saw early on that there were clear tendencies in each department and quickly formed ideas which have inspired our process of analysis. Prior to the conduction of interviews, we had read a lot of articles from the chosen topics of investigation, therefore we had a lot of theories in mind as we were interviewing participants.

Before we even began coding the material, we had familiarized ourselves with it through conducting interviews, transcribing the data and translating the data. Additionally, we read through the interviews in full several times. We started out looking for patterns and meaning connected to our research question, which resulted in an initial list with different codes. We collected relevant data extracts from the interviews and placed them into groups within the suiting code, this helped us to further narrow down the list of codes to a smaller number of broader themes, which was even more concise. Considering the different levels of themes, we also split them up into main themes and sub-themes. Further, we refined the themes and considered how the different extracts fit together within each theme, we also made sure the themes were different from each other. A lot of extracts and initial codes were discarded through this process.

When we were creating our analysis, we were interested in the factors which could have had an impact towards organizational identification. This was our focus when we were reviewing interviewee statements, which led us to create a considerable amount of more narrow concepts, which captured different features of the data. These were our narrower concepts: change negativity, change positivity, culture, resistance to change, strategy, leadership, support,

communication, employee involvement, ownership, and trust. These narrow concepts, also called codes, were further refined or discarded. Therefore, we ended up with six themes, namely: change reinforcers/change suppressors, positive group influence/negative group influence, supportive leadership/impeding leadership, support/lack of support, information flow/lack of information and autonomy/lack of autonomy. Figure 1 shows an overview of our initial codes and what themes they were refined into. Further, the themes will be described and defined.





We will start by defining the different themes and show how these are interconnected. Our selected participants included both middle managers and employees from the three departments. We have chosen to compare statements between them to look for incongruence, to see if the middle managers had some insights to their employees' experience regarding the acquisition. It was clear from the interviews that there were many different factors that impacted how participants identified with the newly formed organization. Therefore, we chose to establish these different factors into one main theme; change reinforces/change suppressors. While the reinforcers to change are factors that help contribute towards the change and positively impact it. In contrast, the suppressors to change are the factors that work against the change and could be considered to negatively

impact it.

Further two sub-themes were recognized within the main theme. The two sub-themes could be found to either reinforce the change or hinder the change. We found supportive leadership and positive group influence to be reinforcing, while the opposites on the suppressing side were defined as impeding leadership and negative group influence.

In the interviews it was apparent that many participants referred to other colleagues or conversations with coworkers, and that they were plainly aware of others' position with regards to the acquisition. Also, the participants were visibly both negatively and positively affected by other colleagues' and middle managers' opinions. This was explicitly shown in their statements about colleagues' attitudes. Therefore, we defined the sub-theme of negative/positive group influence.

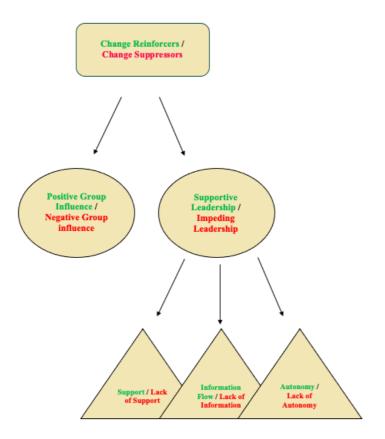
The sub-theme supportive leadership/impeding leadership regards leadership attributes, whereas supportive leadership helps employees identify with the company, impeding leadership hinder and obstruct employee identification with the organization. The different employees we interviewed described their immediate leaders (middle managers) using different characteristics, they also described the middle managers' actions and their consequent effects in different manners. We could quickly see patterns through occurring repetitions in interviews, and there also seemed to be visible patterns within each department. These repeating patterns lead us to add three additional sub-themes, namely: support/lack of support, information flow/lack of information and autonomy/lack of autonomy. These three sub themes identified are recognized as our main drivers for identification or lack of identification with the organization.

Those who identified to a higher degree often described positive leadership attributes like their leaders contributing to their needs being met and getting them help, if necessary. However, when this attribute was absent it was found to have negative effects, we defined this theme as support/lack of support. Participants also described satisfactory communication and sufficient sharing of information, while some employees described poor communication and a lack of information, this theme was therefore defined as information flow/lack of information. Lastly, they provided descriptions of receiving adequate trust from management and a sense of ownership by getting the freedom to properly do their job. On the other hand, some employees testified to getting less responsibility, trust and freedom from management, this theme was recognized as autonomy/lack

of autonomy. When these three attributes were absent, they were found to negatively influence organizational identification. If they were present, they were found to positively influence organizational identification.

As shown in figure 2, the themes discovered in our study can be divided into one main theme, which is change reinforcers/change suppressors. Change reinforcers is focused on supportive leadership and positive group influence in contrast to change suppressors, which are focused on impeding leadership and negative group influence. There are also sub-themes to supportive leadership. which is support, information flow and autonomy. While impeding leadership has the sub-themes of lack of support, lack of information and lack of autonomy. The themes that emerged from our analysis as well as their connection to each other is displayed in figure 2. The different themes uncovered will be substantiated through the use of extracts from our data in our findings section. We will also look at the different departments and compare them to each other in this section. Similarities or differences regarding the themes will be highlighted using data extracts.

Figure 2. Theme Overview and Linkages Between Themes.



#### **Findings**

For this section of our thesis, we will provide findings from our data collection. We will exemplify the findings with selected statements from participants. Further, we will clarify the differences and similarities between each department through the different data extracts. Statements from employees will be introduced first, before the ones from middle managers are displayed. This is done to highlight whether statements from middle managers corresponds or contrasts with the ones from employees in their department. Lastly, we will examine organizational identification before our key findings are summarized.

Although we have been conducting qualitative research, we have chosen to summarize our key empirical findings in table 2. This has been done because we are comparing three departments, and the table makes it easier to understand the similarities and differences, by getting more of an overview. The numbers in table 2 illustrates how many participants of the total selection from each department that perceive each leadership attribute to be present.

Table 2. Summary of Findings

	Department A	Department B	Department C
Information Flow	4/8  The participants were divided regarding information flow. Half of them spoke of adequate information, while the other half did not feel that flow of information was sufficient. They missed information about projects and roles.	4/4  The participants gave statements weighting an adequate flow of information, due to sufficient management.	2/4  The participants differed in opinions. Half of them felt that the flow of information was insufficient, while the other half stated having to find information themselves and the information being published prior to them being informed.
Autonomy	4/8  The participants diverged. Half of them stated feeling involved and heard, while the other half stated inability to make decisions on their own and loosing responsibility.	4/4  The participants communicated that they received feedback, trust and confidence from their leader.	3/4  The participants felt like they had freedom and influence in their work. However, one participant described not being heard when making suggestions.
Support	5/8  The participants were rather split with regards to experiencing support from management. They had statements accentuating them feeling heard and receiving help. However, some employees also experienced a lack of support in terms of not getting replies and feeling left to themselves by management.	4/4  The participants expressed being provided tools for problem solving, receiving recognition and feeling met by management.	2/4  Half of the participants felt like their demands were being met, they also felt looked after. However, the other half gave statements which highlighted a lack of training and an insufficient HR-department.
Positive Group Influence	1/8  The participants stated adverse effects. They emphasized not working towards the same goals and negatively loaded talk about management. However, there was one participant who acknowledged positive group influence in terms of social gatherings and social media groups.	4/4  The participants vocalized feelings of unity and they had a collectively positive attitude.	4/4  The participants spoke of group activities, collaborations and beneficial relationships at work.

# **Positive and Negative Group Influence**

We will now look at the themes positive group influence and negative group influence. In our analysis we included extracts where participants mentioned colleagues and further said something that showed how the participants were either negatively or positively influenced by what their coworkers did or said. As shown in table 2, department B and Department C had employees that were more

positively influenced by their work group. The statements from these two departments emphasized how the work climate was beneficial and that conversations with coworkers were positively loaded.

The statements selected from department B emphasize unity and agreement in the department. They were all surprised by the acquisition, but still had a collectively positive attitude, which has an encouraging effect on everyone in the department. One of the statements also highlight how this has not always been the case, as they had a negative response to the merger in 2017.

My colleagues had a bit of a "wow" moment when we were acquired, like everyone else, but here at department B there has been a very positive atmosphere the whole time. (Employee from department B).

I think that it is much more positive now, at least for the department, than with the previous acquisition in 2017. I also feel that my colleagues up here are much more positive than the last time. It is a little easier to let go, since they did not have a strong identification with the previous organization. (Employee from department B).

Statements from department C mentioned positive aspects like favorable relationships between colleagues and cooperation. One of the statements also accentuated the positive effects between employees, by exemplifying activities they do together. The statements demonstrate how the positive group influence reinforce employees' positive attitude.

We have a very good relationship here. We drink beer together on Fridays and have chat groups where we joke around. There are only fifteen of us in this department, so then you become a bit closer. And we have a lunchroom where everyone can eat together, so not everyone goes out to eat on their own, then it becomes more social too. (Employee from department C).

We are very close here at the C branch, and we cooperate very well because we have all been here for a while. And that is the most important thing to me. (Employee from department C).

Department B's middle manager also experienced the same as his employees and had decent insight to their perception regarding group influence. Hence, his statements were consistent with those from his employees.

There is no chatter in the hallways because I would have picked up on that. Even if I am probably the last to pick up on it. But we communicate very well together in this department. Clearly, it is a very good working environment. I have not found anything negative so far, but I am not looking either. (Middle manager of department B).

Department A also had quite a few statements that showed signs of positive group influence. However, the statements from this department were mainly dominated by negative group influence. Which is why table 2 shows that only 1/8 participants from department A experienced more positive group influence than negative. We have collected a few statements related to positive group influence from department A, to display that they were not solely negative in conversations with each other, even though a majority of statements were stressing negative group influence.

We have been good at taking on a lot of the social aspect ourselves. Now we are going to have a party in the canteen in March, but my colleague and I have taken the initiative to do so ourselves. (Employee from department A).

We also have a group on snapchat, where someone recently took a picture of the logo. I think by seeing the logo around it helps to make you proud, employees going out in the city can point to a container and say "I work there". We also build unity by sending pictures of our logo in the group chat. (Employee from department A).

