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The complexity of post-mergers and acquisitions reorganization: Integration and differentiation

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Abstract

Research Summary: This article applies a mixed-method approach to explore the complexities of post-mergers and acquisitions (M&A) integration processes. Extant literature provides significant insights regarding the impact of task and human integration and their influence on post-integration processes. However, the literature often fails to differentiate between sub-elements of these two dimensions. This article investigates task and human integration in a cross-border M&A aimed at efficiency and innovativeness. We highlight the importance of a clear distinction between two subelements of task integration (product harmonization and structural integration) and show that different interorganizational contexts matter. Consequently, we propose a conceptual framework based on two contextual characteristics—source of synergy and choice of location—suggesting that different integration approaches should be applied simultaneously in different contexts of the same post-M&A organization.

Managerial Summary: Due to the complexity of the post-M&A integration process, organizing and managing such a process is a challenge to most practitioners.

Understanding how to manage different integration dimensions increases the need for prioritization in order to bypass a one-size-fits-all initiative. We suggest that managers should apply a differentiated post-integration approach, depending on specific organizational contexts. A product-focused approach seems to fit best in a context where target and acquirer remain working in separate locations, but on similar products. A structure-focused approach is recommended when target and acquirer remain separated, but work on complementary products. Finally, a people-focused approach is proposed when target and acquirer are colocated.

1 | INTRODUCTION

Pushed by increased global competition, firms frequently embrace strategic mergers and acquisitions (M&A), seeking to bridge the gap between existing conditions and desired strategic goals, such as those related to innovation and performance (Birollo & Teerikangas, 2019; Cefis, 2010; Cefis & Marsili, 2015) or entry into new geographical or product markets (Dao & Bauer, 2021). Different M&A provide different sources of synergy. For example, they might enhance a firm's scale of operations through the addition of similar products or customers or expand its scope by adding complementary products or customer segments (Larsson & Finkelstein, 1999; Vestring, Rouse, & Rovit, 2004). Regardless of the goals, embarking on M&A requires substantial integration and commitment efforts by both firms to address the extensive strategic changes (Gomes, 2020), which can involve alterations to fundamental organizational design principles (Birkinshaw & Lingblad, 2005). This extreme, complex, and multifaceted form of organizational change (Cording, Christmann, & King, 2008; Kroon & Noorderhaven, 2018; Stahl & Voigt, 2008; van Vuuren, Beelen, & de Jong, 2010) can involve replacing existing shared schemas (Clark, Gioia, Ketchen, & Thomas, 2010), and many studies have sought to outline the integration demands linked to M&A (Torres de Oliveira, Sahasranamam, Figueira, & Paul, 2020), resulting in varied, multiple conceptualizations of post-M&A integration (Graebner, Heimeriks, Huy, & Vaara, 2017).

Birkinshaw, Bresman, and Håkanson's (2000) influential study operationalized integration according to task and human dimensions. Task integration involves transfers of capabilities and resource sharing; human integration pertains to social and organizational elements, such as shared norms, values, and cultures (Birkinshaw et al., 2000). The two dimensions are intertwined, but do not have effects in similar directions (Bauer, Matzler, & Wolf, 2016), so their effects can either hinder or enhance M&A outcomes. Extant research offers evidence of

beneficial impacts of task integration on human integration (e.g., Briscoe & Tsai, 2011), of human integration on task integration (e.g., Birkinshaw et al., 2000), and of both high (Bauer & Matzler, 2014) and low (Paruchuri, Nerkar, & Hambrick, 2006) levels of integration. Such conflicting views ultimately highlight the inherent ambiguity associated with combining activities that were previously executed by different organizations (Cording et al., 2008; Gomes, Weber, Brown, & Tarba, 2011). Perhaps as a result of this, many studies of post-M&A integration have focused on specific issues, seeking to reduce this complexity, even though complexity may be a key to understanding the actual, intertwined effects (Dao & Bauer, 2021, p. 12). In a similar sense, integration is the most challenging phase in M&A, but it tends to be the least researched (Devers et al., 2020), and extant studies offer very fragmented findings in this area (King, Wang, Samimi, & Cortes, 2021; Larsson & Finkelstein, 1999; Schweizer, 2005). Therefore, we regard integration and its complexity as a relevant topic for investigation and seek to identify additional contextual elements that might inform understanding of its implications (Dao & Bauer, 2021).