In departments B and C there were only one statement for each department that could be placed under negative group influence, this was clearly outweighed by all the statements suiting positive group influence. We have however chosen to include these statements, to illustrate that even though there are clear tendencies

in our data, there are naturally also some inconsistencies.

The topics between employees are often that they talk about the way we did things before and compare it to how we are doing it now, and how it is often just as nice to do it the way it was done before. (Employee from department B).

It is difficult for me to understand. Why mess with something that works. It is a recurring topic between coworkers, but no it is not something that is really terrible or something that is really good, everything is more or less the same, so there is not much difference other than it being a little more cumbersome sometimes. (Employee from department C).

On the other hand, Department A had a clear pattern where statements were exhibiting that a majority of the participants were more adversely affected by the work group. We have selected quite a few statements on this sub-theme, this is because all the statements selected address different aspects of the negative group influence. The statements emphasize how the department is not working as a group anymore, but rather a gathering of single individuals working at the same location. They also testify to how people speak negatively about management, further creating a collectively negative attitude towards them and lastly the statements show how negatively loaded rumors can grow within groups. The statements accentuate how pessimistic opinions and uncooperative behavior in groups reinforce these attitudes and actions within individuals.

Now it has become more the case that everyone is fighting for their own cause and themselves. "I will earn the most and do my thing", it is a collective disclaimer. I miss the fact that everyone helped before, even if it is not necessarily within their job description. It seems that people have resigned themselves so badly, that is what I do not like. The fact that people come to work and just do what they have to, they only think about themselves and then they leave again. So, everyone is rowing a little in their own direction. (Employee from department A).

What happens when the manager is so bad is that there is a worse attitude

among us employees. We gossip about him all the time and laugh at him; we have no respect and then consequently we do not bother to do our job properly either. (Employee from department A).

There is conversation between all employees in the department, so much that people can create an entirely new story by themselves. Like when people quit, there has been too little information about how and why people have chosen to resign. Previously it was like "now we will eat cake because someone is leaving us", which was more personal. Now the public email arrives and creates fertile ground for speculation. Why people quit can quickly be spun in a negative manner, which can make others negative. (Employee from department A).

I think it is important that the negativity and the "everything was better before" mentality is not allowed to flourish, like it does now. That you should be able to keep things inside so that it does not create a resistance to change. (Employee from department A).

There is a bit of chatter in the hallways because no one knows that much and then you often end up filling in the gaps. Something I really liked before was the unity that existed when I started. There are several people who have quit, and then the atmosphere will automatically be a little worse at times, so I hope that will be good again. (Employee from department A).

#### Support and Lack of Support

The sub-theme support is one of the three sub-themes under the theme supportive leadership, this can be put in contrast to lack of support which is under impeding leadership. This is a leadership attribute that is either present which has a positive influence and if it is absent, it has a negative influence. For support we included statements where participants spoke about feeling supported, helped and in general speaking about how their needs were being met, for instance if they vocalized wishes or needs. For lack of support, we included extracts showing the opposite, employee' statements that are testament to a lack of support from

management. In total, as many as 11/16 participants gave statements that testament to them feeling supported, and as displayed in table 2 one may notice that every participant in department B felt supported.

We have selected three statements from employees in department B which demonstrates them feeling supported by leaders. All the statements contribute with something distinct, as they address tools for solving tasks, recognition and being met with answers if there is uncertainty. All of these statements attest to department B having a supportive manager.

I have received support if I have needed it. With support and IT, we get help. In a sense there is a person for each individual step, and they help out as soon as they can. Otherwise, I have received support and answers to things I have wondered about. I was positive from day one when we heard about the acquisition, I thought it sounded exciting to grow and develop. We have not lost anything, but really just gained benefits and tools for support. (Employee from department B).

They are very professional, you can call it the toolbox on top, it is very solid. Management has a lot of tools and provides us with what we need. Therefore, it works very well from an employee's perspective. (Employee from department B).

Constructive criticism and recognition when something is good is important, at least to me. Perhaps what excites me the most is our new manager, as our recent manager had far too much to do, so we were very much left to ourselves. So, I think we are better taken care of now than before which will result in more support. (Employee from department B).

These statements from the employees are coinciding with statements from the middle manager leading department B. Therefore, we have included one of his statements as it testifies to him being an attentive supervisor, who actually cares about the employees and their wellbeing instead of simply exploiting their will to work.

It surprised me very positively, the joy of work and energy that people

show is absolutely incredible. It is so great to come into a place where people work too much. Here you have to pull the employees by the reins, because people want to work even harder, but they cannot do that over time because then they will end up being on sick leave. Here some have had to brake, and some have had to accelerate, you have to find the right steering speed because it has to be distributed fairly among the employees. (Middle manager of department B).

In department A more than half of the participants felt supported by management. The employees provided statements illustrating feeling heard and receiving help if needed. A lot of the statements were repetitive in terms of content, therefore we only selected two statements which demonstrated employees experiencing support by management.

I have spoken to my middle manager, and talked quite a bit about how I think the process has been difficult. And then I feel heard. my middle manager has taken things further if there has been a need for it. (Employee from department A).

Roads need to be created, there are a lot of systems and new aspects, a lot has to come together, but there are people who want and try to help. Everything technical may not be in place yet, but it feels like you are supported and can receive help if needed. Although everything can be better. But people are just trying to do their job. (Employee from department A).

In department C half of the participants felt support from management, like department A, they also had a lot of repetition with regards to content. Therefore, we chose to only include two statements from this department as well. The statements regarded being met on demands and feeling looked after, which demonstrated that this department also had received some support from management.

I said to management that there are a lot of talk and that people need information now. And then he arranged the department meeting a little

later. I think everyone really appreciated that. There is something about having that middle ground there, not having those meetings too often, but with two or three times a year and catching up on how we are doing. (Employee from department C).

Not that it was bad before, but it is getting even better with the stability, seriousness, and that the employees are more looked after now. (Employee from department C).

Even though the majority felt supported by management, there were some employees from departments A that did not feel like management provided them with what they needed to thrive. These experienced a lack of support to various degrees. We selected four statements from this department as it is the largest one and because each statement added something different. The extracts regard not being heard, not getting email replies, not knowing what to do within their given role and feeling left to themselves by management. This illustrates how some of the employees experience a lack of support.

I do not really know if everyone with the different roles knows what to do. There has also been a lot of frustration about who to deal with and who to ask about something. Our previous leader just disappeared, and then we were a bit like "what to do now?". The leader disappeared and was someone we trusted, so perhaps the leader should have stayed in the department for a while longer, until we got a little further in the process. (Employee from department A).

The other departments have recovered a bit, but because we have an incredibly bad manager here, we have not recovered yet. When you have such a bad manager it affects everyone, so he is also much of the reason why people have quit there. People come to me with the feeling that it is a bad working environment, and they feel that they are not heard and instead of the short ways to decision making, there are long roads to where you have to go all the way to the top to get through. (Employee from department A).

Our boss is never here. As a boss, you must create respect and make decisions and get the employees with you and not against you. You must respond to emails within a month. For instance, our middle manager has promised an employee downstairs that if he takes on more responsibility, he will get a salary supplement. Whereupon the employee agrees to this, but he never actually gets his salary supplement and now two months have passed. So, he sends an email to his supervisor, but has still not received a reply for over a month or any salary supplement. So, it is extra difficult to know where to go with this manager, because he is never here, and he does not respond to emails. (Employee from department A).

There are a lot of things I would have done differently, because I thought when a big company bought smaller successful ones, they tried to keep people and operations as it was, because they do not just buy the company, but also the expertise in it. But they have lost a lot of good people now, which was what made the company work as well as it did. They are very top-heavy and forget to look after those at the bottom who generate money. (Employee from department A).

For department C we selected only two statements as this is a smaller department, and only half of the participants felt a lack of support. These statements regarded a lack of training which felt necessary to solve tasks at work and an insufficient HR department. Both statements emphasizing that there is some inadequacy in terms of support in the department.

I am not super happy with the HR-department. It seems that the manager there has a little too many tasks and he answers perhaps a little unprofessionally. I think the company has actually outgrown the HR-department and could really need a bigger one. (Employee from department C).

So I got a lot of new tasks and at the same time we got new systems, and we did not receive any training, it was completely tragic. (Employee from department C).

There were no statements from department B that indicated that any of their employees experienced a lack of support, therefore we have not included any statements from this department related to lack of support.

#### **Information Flow and Lack of Information**

Information flow is under supportive leadership, the opposite under impending leadership is lack of information. Statements emphasizing fulfilled needs with regards to information or participants feeling content and that they receive adequate information are regarded as supportive leadership with a functioning flow of information. In the extracts there can also be found negative statements accentuating a lack of information where participants speak of a need for information that is not being met or poor communication with management. Table 2 shows that a lot of the participants are content with information given by management. In department B, all the participants are satisfied with management's flow of information.

We have selected three statements from employees in department B which demonstrates them testifying to a sufficient flow of information. They also speak of how their new middle manager is providing as much information as possible. All of the statements provide clarifications to why they believe their flow of information is adequate, like having a new middle manager and that they receive the necessary information, which is valuable as it prevents gossip in the office. Therefore, all these statements confirm that Department B's employees are content with the information given from management.

It is good to bring everyone under one channel and give the same information if there are any major changes, so that it does not end up being office gossip instead. So, I hope they continue doing it like that. (Employee from department B).

Before the acquisition we had a department manager who was not very good at providing information, but now we have a new department manager who is very good at providing information and understands that everyone is looking for information. Our middle manager provides as much information as possible. We have gained more insight into how we

are doing now which is really helpful. (Employee from department B).

I cannot say I have experienced anything negative yet. I get the information I need, and the rest of the information will come eventually. (Employee from department B).

The middle manager in charge of department B also testified to the same as his employees, that flow of information was sufficient on his end as well, and he also spoke of how it further affected his employees.