In cross-border M&A, for example, firms often seek two sources of synergy: economies of scale and scope. However, these two sources of synergy do not have to be present at each geographical location of newly established firms. To obtain economies of scale, firms are likely to colocate similar activities and reduce overlaps, but separating those activities might also enhance their operational flexibility. With regard to economies of scope, putting different units in the same location can support knowledge sharing and collaboration; here again, however, keeping the former firms separated might encourage more autonomy and flexibility (Larsson & Finkelstein, 1999). Thus, sources of synergy and location choices seem to be important contextual elements that implicitly explain the why and the how of M&A. Consequently, it is interesting to examine the effect of these two contextual elements on the post-M&A integration process. For example, should the firms integrate by adopting a single strategy across the organization to reduce complexity, or should they try to differentiate their actions across organizational contexts? To address this broad question, we investigate the ongoing, cross-border, postacquisition integration process of a Western European multinational corporation (MNC) that provides a broad range of products and services in more than 30 countries and acquired a high-profile, similarly established actor in the maritime industry with headquarters in Europe.

Using a sequential mixed-method approach involving self-administered questionnaires to establish a baseline, focus group interviews, and individual in-depth interviews of employees located in various sites and representing both firms, we identify two main findings that, in turn, suggest practicable recommendations. First, the context is critical to the choice of the integration approach. For M&A, the context can be defined by the source of synergy (complementarity or similarity) and the location (colocated or separated), and the different contexts that result require a different level focus on task or human integration. Second, task integration consists of operational and structural subdimensions, which also vary in importance across contexts and help explain the ambiguous findings of previous studies. Therefore, when MNCs embark on M&A to increase scale and/or scope, they should adopt differentiated integration approaches, depending on contextual determinants and reject any notion of a one-size-fits-all solution for the entire organization. We propose a three-part categorization of these approaches, based on the organizational context: product-focused, structure-focused, or people-focused.

In addition to providing insights for practitioners, this approach represents a contribution to post-M&A integration research by emphasizing the importance of unraveling the construct of task integration into operational and structural subelements. In so doing, we suggest two determinants to define the context of organizational units: source of synergy and choice of location. Dividing the newly established firm into four contexts, together with a more fine-grained view

on task integration, supports a differentiated integration approach. We suggest propositions that future research can test and practitioners can consider when defining how to structure the complex multiplicity of resources, operations, and locations that result from M&A and thereby improve their post-M&A integration outcomes.

2 | THEORETICAL BACKGROUND

2.1 | Dynamic complexity of post-M&A integration

Most post-M&A studies have assumed that integration is a homogeneous construct (Kroon, Noorderhaven, Corley, & Vaara, 2021). This has promoted some recent theoretical challenges (Angwin & Meadows, 2015; Teerikangas & Thanos, 2018) that acknowledge that integration spans many facets and reflects different motives (Meyer, 2001; Meyer, Mudambi, & Narula, 2011; Steigenberger, 2017). Firms undertaking M&A to gain innovation capabilities, for example, will probably hope to increase their scope through enhanced access to new markets, technology, and knowledge (Grimpe & Hussinger, 2014; Makri, Hitt, & Lane, 2010). Such motives represent strategic efforts to broaden the organizational knowledge base (Björkman, Stahl, & Vaara, 2007). International technology firms often exhibit such efforts, to achieve greater innovation capacity and knowledge development (Bresman, Birkinshaw, & Nobel, 2010). However, M&A might also enable a firm to increase its efficiency and productivity (Meyer, 2001), in which case the emphasis is on increasing the scale of operations, such as by adding similar products or customers that can help the firm lower its costs or grow its market power (Vestring et al., 2004). Finally, multiple motives complicate the integration effort because they require different forms and degrees of integration (Shrivastava, 1986).

In addition, postintegration processes reflect the size of the firm. When a large firm is acquired, more units or elements need to be integrated (Shrivastava, 1986). For cross-border acquisitions, a large firm even might function on a global level (Larsen, Manning, & Pedersen, 2019), which creates additional configuration and coordination complexities due to the multiplicity and complex linkages among its locations and operations. Thus, a firm operating from several locations is more complex than one operating a single facility at a single location (Larsen et al., 2019), especially when these different locations offer different products or services. A large MNC would then need to achieve strategic alignment and redefine its resource allocations across concurrent operations. Multinational firms are embedded in their environments in multiple ways, which adds more complexities to M&A (Meyer et al., 2011).

Finally, the integration process is dynamic and can take considerable time. Decisions that are appropriate in one stage of the integration process might become irrelevant or counterproductive in others (Steigenberger, 2017). However, firms must acknowledge and address many interdependent aspects of the integration process simultaneously (Zollo & Singh, 2004). To address all these sources of complexity, different post-M&A integration approaches have emerged, featuring both similar and distinct dimensions.