I was maybe a little skeptical at first, but as we get more information and communicate better we also get a more established structure on how we should do things. So, when we actually do what we say, the employees also gain more confidence with the company. When everyone is happy and feels that things work, it is amazing what you can get out of the group. In general, I have got the information I need, and not everything should be said either, so it is tailored to what I need to know, and it is more than good enough. (Middle manager of department B).

In department A, half of the participants were experiencing a satisfactory flow of information. However, we only chose one extract from their statements, as the other statements on the subject from department A were redundant in their substance. Employees provided statements illustrating that they felt like they could never be informed enough; yet feeling like their management informed as much as they could.

I think all employees missed more information in the acquisition process, but it is a bit of an insatiable need, one can never get involved and informed enough, but they did the best they could and technically the transition was quite painless. So, I am satisfied. (Employee from department A).

Half of the employees in department C also experienced a satisfactory flow of information. The other half did not feel like the flow of information was sufficient. However, we chose to only include one statement as there were not that

many statements to choose from, and the statements we found had repetitive content, which does not add anything to our analysis. The statements demonstrated employees feeling involved and informed.

I get answers from those who are involved, and if I do not get an answer, I go to my manager, and he finds out as best he can. I do not feel he lacks information; I also think he gets the information he needs when he needs to. They are skilled there. (Employee from department C).

The middle manager of sales in department A also made some positively loaded statements regarding the flow of information, in which he agrees with half of his employees, making statements from management and employees somewhat compatible. However, it also makes it clear that he is unaware of the fact that not all the employees in his department are satisfied with the distribution of information.

Being good with information as we have been under the acquisition, and also being clear about things creates a different positivity towards change. I actually think it can improve the atmosphere and lead to fewer people quitting due to uncertainty. Information early on about the direction we are going in, and what will happen in the future and what focus to have is important and something the management clearly informed about. Especially with the intranet and everything, that helps. But with acquisitions and what happens after acquisitions, much good information about the way forward is important to create security and positivity. (Middle manager of sales from department A).

The middle manager of department C also made some positive statements regarding the flow of information in his department. Where he stresses the importance of creating a satisfying line of communication right away. This also seems to coincide with statements from only half of the participants in his department. Hence, he lacks some insight to his employees' experiences.

Therefore, you prepare as best you can for the change to be implemented. We established a good line of communication straight away. (Middle

### manager of department C).

Half of the participants in both department A and C were dissatisfied with the sharing of information in their respective departments. In total 6/12 participants from these departments felt that the flow of information did not cover their needs, which is shown in a lot of the interview testaments. We selected two extracts from department A, to highlight what information the participants seemed to be missing. The extracts mention information regarding projects, the road ahead and who is doing what, as factors they would like to be more informed about.

It feels like some information goes missing in the process, for example just knowing about the interview meeting now. As the department head said, he would have liked to have informed more, but he has nothing more to inform us about. This is because our department head is also missing a lot of the information requested. (Employee from department A).

The information flow is the stone in the shoe. I miss some information. I would like information regarding what is being worked on, where we are heading, where we have come in contrast to where we started and who is working on what. If you have any questions during lunch, who should we talk to? It gets a little frustrating. Before things were fixed right away, now things have to go through a longer route. (Employee from department A).

We chose two statements from department C as well, because the theme is quite specific and therefore a lot of the statements are recurring. In department C employees mentioned often having to look up information themselves and information being published before they had been informed. So, there is a clear disagreement in the department, where some participants are content with the flow of information, while the other half is not.

Maybe use the intranet to show who they are. When we request information, they just say "yes, it is on the intranet", but we have not been informed about it. For example, how we suddenly found out that we

had a new pension agreement, I would have sent out a push notification regarding that. I received a push message about a case on the intranet where one of our employees had uploaded a photo of some scaffolding that had been set up in Stavanger, but I have not received it for important things. Important things matter, such as people's pensions. Instead, this ends up far down on the site and it must be clicked on to be retrieved again, and it should be at the top. (Employee from department C).

They posted in another newspaper that we bought another company before the employees here got informed. So, they are bad at communicating to the employees, they have these nice pages such as the Intranet, however they are not good enough at spewing out information, they are too late. (Employee from department C).

Even though all participants in department B were satisfied with the flow of information in their department, they had a couple of contradictory comments which were made about missing some information. Two of the participants from department B mentioned a few things they would have liked more information about, however their volume of positive comments regarding information throughout the interviews exceeded the two negative ones that were borderline to being neutral. We have chosen to include the statements after all, to illustrate that the interviews are in fact unambiguous even though there are clear tendencies.

There is always something that I do not know, so flow of information is something that everyone wants. Like, what is going on? Are new people coming? Has someone left? Things like that. When there are a lot of changes, I think it is important to have a lot of information so that people know what is going on. I think loyal employees appreciate a good flow of information. (Employee from department B).

I do not really need more information, but a little more internal information, like what happens in the departments, if someone resigns or new hires. Things like that. We often find it out ourselves first (Employee from department B).

### **Autonomy and Lack of Autonomy**

The last sub-theme under supportive leadership is autonomy, whereas lack of autonomy under impeding leadership is the contrary. Participants who feel satisfied and emphasize that they are experiencing ownership with regards to their tasks and how they solve them, are seen as having a sufficient amount of autonomy in the workplace. However, there are also some negative remarks that highlight for instance not receiving trust in completing tasks or not being heard when making suggestions, these are deemed lacking autonomy. In table 2, it is evident that almost all the participants from department B and C are experiencing a fulfilled need for autonomy. They had 7/8 participants testifying through interview statements that their need for being able to shape their own work and receive trust from management is being met.

From department B we selected three statements, all displaying different sides to autonomy. The statements regard receiving feedback, confidence and trust from management, which in turn makes the employees trust management.

I have not had any negative experience at work, I feel looked after in every way, and they give me confidence so I see no reason why I cannot trust them in return. (Employee from department B).

I feel that my new manager gives me even more confidence when he tells me that "I completely trust the work you are doing", and then maybe you lower your shoulders a little and get the sense that you have done well. So, you always need that feedback. I get more feedback now, so it is easier to know how I am doing. (Employee from department B).

I am very good at including myself, and then I receive trust in return.

Most people know who I am, and I do not stay quiet, I voice my opinion. I include myself, and I have a lot to contribute with. (Employee from department B).

Department C were almost exclusively experiencing autonomy. We chose two statements that accentuated this. The participants described having the power to influence their work, a feeling of freedom to do their job and trust. Attributes which all testaments to autonomy being present in the department.

So, I am sort of an intermediary between the customer and the workshop, then you get involved in everything, since you talk to customers all the time. Therefore, management allows me to influence the work I do. (Employee from department C).

There is trust in the organization, and we have the tools to deal with the small things that come up. We have a support department that deals with complaints or changes we need to make, and so I feel free to do my job as I see best fit. (Employee from department C).

For department B, the statements from the middle manager coincides with what his employees testified to. We selected one of his statements to exemplify this. He described how he tries to ensure autonomy for his employees because it is also an important attribute for him in his job. He also stated that he felt trusted by his immediate manager.

I feel that I am always good at finding milestones to ensure the right direction and that my immediate manager is completely confident in me, and there is full transparency, which I depend on. For me to give my best I need room for action, interface and communication, and if my manager shows it back to me, then it is a perfect working relationship. I try to provide my employees with the same. (Middle manager of department B).

Half of department A, with 4/8 participants, also felt content with their amount of autonomy at work. We selected two statements emphasizing different sides to autonomy. The statements described employees feeling involved and heard by management, which demonstrates autonomy being present for some of the employees in this department.

When it comes to my attitude, I would say I was very negative to begin with, but I have changed my attitude a bit, so now I rather try to influence them with my experience. Now they are beginning to listen more to people who have been here for a while and not just their own stuff. Which makes it easier to go to work, because you feel like people listen to your feedback. (Employee from department A).

I am trying to say that we should do "such and such and such". So, I am getting more involved. At first, they did not want to listen to a lot of my opinions, but I think they have realized that I have been sitting here for a long time and that they can use me for something more. So now I have more to say, they listen to me and that is nice for me too. For instance, they have started to listen to me if there is anything I say about competing companies and things like that. (Employee from department A).

Regarding lack of autonomy, there could not be found any statements from employees or the middle manager in department B resembling a lack of autonomy. However, there were quite a few participants from department A making statements in line with autonomy being absent. We chose to include two statements distressing the issue of how employees are unable to make decisions themselves now and that they have lost a significant part of their autonomy, as this was something several employees from department A mentioned. The last statement regards how they took more responsibility and felt ownership when the company was smaller, but due to the company getting larger they feel like their responsibility is more pulverized.

I miss short decision-making paths and that you can turn around quickly if the customer needs certain things. There is no need to search through three copies to buy a drill the customer needs NOW, when the waiting time is four weeks, or having to go through four people before someone says you can buy the product. Before you could do this yourself and had more freedom of decision. Now it is more top-managed. I have lost my autonomy. This is a banal example, but before I always bought a new phone every year, now I have to apply and maybe get one for 6,000 NOK and then cover the rest myself. This also applies to machines, equipment, trucks and cars, everything becomes a little more rigid in a larger system. (Employee from department A).

We were very focused on operations and details previously, we earned a lot of money and had large profits every year. In the new company, which is a larger company, the focus on operations and details disappears, due to how the responsibility becomes more pulverized. I felt greater

responsibility before, and we took more ownership since it was smaller. (Employee from department A).

For my own part, I hope that my manager gets more leeway to make active decisions. Because now you always have to get up and ask instead of having more authority yourself. I miss having more authority and trust. The salespeople are more fluid since they work in all departments, the sales manager is our immediate boss. They have stretched out the list of authorities. So, from just asking one person that could give me a yes or a no previously, I still just have to ask one person, but he has to ask four others to give me a yes or a no (Employee from department A).

There were also a couple of negatively loaded statements from department C with regards to lack of autonomy. Nevertheless, these statements from department C all came from the same participant, which was the only participant from that department who was not experiencing a fulfilled need with regards to autonomy. The participant's statement demonstrates that this is due to management not listening or making changes when the employee made suggestions.

Management can listen when I speak, no I am joking (laughs). But they should maybe take more input and not just go "no, no, no". Additionally, they do not give me any explanation either, we just get "no, because that is not the way we do things". How are we supposed to know what their way of doing things is? (Employee from department C).

They do not want to make the changes we ask for. They want it their way, and I understand that not everyone can give input and have it their way, but why make it more difficult and make changes so things move slower, because they are interested in getting as many bookings as possible and to get it out of the way. So, I do not understand that (Employee from department C).

The middle manager of sales in department A attested to the same thing as the workers in his department. He was stating that autonomy on his end was changed

for the worse, and that the new company structure provided both the employees and the middle managers with less autonomy than previously.

Before there was a lot of trust, where I could buy what I wanted if I justified it. However, now it is a damn wheel. This is something we work a lot on to hopefully change. So, those employees who know the industry well can also have their say, and to make the chain of communication and decision making shorter. I understand that not everyone can act as they want, then there would have been chaos. For example, I do not mean that a seller can buy fifteen vacuum cleaners because a customer needs it for only two weeks. You cannot just do what you want and be impulsive. I often slow down the sellers in this regard. But I want to be able to provide my employees with more freedom than they have now (Middle manager of sales from department A).

## Low and High Organizational Identification

Further, we evaluated the participants' organizational identification by looking at their replies to the question "How do you identify with the organization? To what degree?". All sixteen participants replied to this question by scoring themselves on a scale from 1-10, as well as elaborating. We did not expect the participants to reply to this question with a score. However, it made it easy to compare them, therefore we chose to look at the score they gave and in addition we closely reviewed their data extracts throughout the interviews. This was done to see if the score participants gave were consistent with how they spoke about the company. Participants that scored themselves low on organizational identification by rating from 1-5, as well as having a majority of negative statements were deemed to have a low degree of identification with the new company. Participants that scored themselves high on identification by rating from 6-10, as well as having a majority of positive statements were deemed to have a high degree of organizational identification.

All the participants that were interviewed in department B had a high degree of organizational identification. It is clear that department B are experiencing positive group influence and are satisfied with regards to support, information and autonomy. This has also been substantiated throughout the

findings section with almost exclusively positive extracts from department B's interviews. All the participants from department B also scored themselves concerning identification with the new company, they all stated it to be high, and the participants were ranging between 8-10 on a scale from 1-10.

However, department A and C were more divided with regards to degree of organizational identification. Half of the participants from both department A and C identified to a low degree, while the other half identified to a high degree. A total of 6/12 participants from department A and C were experiencing a low degree of identification. These participants scored themselves low on identification with the new company, their scores were ranging from 3-5 on a scale from 1-10. They also had mostly negative statements dominating the interviews.

In department A, one employee emphasized frustration regarding poor management, resulting in high sickness absence and operations not working seamlessly. The statement testifies to how this employee does not identify with how the new organization functions. It shows an "us against them" mentality in how they are speaking about management. Another employee in department A, referred several times to how it was better before and accentuated a lack of cohesion in their department. Employee turnover is also mentioned as something that affects their department, which demonstrates that they feel more distant to the company now than previously. The last statement from department A, exemplifies how poor choices and insufficient communication from management have negatively affected their team spirit. These are just a few of the negatively loaded extracts from department A, but they demonstrate a number of aspects that the employees are dissatisfied with, which in turn justify their low degree of identification when scoring the company from 1-10.

If there is something specific I could change if I had the opportunity, it would be to fire the middle manager in our department. I told the HR-manager exactly what I mean, and he is fully aware of it. Our department has a high sickness absence, and not everything goes smoothly. They can say as much positive as they want, but there are many who are frustrated. There is a lot of frustration (Employee from department A).

We are missing that little piece of cohesion. There are people who have

quit and there are people who think about quitting because they do not like the change, so I miss how everyone was a little more connected previously. We did more social things together before. Also, in terms of work, since people quit, you might have been closer with colleagues before, but I hope it will be like that again when things have calmed down (Employee from department A).

Things got a little unfortunate with the bonus at first, where we received information about how we were doing, and then in December a poorly worded email arrived saying that things were not going so well after all. There was positivity regarding this all year and then suddenly everyone became very demotivated. So maybe they should not have talked about it too much until they knew something for certain, because there was a lot of hope and expectations, and there was a bad atmosphere afterwards, even though we got a bonus. I think it is rooted in the fact that there has been a lot of uncertainty where there has been poor information, but also a lack of information in that aspect that makes people unmotivated (Employee from department A).

The two employees from department C were mostly focused on negative attributes like colleagues resigning and a longer line of communication, describing the new organization as being more impersonal. Although the negatively loaded extracts from department C are not as crude as those from department A, they still had more negative than positive statements overall with regards to the new organization. Therefore, half of the participants from that department are deemed as identifying to a high degree. While the other half had statements testifying to a low degree of identification.

Some colleagues have quit, mostly people who have been in the company for a long time. Some people probably want to work in a company that is private and smaller, where they can feel a close sense of belonging (Employee from department C).

Before the acquisition, we were much more "one", where we were speaking directly with the top managers, and they worked with sales too,

so we were very close back then (Employee from department C).

Now they change things for the worse, things take much more time, and you must go through hundreds of managers instead of going to a yes or a no. And it is boring, because you want to get things done, and I am not used to things taking so long (Employee from department C).

There were also negative statements from middle managers working in department A and C, in general they wished they could have contributed more in the process and they also missed a lot of things that were present in the former company. The middle manager of sales from department A, were deemed as having a low degree of identification, however, he did not mention anything about how he perceived his employee's identification with the company. The middle manager of department C on the other hand, had mostly positive statements during his interview. However, we have included one of his more negatively loaded statements as it was congruent with some of the negative statements made by his employees. Demonstrating his awareness of features in the department that was not working out as well as intended.

I believe that I could have contributed before they announced the acquisition, as an acquisition is very special. I was really upset and felt like I was going to cry when I found out about it. In addition, I was the first to leave the premises when we got the message. I have always been proud of having the name of the previous company on my chest, and when it is torn away, it hurts. I understand that it must be like this and that it is necessary for further growth, but for someone who is here daily, it is a big transition (Middle manager of sales from department A).

Even though I was in the management group, the acquisition was kept a secret, it was so bad that I wanted to beat up three people that I got really upset with. This as it felt like an overstepping in relation to my area of responsibility. I feel I should have been included since I was a key person in the company and therefore should have been trusted to be included. I still do not understand why I was not included, since I could have adapted and facilitated a lot for a smoother transition (Middle manager of sales

from department A).

I miss the fact that it was more personal before, we had better cohesion in the departments when we were managed in a different way, here we have a way to go (Middle manager of department C).

The middle manager of department B's statements was on the other hand congruent with the statements from his employees, almost solely positive with regards to the acquisition. He also perceived his employees to be positive and on board with the changes.

At this department no one has left for more than half a year, so they have accepted that we will become big, and they want to be a part of this journey. I feel that both information and communication have been good, which are the two most important things (Middle manager of department B).

I am willing to bet 100 percent on our company, and there is no reason for me to doubt it. It is a serious, up-and-coming, and forward-leaning company that I easily identify with. They are not being too crude in their approach to making money (Middle manager of department B).

#### **Summary of Findings**

Summing up, there are clear patterns in the different departments. Department B have embraced the change and the data highlight how the changes have been for the better in their department. They identified to a higher degree and also stated receiving autonomy, support and information from management. On the other hand, Department A and C are more divided with regards to the change. They are split in terms of organizational identification and not everyone in these departments experience supportive leadership, as some feel a lack of autonomy, support and information. Potential reasons for this will be discussed in the next section. However, any particular patterns connected to age or gender was not found, hence this will not be considered in our findings section.

#### Discussion

In this section of the thesis, the various themes uncovered will be discussed consecutively. In addition, we will consider the different departments to explore potential reasons for differences or similarities between them and connect it to the chosen theories from our literature review. Further, we will address the research gap previously noted and investigate if anything related to the gap is uncovered. Post interpreting our data, we will move on to implications and elaborate why our findings matter. Lastly, we will acknowledge our study's limitations, before making our recommendations.

Our findings suggest that organizational changes like acquisitions can affect people in the organization differently. Employees, as well as departments can experience divergent identification with the newly formed organization. However, it remains to be discussed if these results are generalizable or if they only apply to this case study.

### **Evaluating the Impact of Our Findings**

We have decided to contextualize our case in terms of theory, to better understand our findings. We find it appropriate to define the type of change an acquisition is, as well as establishing how far the company has come in the process in terms of stages.

According to Weick and Quinn (1999) an acquisition could be defined as episodic change as it is planned, does not happen frequently and is prompted by external events like keeping up with competition in the market. For this type of change, the leader has a great impact as they are the ones who initiate the change. On the other hand, using the theory of Nadler and Tushman (1990) an acquisition could be defined as a re-orientation type of change, which are time consuming and risky. They also emphasize that this type of change enables opportunities of learning through experimentation. Although it is necessary to specify the type of change, it is crucial to keep in mind that changes in real life can usually be placed into more than one category (Pardo Del Val & Fuentes, 2003).

The company of investigation was acquired in September 2022, which tells us that it has been more than 100 days since their acquisition took place. Hence, they have passed stage five of an acquisition according to Davenport &

Barrow (2009). Thus, they are now at the final and sixth stage where the new employer brand is built and integrated into the company. Nevertheless, they should have completed stage one to five, and additionally implemented important elements from these stages to increase the chances of the acquisition being successful. Since the organization is at the last stage, they should be done with changes regarding structure and management.

# **Organizational Identification Across Departments**

Looking at theories related to identification, Conroy and colleagues (2017) suggested that organizational changes, like acquisitions, can cause problems with identification. This is evident in our findings, as only department B highly identified with the new organization, while the other two departments, A and C, were split with regards to identification.

We will mainly focus on the three leadership attributes recognized in our study, as these seemingly have had a notable effect on organizational identification. It is also relevant since studies have found that it is important with leaders who foster a climate of trust and facilitate employee involvement with regards to making decisions (Neill et al., 2019). This is because such leaders also promote communication and help motivate organizational identification among employees. Therefore, we will examine the two types of leadership found in our study, and further look at the impact towards identification considering different leadership attributes. Hence, we will discuss how our defined sub-themes could be probable causes for the variations in organizational identification amongst departments.

We will also investigate group influence as a factor that could have repercussions on identification. This is because department A had primarily negative group influence, and they also had inconsistencies in degree of identification among employees.

### **Impact of Group Influence**

Group influence regards being either positively or negatively influenced through the communication or behavior of other people, it is a factor that can be present in any company. However, due to the complexity of acquisitions, the likeliness is high that group influence might be affected. Employees could be influenced by other colleagues' behavior, attitude or the way they are speaking about the changes within the company. Since many acquisitions do not end up as intended, there is a considerable risk for negative group influence arising (Makri & Ntalianis, 2014).

Our data showed that only department A, experienced a majority of negative group influence, while department B and C on the other hand experienced almost solely positive group influence. We were quite surprised that they differed to such an extent, because department A and C's answers were quite similar across most of our sub-themes, but regarding group influence they differ considerably. Therefore, it is likely that something particular within the departments have impacted the group influence. Consequently, it seems pertinent to look at general differences between departments, as displayed in table 1 in our methodology section.

Firstly, department A was the only department who kept their name in the merger completed in 2017, making it likely that they had an even stronger identity than the other departments, because they have had the same name since they were established over 30 years ago. Department B and C on the other hand, lost a piece of their identity in 2017 when they had to relate to a new company name, therefore they only kept this new identity for 5 years before being acquired. According to Neill and colleagues (2019) and Elstak and colleagues (2015) it is crucial for companies to boost dis-identification with the previous company and emphasize continuity between the old and new organization, to further create linkages on where they overlap. This makes it probable that department A has not been able to create a re-identification with the new organizational attributes. Thus, by utilizing strategies of informing through communicating overlaps, organizational identification can better be maintained. Accordingly, group influence can be an indirect consequence of impeding leadership with poor communication where there is lacking information with regards to continuity between the old and the new company. However, it can also be a direct effect of the organizational change.

Secondly, even though two of the departments experienced a higher degree of positive group influence with 8/8 participants. Department A is considerably bigger, and 7/8 participants from this department experienced negative group influence. Hence, a considerable amount of our total selection is experiencing

negative group influence. Department A consists of 40 employees while department B consist of 30 and C of 15. Because department A is larger than the other two departments, there could be greater power of influence among the employees as they are a larger group. This is most likely not the cause for the differences in group influence between departments, as department B is also quite large, yet they are experiencing positive group influence. It is however crucial that we mention it as it could be a contributor combined with the other factors.

Thirdly, the average time working in the company before the acquisition is considerably longer for department A compared to B and C. Employees from department A has an average time of 127,5 months working in the company, which is more months on average than the other two have combined. This could potentially contribute to department A having a stronger identity with the initial company. Which can be connected to theory from Conroy and colleagues (2017), they emphasize over-identification and difficulty with change as negative outcomes related to organizational identification. This is reflected in our findings as they support the theory of Conroy and colleagues (2017). An example on department A's strong organizational identification with the initial company, is an extract were an employee from department A refers to group negativity and an "everything was better before" mentality. Another example is an extract accentuating missing the unity which existed in the former company. These examples highlight department A's difficulty with change which could be because of their strong organizational identification with the former company.

These three general differences combined could be the reason for differences in group influence between departments. However, there could be other potential elements contributing to these findings, like leadership. As mentioned group influence could be a direct effect of the acquisition but it could also potentially serve as a moderator. For instance, if leadership either supportive or impeding serves as an independent variable, then group influence could serve as a moderator which either enhances or weakens the effect of leadership on the dependent variable, organizational identification. For example, if an employee is dissatisfied with management in terms of lacking information, support or autonomy, then negative group influence could amplify this experience and further negatively impact the already low organizational identification. Hence, group influence can positively or negatively affect the magnitude of the effect from the leadership attributes. If there is supportive leadership, then positive

group influence could further strengthen organizational identification, while with impeding leadership, negative group influence could further weaken organizational identification. We suggest that all of these potential reasons collectively contribute towards the negative group influence. This is due to the fact that almost all of the participants from department A identified components of negative group influence, and since employees seldom talk adversely without justification, it is very plausible that a number of factors contributed to the development of this clear trend.

Now that we have established potential reasons for the differences in group influence between departments, and emphasized how it possibly affects organizational identification. We will further look at why group influence is an important element to consider with regards to change, in accordance with already established theories.

According to Stouten and colleagues (2018), ten steps should be used in managing organizational change. The sixth step regards utilizing social networks and their influence. A group that is cohesive could be more prone to influence by their group, and this power of influence is something the organization should benefit from when implementing planned change (Stouten et al., 2018). Hence, group influence could be utilized to pull groups in a desired direction. For instance, swaying employees and getting them on board with the change as a collective group, since this is more powerful than simply targeting employees individually. However, due to department B and C being more positively influenced, it is likely that they managed to take advantage of the social influence in contrast to department A.

Davenport and Barrow (2009), mentions aspects related to group influence in their stages. In stage four it is stated how it is important to keep employees in the loop, instead of them listening to rumors. There are extracts from department A stressing this being a struggle in their department. For instance, several employees noted that it was not uncommon for colleagues to fill in the gaps if they were lacking information or creating entirely new stories by themselves. So, for department A, the poor communication results in negative group influence as employees takes matters into their own hands and creates rumors due to a lack of information. The participants had passed stage four already when they were being interviewed, however, they were referring to a lot of previous incidents and the process in general. Hindsight, the managers have not succeeded with supplying

their employees with sufficient information at this stage, leading to stories escalating. In general, managing well at this stage is emphasized as important because it contributes towards morale and motivation. This further accentuates the crucialness of avoiding negative group influence like rumors and filling in the gaps.

Additionally, one of the extracts from an employee in department A stated that people used to help each other and went beyond their job description previously, whereas in the new company people simply do the bare minimum. According to Neill and colleagues (2019), organizational citizenship behavior is behavior beneficial for the organization which is beyond what is required. It can be a favorable outcome related to a positive organizational identification. The extract from department A highlighted how they used to have employees contributing with more effort than required, yet this behavior is not present in the company anymore. Hence, in line with Neill and colleague's theory, when organizational identification is high, then organizational citizenship behavior will probably be present while when it is low people tend to work more separated and without cooperation.

Finally connecting all the interpretation to our research question, as a consequence of the acquisition, department A is experiencing more negative group influence, compared to department B and C. This is likely because they have a stronger organizational identification with the initial company and are having more trouble with re-identification with the newly formed entity.

## **Impact of Support**

Support is a leadership attribute which a manager may or may not possess, it regards helping employees and meeting their needs. Acquisitions are usually turbulent and require a lot of staff adjustment, therefore stable leadership attributes like support are important in such settings of uncertainty.

Our research revealed that only department B experienced a sufficient amount of support from their middle manager. However, department A and C were more split with regards to feeling supported. Most participants in department A felt supported, although some reported lack of support. In department C, employees were split in half with regards to feeling supported. We will further investigate to find out why they differ and why employees in department A and C are not in agreement.

We will start by investigating the departments and how they differ with regards to the leadership attribute support and offer potential reasons for this. Department B, which is satisfied in terms of support, have a new middle manager, which they seem overall pleased with. He appears to provide employees with feedback as well as being open and transparent with them. This is evident from employees' testimonies where they referred to receiving answers, support, help, constructive criticism and recognition. The middle manager of department B seems considerate in how he states that he regulates his employee's workload, this correlates with being a supportive manager. This was however a predicted result as the employees from department B in general seemed really satisfied with their new middle manager.

When examining department A's statements, some mentioned feeling heard and receiving help, but several also mentioned not getting email replies, not knowing what to do in their role and feeling abandoned by management. So, one potential explanation for why department A's employees are not as content with management support, could be that they have had a lot more role changes compared to department B. Department A's middle manager might have neglected to assess how employees are handling their new role, like if they need additional training to complete new responsibilities. Since Department B had considerably fewer role changes, then meeting the employees might have been less demanding for their manager, compared to managing a larger department with more changes and less support.

Investigating department C's statements, half of the employees spoke of needs being met and feeling looked after, while the other half were unhappy with HR and the lack of training. Further, one may notice that department C did not have that many changes in roles, they had the same amount as department B. However, they had been working in the initial company for a lot longer than Department B, with more than twice as many months on average. A possible explanation for why department C experienced lack of support to some degree, could be due to a greater need for it in the transition. They had been working in the company for a longer period of time and could have built up a stronger organizational identification with the initial company, which according to Conroy and colleagues (2017) could cause more difficulty with change. These potential explanations both suggests that department A and C has a greater need for support. Another alternate explanation could be that Department B simply has a

manager who is better suited to meet the requirements needed to be an effective manager. There is a great deal of evidence that department B has a competent manager considering his employees reported mainly positive feedback on all the leadership attributes we examined. However, we also believe that people who are more closely connected to their previous employer may require more support in the transition to a new company, particularly if they also have a new role. All of these factors combined would possibly explain why employees in departments A and C require more support in the process, and the possible explanations are not mutually exclusive. We are unsure if department A and department C's employees would have felt more supported if they had a different middle manager.

Moving on to examine why some of the employees within department A and C are divided, if they require more support, then this could also be the reason for these departments being internally divided. For instance, the participants that are not satisfied in terms of support could have experienced more changes in roles and could have been working in the company for a longer period of time. The participants who felt supported could have less changes in roles and could have been employed for a shorter period of time. This seems plausible as the participants with negatively loaded statements in terms of support mentioned aspects like HR, not knowing what to do, not having recovered yet and people quitting. All these statements highlight problems that are potentially more deeply rooted

Further, we will investigate why support is an important leadership attribute to consider in times of change, and we will connect our findings to the theories within the field. Going back to Stoutens (2018) ten steps, there are several elements in numerous of the steps which can be related to support. Starting with the second step, which considers assessing readiness for change, it is clear that the newly formed company have not been able to provide the necessary amount of support to all employees. One could pose questions if the organization have in fact assessed readiness with regards to demands and managements abilities. This due to statements emphasizing lack of training, lack of knowledge within roles and also one middle manager being described as "unavailable" and "incredibly bad". Despite one department being satisfied, the organization in total have failed to complete the second step of Stoutens (2018) model.

The next step of Stouten (2018) related to support is the seventh step. It regards supporting employees through goal setting, learning, fairness, justice,

employee participation and transitional structures to further support implementation. This is closely related to support, and the company has a way to go in fulfilling this step, because employees from department A and C stated lacking training, feeling left by management and not knowing what to do within their role.

Stoutens (2018) eighth and ninth step regards factors like managing the change continuously, assessing progress an outcome over time and conveying it to the employees as well as providing feedback. Some employees perceived these components to be present, but other said they were not. Providing feedback and following up on the employees are crucial elements which can be connected to support. In department B, employees spoke of constructive criticism and being recognized for doing something good. While in department A and C, not receiving replies and being delegated new systems without being followed up were mentioned. An employee from department C also stated that they got to catch up on progress in a department meeting, however they had to ask for this meeting themselves. Hence, department C's middle manager did not seem to regularly assess progress or convey it to his staff.

Support is an important element in leadership during change, because aspects that can be related to support are repeatedly mentioned throughout Stoutens (2018) ten steps as exemplified above. Following these steps are crucial because they are essentially an evidence-based recipe for successful change.

Further, there are components that resemble support from Davenport and Barrows (2009) six stages. Stage one considers four alternatives to integration, they mention communication about the pending acquisition as an important aspect to further make employees feel involved and heard. Therefore, if the leadership attribute of information flow is sufficient, they propose that feeling heard will be a positive consequence. In addition, sufficient communication with employees could lead to them feeling supported. An example is where an employee from department C approached management for information, since coworkers were chatting a lot, which is an illustration of how communication enabled employees to experience support. Then management arranged a department meeting were everyone got to catch up on how the company was doing, this feedback could further be deemed a form of support. It does not appear that the middle managers of department A and C has managed to provide employees with sufficient answers or support during initial stages, yet when requested they have provided it.

Another example from the six stages of Davenport and Barrow (2009) is stage four. This stage refers to the period prior to the firm actually being acquired, where only an announcement of the acquisition has been made. In this stage informing employees is essential and Davenport and Barrow (2009) also recommends installing a help desk to further guide and provide employees with answers. None of the employees from either department ever mentioned a help desk, however employees from department B talked about management providing them with tools and answers to whatever they might have wondered. However, some employees from department A and C spoke about not feeling heard, lacking information and training.

The acquisition has most likely been more difficult for some employees in terms of seniority and consequently they might have a strong organizational identification with the former company. Some employees have been going through more changes than others with regards to role, which could also make the transition more difficult. Both types of employees might have a greater need for organizational support, which has not been offered sufficiently in all departments, this further likely negatively impacts organizational identification with the newly formed company.

#### **Impact of Information Flow**

Flow of information regards sufficient sharing of information and is an important component for leaders to be efficient. Although not all leaders manage to be sufficient in their way of distributing information to employees. Because acquisitions involve a lot of different structural changes, a sufficient flow of information is a necessity to eliminate ambiguity.

Our results uncovered that department B was the only department who was content with the information flow from their middle manager. Department A and C on the other hand, were not in agreement internally. Half of the participants from both departments perceived lack of information, while the other half was satisfied. In total, 6/16 from all departments did not feel like their need for information was fulfilled.

We will now explore potential reasons for these differences across departments. For department B, there were almost solely statements emphasizing the flow of information to be satisfactory. However, employees mentioned that

they had a different middle manager prior to the acquisition who did not provide the necessary information. The participant also contrasted this with how the new middle manager had another understanding of the importance of information. Employees further described a satisfactory flow of information in the new company and highlighted positive actions made by the middle manager in terms of distributing information appropriately. Employees in department B probably felt that the information exchange was adequate, since they had been assigned a capable new middle manager and because it contrasts with a poor flow of information prior to the acquisition.

Looking into department A, table 1 suggests that they had more role changes than the other two departments. When taking on a new role with new responsibilities, there are likely even more changes to become accustomed to, increasing the demand for information. This is accentuated in employees' testimonies, where they state missing information about progress, projects and who does what. Alternatively, department A might have a middle manager who lacks the necessary skills to share information properly. Otherwise, it is also possible that some employees have an almost insatiable demand for information due to being acquired. They may feel that the middle manager's efforts to provide information are insufficient regardless of what the middle manager does. Hence, there are several potential reasons for why department A is split with regards to flow of information. Thus, it could also be a result of a combination of these different components, which we find to be more likely.

When examining department C on the other hand, there is no obvious differences which indicate that the department should have a worse information flow than department B. Department C has a different middle manager, and it could be that department B's middle manager is more competent and sufficient in his way of sharing information, which could be a reason for these differences. Additionally, it might potentially be correlated to department A's theory, that some employees have an insatiable need for information, which managers are not able to fulfill. A combination of components could result in these differences as they are not mutually exclusive. In addition, the data point towards a need for improvement in several areas for the department manager.

We will further connect theory to our findings and investigate the importance of information flow as a leadership attribute during an acquisition. Since some of the theories are found to slightly overlap, we will explore these

combined.

We will start by examining Stoutens (2018) first step, which is diagnosis. This step regards evaluating the necessity of change and collecting information from all the people invested in the organization as well as involving employees. Further, it emphasizes how information flow goes both ways, hence, that management also needs to gather information from employees to lay the foundation of the planned change. The essence of this step somewhat overlaps with stage three from Davenport and Barrows (2009) six stages. In this stage, it is crucial to cover the concerns that the employees might have, which seems to correlate with Stoutens (2018) recommendation in his first step, as one cannot meet employees' needs without gathering the necessary information. There are no statements that explicitly state that management has collected information from employees prior to the acquisition, however a few statements from middle manager of sales in department A can be connected to these theories with the use of some interpretation. The middle manager of sales from department A made statements about feeling shocked when the acquisition was announced. In addition, and he stated that he desired to be included to make the process go smoother. These statements indicate that management has most likely not collected enough information from the workforce, as it suggests that this middle manager had both information and ideas about how the transition should have been accomplished, which does not seem to have been considered.

The fifth step of Stoutens (2018) ten steps could be relevant with regards to information flow. This step concerns creating a clear and compelling vision of change, and then informing the employees. The middle manager of sales in department A seemed to have an understanding correlating with this step, as he spoke of the importance in being clear about the direction the organization is moving in and the aim for the future. However, he also supposed that they had been doing a decent job with information sharing during the acquisition. This diverges with how half of department A is not satisfied with the information flow, and one of the employees from the department explicitly stated missing information regarding which direction they were moving. Consequently, there exist contradictions between the middle manager of sales in department A's perceptions and what is really being communicated. As our data shows, there are considerable variations between departments regarding information flow, which management could further improve.

Step eight and nine from Stoutens (2018) ten steps can be connected to information flow, this is because they emphasize conveying progress and accomplishments to reinforce the company's vision and providing feedback to see the effects of the change. These two steps can be connected to aspects from Davenport and Barrows (2009) fourth stage, which accentuates the importance of providing employees with information on how they are developing and what actions that are needed for further development. These steps from Stouten (2018) and the stage from Davenport and Barrow (2009) highlight how a steady flow of information can be used as a tool to boost progress. An employee from department A stated missing information about where they are heading, where they are in contrast to where they started and what is being worked on. This statement indicates that employees from department A are not getting sufficient information regarding how they are progressing related to the change. Therefore, this statement demonstrates that management has some work to do related to these two steps, at least in this department.

In general there are several theories emphasizing how transparent and honest communication, as well as openness of leaders are crucial during times of change, to ensure success in the process. Sufficient flow of information can further enhance organizational identification, which is a critical element to developing affective commitment in times of change (Davenport & Barrow, 2009; Neill et al., 2019). A statement from middle manager of department B, stresses how he aims to be transparent as he mentions positive reactions from employees when management follows through on their promises. This further establishes employee's confidence within the company. The statement coincides with the mentioned theory, and given the positive employee statements from department B concerning flow of information, it seems like this one department has managed to fulfill the employees need for information. In hindsight, the department managers of A and C could probably learn something from the department manager of department B, like brining all the employees under one channel and providing insight to progress.

Neill and colleagues (2019) also argue that excessive changes like acquisitions can create problems with internal communication, which further can cause problems in maintaining organizational identification. Communication strategies can be utilized in order for employees to re-identify within the new organization. Thus, the company can further aim to improve internal

communication. The middle managers should highlight areas of overlap between the old and new organizations and create a linkage. This should be done to further decrease uncertainty and support workers' organizational identification (Neill et al., 2019; Buchanan & Huczynski, 2019; Elstak et al., 2015). For instance, management could highlight how they have retained the same workforce, location and kept or improved internal legal agreements.

To sum up, we will connect our interpretations to our research question. There are clear trends in the data that emphasizes that department A and C are not content with the sharing of information, while department B perceive it to be satisfactory. This could possibly be a consequence of components like role changes leading to an increased need for information, differences in management competence or employees potentially having an insatiable need for information. If management does not address this, it might have a detrimental impact on organizational identification, which can further have repercussions on how successful their change process ends up.

#### **Impact of Autonomy**

Autonomy regards experiencing ownership in solving tasks and is a crucial element which managers can provide employees. Further, it can be closely related to organizational identification, as it also regards ownership. Therefore, employee's perception of autonomy within the workplace is an important element to building organizational identification.

Our findings exhibited once again, that the employees from department B had fulfilled needs, this time with regards to autonomy. Department A was split in half regarding this attribute, whereas only half of the participants felt that it was satisfied. Department C was almost content with regards to autonomy, where only 1/4 participants perceived a lack of autonomy.

We shall now look into some possible explanations for these variations amongst departments. Department B had a variety of statements accentuating receiving autonomy from management in terms of getting feedback, trust and confidence in their work. The department manager makes conscious choices in providing his employees with autonomy in terms of giving them room to make decisions, trust and confidence. He mentions that these are aspects he also finds crucial to properly do his job, which is why he tries to ensure the same for his

employees.

However, department A was as described divided, and half of the participants stated receiving autonomy in terms of their suggestions and feedback being taken into consideration. As a result, the management seemed to trust them and thereby take their feedback into account. The participants who perceived lack of autonomy, reported being unable to make decisions, loosing trust and authority as well as having less ownership and responsibility compared to before the acquisition. There could be several potential reasons for this, like department size, as department A is the largest with 40 employees. As pointed out by one of the employees in department A, autonomy might as a consequence be more limited in a larger organization. This is because there is often need for more rigid systems when a larger proportion of money and employees are involved, which necessitates reporting, resulting in less freedom. However, department B is also fairly large with only ten employees less than department A. Therefore, department A should be able to provide their employees with autonomy regardless of their size, as it has been accomplished in department B, which is also considerably large.

Another possible explanation is simply that the middle manager in department A lacks the skills or knowledge to provide his employees with an adequate amount of autonomy. Alternatively, employees could perceive a lack of autonomy because they have a new middle manager who needs time to get to know his employees in order to provide them with trust, freedom and to involve them further in the processes. However, department B also has a new manager who is seemingly providing his employees with the necessary amount of autonomy. The employees from department A have on average been working the most months in the company, thus the employees might demand more autonomy in order to be satisfied. This as they have seniority and might believe they deserve confidence and independence in return because they probably have a great deal of expertise in the industry. These potential causes could also be combined and collectively be the reasons for our findings within autonomy, which we believe to be accurate. Our findings suggest that there are a number of management related issues for department A, that has room for improvement. We also believe less autonomy will have a negative effect, because they experienced it in the initial company.

Department C is almost satisfied with autonomy and there was only one

participant which were not content. The participants in general described feeling involved and trusted as well as having influence and freedom. The one participant who was not in agreement with the group felt like management did not want to take input or make the changes suggested. However, it is more difficult to interpret because they are the smallest of the three departments, which should give their middle manager more grounds for providing them with autonomy. Additionally, they have had the same middle manager for two years before the acquisition, so they should also have had enough time to earn the trust of their leader. Conversely, there is only one participant who is not satisfied, and it may be that this employee has a somewhat unattainable need for autonomy, then the problem could be their unreasonable demand instead of management being the problem. On the contrary, department C has been working in the company for more than twice as many months as department B. Hence, it could be that the unsatisfied participant has a reasonable although greater demand for autonomy because of seniority. On the other hand, the issue might be inadequate management, which could have negative effects on the perception of autonomy. However, since only one participant is unsatisfied we believe it to be more likely that this participant has somewhat unattainable demands.

We will now look at theories related to the topic of autonomy, and compare them to our findings, to establish the impact it has on employees. We will look at some of the theories simultaneously, because they seem to overlap within some aspects.

Firstly, we will look at Stouten (2018) first step, diagnosis. An important aspect of this step is involvement of employees, which can be related to autonomy. Further, stage one of Davenport and Barrow (2009) emphasize communication early on for employees to feel heard and involved. Both of these theories highlight the importance of employee involvement early on in the process. Even though, 11/16 participants are satisfied with autonomy, there are still measures which can be taken to ensure it to be more sufficient. For instance, even if you cannot consider all suggestions employees make, it is still feasible to give them credit for their efforts to make them feel heard and not dismissed, even though you cannot implement all their proposals. Making employees feel trusted and included in the process will help them develop ownership and confidence towards the organization and management. This can help build organizational identification, which is a necessity during times of change, because it will create

employee commitment, which is relevant in cases like this acquisition (Neill et al., 2019).

Stoutens (2018) fourth step emphasizes the importance of leadership in general, as it considers developing leaders to be effective during change. This step makes all our leadership attributes relevant as support, information flow and autonomy potentially could be developed if this step is completed in a satisfactory manner.

Moving on to Stoutens (2018) seventh step, which regards utilizing enabling processes to support implementation. One of the aforementioned enabling processes which can be related to autonomy is employee participation. Employees should be invited to voice their concerns and be included in making decisions, this can further contribute towards the change development. It is clear from the extracts from department A and C that the participants who are not content with autonomy does not feel heard when they have voiced concerns or made suggestions. So, this could be improved to fulfill this step, which should increase the possibility of the change initiative being successful according to Stoutens (2018) evidence-based steps.

The eight step of Stouten (2018) could be relevant with regards to autonomy, as it concerns encouragement of experimentation, which demands a certain amount of trust from management, in order to learn by doing. Employees should be able to try out initiatives without the fear of failure resulting in repercussions from management. The process of trying and failing can also be related to involvement, employees are given the opportunity to shape their work by trying out potential new routines for procedures. This is something department B seems to have accomplished, as employee statements emphasized receiving trust and thereby confidence in their work, they also spoke about getting feedback to better know how they were doing. However, we believe that the middle managers from department A and C, could benefit from creating more trust between them and their employees.

To sum up, the majority of employees perceive autonomy to be satisfied, and even though some employees reported a lack of autonomy, it could simply be a consequence of the company becoming larger. The new structure will naturally result in a somewhat longer line of decision-making and more reporting.

Therefore, it is not necessary the case that low-levels of autonomy amongst employees is directly caused by management. However, our research has also

revealed some rather obvious departmental differences, suggesting that the manager may have some influence and control over this. Then, it stands to reason that if you provide the staff members with more trust, responsibility, independence and freedom, this could further strengthen their bonds with the organization and could additionally encourage them to reciprocate this trust. In turn, increased autonomy will likely positively impact organizational identification.

## **Implications**

There are clear tendencies in the data when investigating leadership as a whole. Where department B seems to have consistently supportive leadership, in turn they also have a high degree of organizational identification. Further, the data from the two other departments is also quite coherent. Employees within these two departments are split almost evenly on the three leadership attributes. Additionally, they are split in terms of organizational identification where half of the employees have a high degree and the other half have a low degree. Hence, it seems like the employees from department A and C disagrees on whether the leadership in their department is impeding or supportive, and as a consequence they are also split with regards to organizational identification. Our results are consistent with our assumptions, as these are attributes that we perceived to be relevant from the interviews, which we believe impacted workers identification with the organization.

Components that can be related to our three leadership attributes, are referenced repeatedly in the theories of Stouten and colleagues (2018), Davenport and Barrow (2009), Elstak and colleagues (2015), Conroy and colleagues (2017) and Neill and colleagues (2019). Our findings are in line with these established theories. Our three leadership attributes are also somewhat interconnected even though they are distinct. One example is as mentioned how an efficient information flow may lead to feeling heard and involved, which could be linked to support and autonomy resulting from a sufficient sharing of information (Davenport & Barrow, 2009). Thus, chain reactions between our different leadership attributes can occur.

Therefore, it is evident that all three of these components are crucial leadership attributes, especially for change management, and our findings indicate

that all of them have a significant impact on organizational identification in our study. This is further crucial because it could have an impact on the organizational change, and whether it turns out as a success or failure (Neill et al., 2019). In addition, we interpret group influence to have a moderating effect, where it potentially can enhance or increase the effect of leadership on organizational identification. Accordingly, group influence can reinforce the negative effects of impeding leadership or the positive effects of supportive leadership.

Our findings are in accordance with already established theories within the fields of organizational change, mergers and acquisitions and organizational identification. However, our case can provide new insight into the relationship between leadership and organizational change with group influence as a moderator. This could be a relevant topic for further research and also have implications for practice. Hence, to achieve these moderating effects, leaders should aim to influence groups to a greater extent. Further, the findings indicate that department size, changes in roles, and length of employment could impact the middle managers ability to be effective in terms of support, information flow and autonomy. It may be that the elements we found to impact our findings are only relevant to our study, therefore it could be beneficial to further research this. Our findings suggest that to promote communication, autonomy, and support during change, it may be advantageous to create smaller departments and pay more attention to staff members in new roles as well as those who have been there for a long time.

We have also found these three leadership attributes to be linked to how employees identify with the organization. Therefore, this might have implications on what type of middle manager an organization should aim to select, as they are likely to have a significant impact on organizational identification. Our findings suggest that selecting middle managers with a strong understanding of the change process and how it is perceived by the employees is important. They also need insight to how their behavior impacts the employees. This is because we discovered that the department who had adapted best to the change following the acquisition, had a middle manager with accurate knowledge of how the employees experienced the process and what measures that could be taken to further facilitate successful change.

Our study clearly demonstrates that there may be significant internal departmental variances during a change process. Therefore, the role of middle

managers is crucial for how employees identify with the company, which also has the potential to influence the outcome of change. Our results emphasize how it is important to ensure that all the middle managers have the same starting point prior to the initiation of the acquisition. Establishing coordination and cooperation between them is essential to assure that the change is as uniform as possible across the entire organization. For practice, this has implications on gathering middle managers for training and collaboration prior to the change process being initiated

Finally, we believe that our findings may be generalizable to some degree since the organization we investigated is representative of both those in the same industry as well as those in different industries. The company of investigation is quite typical in terms of operating activities such as administration, marketing, sales and customer service.

#### Limitations

In our study we have investigated differences across departments on organizational identification in a newly acquired company. However, there are some limitations to our design. The final selection of respondents was limited with regards to representativeness, because a lot of initially selected respondents declined to partake in our interview. For instance, we wanted to interview a fourth department, but they all declined our request for participation, which is why we ended up with only three. The middle manager of department A, did not reply to our request at all, which is why we only had the opportunity to interview the middle managers of department B and C. This may have further limited our findings, as we could not compare employee statements to statements of the middle manager of department A.

In the two smaller departments, we asked several candidates to participate, but we naturally examined the most candidates from the largest department. However, because of the numerous rejections we received from the two smaller departments, they have a far smaller sample, which could indicate a selection bias. Because of the small sample we cannot be certain that the selected participants from each department accurately reflects our population, which is all three departments in total (Bell et al., 2019).

We also encountered some problems in our interview process as not all the

participants had been properly informed by their middle manager, which could further have constrained our findings, as all the participants were not prepared to answer.

Nevertheless, we believe that our result is valid in terms of answering our research question as there were still clear tendencies pointing in the same direction as several theories within the field.

#### **Recommendations for Future Research**

Future studies on the same topic should consider doing a longitudinal study to see how similar findings potentially evolve throughout the process, as employees could potentially identify to different degrees during the different stages of an acquisition. Furthermore, as previously addressed, one should investigate if factors like length of employment, changes in role, or department size are factors which can impact the middle managers capacity for effectiveness in terms of support, information flow and autonomy.

One could also establish new research to test if leadership and the attributes of information flow, support and autonomy are in fact independent variables affecting the dependent variable of organizational identification. Further studies should also aim to include a larger sample, a variety of industries and different change interventions to establish generalizability.

Another recommendation would be to test how the change process evolves and whether the outcomes are the same throughout the departments. One could further investigate if middle managers are all coordinated and receive the same management training, information and plan for implementation.

Another option is to do comparable research at a different company to determine whether the findings are the same there. However, to avoid selection bias, one would need to interview all the middle managers in each department being studied.

# Conclusion

Within today's fast paced and constantly changing society, organizational change is inevitable and acquisitions are common. The failure rate is high; thus, it is

essential to find solutions on how to properly handle them to enhance chances of success. It is crucial to approach the change with effective strategies to successfully implement them.

This study aimed to investigate repercussions of organizational change, in terms of an acquisition, on employee's organizational identification with a newly formed company. Based on a qualitative analysis of semi-structured interviews from three departments in a service supplier organization, we found that leadership attributes in terms of support, information flow and autonomy are important features. This is because it can influence employees' organizational identification during change and in turn affect the outcome of the process. We also established that group influence is a factor who can serve as a moderator, which can either positively or negatively affect the magnitude of the effect caused by the leadership attributes on organizational identification.

Our results indicate that there can be distinct differences across departments, but also disagreement within departments on organizational identification during an acquisition. Further, our data shows clear tendencies which indicates that supportive leadership leads to a high degree of organizational identification, whilst impeding leadership leads to a low degree of it. This research has revealed that the departments of examination has numerous differences. In conclusion, our study highlights the need for further research on the impact of leaders in acquisitions, specifically in terms of their ability to provide support, share information and promote employee autonomy. We hope that future research will build upon our work to deepen the understanding of this complex phenomenon.

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# Appendix 1

## Interview guide

# Research Question

"How does organizational change, in terms of acquisitions affect the employee's identification with the newly formed organization?"

#### Secondary research questions:

- · How are the changes made perceived by the employees?
- · Do the employees experience the changes as positive or negative?
- What characterizes the organization now vs then?
- Are the employees included in the change process? And thereby identifies as a part of it?
- Are the findings in line with already established findings and theories, or does it deviate?

Theme	Questions	Potential follow-up questions
Background	What is your role in	Age, name and gender
Information	the company?	What do you do on an everyday basis at work? How long have you been working there? How well do you know the company and the people working there? Which department do you work in? How long have you been in your current department?
Introductory	What is your	"How does organizational change, in
Question	immediate thought	terms of acquisitions affect the
	when you hear our	employee's identification with the newly
	research question:	formed organization?"

Merger and	What is your position	What is your attitude towards the
Acquisition	regarding the	changes?
	acquisition?	What is your perception about your
		colleagues' attitude?
		Has your role in the company changed?
Identification	What characterizes	How do you identify with the
	the organization and	organization? To what degree?
	how does that relate	Do you identify with any of the new
	to you?	values or goals, or other aspects? And
		can you elaborate why or why not?
		Are there any aspects of the
		organizations identity you perceive as
		positive? Or negative?
		Is there anything the organization might
		do to make you identify to a higher
		degree?
Organizational	What are your	Are there any aspects you are looking
Change	expectations going	forward to or dreading?
	forward?	Do you feel that you have been included
		in the process? Or have you received
		help if needed?
		Are there anything you previously liked
		better?
		Are there any specific things you would
		change if you had the chance, and why?
Wrap-up	Is there anything	How did you experience being
Questions	specific you wish to	interviewed?
	add?	Do you have any questions?
		Is there any specific themes, subject or
		information you feel that should be
		mentioned?

# Appendix 2

12:09:2022, 11:25

Meldeskjerns for behandling av personopplysninger

Meldeskjema / Master Thesis / Vurdering

# Vurdering

 Referansenummer
 Type
 Dato

 585681
 Standard
 30.06.202

#### Prosjekttittel

Master Thesis

#### Behandlingsansvarlig institusjon

Handelshøyskolen BI / BI Oslo / Institutt for ledelse og organisasjon

#### Prosjektansvarlig

Eric Breit

#### Student

#### Prosjektperiode

16.08.2022 - 03.07.2023

#### Kategorier personopplysninger

Alminnelige

#### Meldeskjema 🗹

#### Kommentar

OM VURDERINGEN

Personverntjenester har en avtale med institusjonen du forsker eller studerer ved. Denne avtalen innet at behandlingen av personopplysninger i prosjektet ditt er lovlig etter personvernregelverket.

Personverntjenester har nå vurdert den planlagte behandlingen av personopplysninger. Vår vurdering hvis den gjennomføres slik den er beskrevet i meldeskjemaet med dialog og vedlegg.

#### VIKTIG INFORMASJON TIL DEG

Du må lagre, sende og sikre dataene i tråd med retningslinjene til din institusjon. Dette betyr at du må spørreskjema, skylagring, videosamtale o.l. som institusjonen din har avtale med. Vi gir generelle råd r institusjonens egne retningslinjer for informasjonssikkerhet som gjelder.

#### TYPE OPPLYSNINGER OG VARIGHET

Prosjektet vil behandle alminnelige kategorier av personopplysninger frem til 03.07.2023.

LOVLIG GRUNNLAG

Så lenge de registrerte kan identifiseres i datamaterialet vil de ha følgende rettigheter: innsyn (art. 15), 17), begrensning (art. 18) og dataportabilitet (art. 20).

Vi minner om at hvis en registrert tar kontakt om sine rettigheter, har behandlingsansvarlig institusjon i

#### FØLG DIN INSTITUSJONS RETNINGSLINJER

Personverntjenester legger til grunn at behandlingen oppfyller kravene i personvernforordningen om ri konfidensialitet (art. 5.1. f) og sikkerhet (art. 32).

Ved bruk av databehandler (spørreskjemaleverandør, skylagring, videosamtale o.l.) må behandlingen o databehandler, jf. art 28 og 29. Bruk leverandører som din institusjon har avtale med.

For å forsikre dere om at kravene oppfylles, må dere følge interne retningslinjer og eventuelt rådføre d institusjon.

#### MELD VESENTLIGE ENDRINGER

Dersom det skjer vesentlige endringer i behandlingen av personopplysninger, kan det være nødvendig Personverntjenester ved å oppdatere meldeskjemaet. Før du melder inn en endring, oppfordrer vi deg endringer det er nødvendig å melde: nsd.no/personverntjenester/fylle-ut-meldeskjema-for-personopp meldeskjema.

Du må vente på svar fra oss før endringen gjennomføres.

#### OPPFØLGING AV PROSJEKTET

Personverntjenester vil følge oppved planlagt avslutning for å avklare om behandlingen av personopply

Kontaktperson hos oss: Lene Chr. M. Brandt

Lykke til med prosjektet!

# Appendix 3

# Do you want to participate in the research project:

# "Employees' identification with a newly formed organization: a case study of a planned change process"

This is a question for you regarding participation in a research project, where the purpose is to look at a comprehensive organizational change and how you experience this process. In this document, we provide you with information about the aims of the project and what participation will mean for you.

#### Purpose

In connection with our master thesis, we want to hold interviews and use a qualitative method approach to see if there are findings which should be further investigated. We want to interview sixteen candidates to see how they identify with the company after the acquisition process has been initiated. Ours research questions is "How does organizational change, in terms of acquisitions affect employee's identification with a newly formed organization?".

#### Who is responsible for the research project?

BI Norwegian Business School is responsible for the project.

#### Why are you being asked to participate?

We have selected candidates within a specific company to which we have access, where the candidates have different roles in the company to see if the findings apply to the entire organization and not just specific departments.

#### What does participating mean for you?

If you choose to participate in the project, it means taking part in an interview, where the interview will last approximately 45 minutes. The interviews will take place in the spring of 2023. Audio recordings will be made and there will be taken notes from each interview. We will collect information relating to how you as an employee identify with the new company.

#### Participation is voluntary

Participation in the project is voluntary. If you choose to participate, you can withdraw your consent at any time without giving any reason. All your personal data will then be deleted. There will be no negative consequences for you if you do not want to participate or later choose to withdraw.

#### Your privacy - how we store and use your information

We will only use the information about you for the purposes we have described in this article. We treat the information confidentially and in accordance with the privacy regulations.

- Those who should have access are only the Master Thesis Group, the supervisor and BI Norwegian Business School.
- The information will be stored in password-protected folders. Names and personal data will be kept separately from other data.

Participants will not be recognized in publication, as names and personal information will be anonymized.

## What happens to your personal data when the research project ends?

The project is scheduled to end in August 2023. After the end of the project, the data material with your personal information and audio recordings will be deleted.

#### What gives us the right to process personal data about you?

We process information about you based on your consent. On assignment from BI Norwegian Business School, Personal Protection Services has assessed that the processing of personal data in this project is in accordance with the privacy regulations.

#### Your rights

As long as you can be identified in the data material, you have the right to:

- Access to the information we process about you, and to be given a copy of the information.
- To have information about you corrected that is incorrect or misleading.
- · To have personal data about you deleted.
- To send a complaint to the Norwegian Data Protection Authority about the processing of your personal data.

#### Contact

If you have questions about the study, or want to know more about or exercise your rights, please contact:

- · BI Norwegian Business School by Eric Breit, eric.breit@bi.no .
- Our data protection ombudsman: Vibeke Nesbakken, personvernombud@bi.no

If you have questions related to Personal Protection Services' assessment of the project, you can contact:

· Privacy services by e-mail (personverntjenester@sikt.no) or by phone: 53 21 15 00.

With best regards	
Project manager	Students
Eric Breit	

# **Declaration of consent**

I have received and understood information about the project $\alpha Employees'$ identification with		
a newly formed organization: a case study of a planned change process» and have been given		
the opportunity to ask questions. I agree to:		
☐ To participate in an interview		
I consent to my information being processed until the project is finished		
(Signed by project participant, date)		