2.2 | Dimensions of Post-M&A integration

Among the various conceptualizations of post-M&A integration, Vaara, Sarala, Stahl, and Björkman (2012) emphasized standardization of practices, whereas Puranam, Singh, and Zollo

(2006) described the combination of formerly distinct organizational units into one. Other definitions of integration highlight the managerial actions taken to combine two previously separated firms (Cording et al., 2008). Another view describes it as a multidimensional process (Bauer et al., 2016). For example, Shrivastava (1986) characterized integration as a process along three possible paths: physical, procedural, and sociocultural. Birkinshaw et al. (2000), by contrast, suggested two process dimensions—task and human integration—that can encompass various acculturation strategies (Dauber, 2012). Although the latter two-part classification may appear rough, Birkinshaw et al. (2000) established the different logics stemming from task and human integration over the course of the integration process, and this classification has frequently been applied in the prior literature (e.g., Colman & Grøgaard, 2013).

Task integration implies the identification and realization of operational synergies that attempt to facilitate or ensure the effective functioning of the operations of the combined firms. Task integration might entail harmonizing product lines and production technologies (Shrivastava, 1986), reallocating positions and functions (Meyer, 2001), changing the organizational structure (Teerikangas & Laamanen, 2014), linking accounting systems and procedures (Shrivastava, 1986), negotiating, or designing new organizational boundaries (Driori, Wrzesniewski, & Ellis, 2013). Task integration reflects a value creation logic (Birkinshaw et al., 2000). Human integration reflects a human behavioral logic; it aims to socialize or foster the creation of positive attitudes toward the integration (Birkinshaw et al., 2000). This form of cultural integration (Teerikangas & Laamanen, 2014) comprises various human, social, and cultural aspects, such as issues of identity, justice, and trust (Graebner et al., 2017, p. 3). The goal is to generate satisfaction and, ultimately, a shared identity among employees of both companies (Birkinshaw et al., 2000).

Dividing the integration process into two dimensions can help clarify what is required for successful M&A-related integrations, but we must also address their interactions and embedded elements. For example, to create synergies, the integration process needs to be controlled to some extent, which implies task integration (Kroon et al., 2021). However, to exploit those synergies, the integration process also needs to induce structural and processual changes across both target and acquirer firms (Larsson & Finkelstein, 1999), which affects cultural and social aspects. This implies human integration. Across these complex relationships, however, task integration might encourage or hinder such human integration, and vice versa. Accordingly, it is inherently difficult to isolate the impact of any individual strategic decision on the ultimate integration outcomes (Cording et al., 2008).

2.3 | Reciprocal relationships between integration dimensions

The above discussion suggests the need to consider both task and human integration dimensions in order to identify their enhancing or detrimental influences on each other. Consider, for example, the implications for M&A that are undertaken to increase innovative capabilities, which may fail because integrating the acquiring and target firms' knowledge bases disrupts their existing innovation performance (Cloodt, Hagedoorn, & Van Kranenburg, 2006; Puranam, Singh, & Chaudhuri, 2009). To predict and explain the outcomes, we might look to the governance structure that the acquirer imposes, which causes employees to perceive a loss of autonomy in the newly formed firm and limits their cognitive flexibility (Kim & Zhong, 2017). In response, they might refuse to engage in knowledge sharing, which hampers innovation (Dao & Strobl, 2018; Vestring et al., 2004; Zhou, 2015). The integration of R&D operations is

particularly challenging in this sense because the tacit nature of R&D knowledge requires pro-active, willing knowledge sharing interactions, rather than enforced transfers (Birkinshaw et al., 2000). Therefore, if the goal is innovation, managers should prioritize human integration to inform their decisions and actions (Birkinshaw et al., 2000), but they still need to impose some structures related to task integration to avoid an excessive focus on elements such as employee satisfaction (Birkinshaw et al., 2000).

However, if the purpose of the M&A is to gain efficiencies, efforts might be directed towards seeking economies of sameness (similar operations) or economies of fitness (different, complementary operations) (Larsson & Finkelstein, 1999). Integration of similar resources is likely to occur more quickly, and the synergy can readily be commercially exploited, which provides greater economies of scale. Because it requires relatively minimal operational change, employees are less likely to exhibit change resistance, and task integration efforts should be beneficial (Zhou, 2013). However, even if the changes are minimal, they might evoke power struggles, sales conflicts, or downsizing (Wei & Clegg, 2014), all of which provoke employee anxiety and a greater need to address human integration.

As these conflicting predictions indicate, managing integration is an interactive and gradual process, and employees from both sides must cooperate to reorganize the available resources and capabilities (Weber, Rachman-Moore, & Tarba, 2012). These interdependent relationships also create coordination responsibilities and challenges (Zhou, 2013). Finally, decisions about geographical and physical locations can reinforce or weaken the benefits of any chosen integration focus (Bodner & Capron, 2018), especially when the task structure of the firm is complex and characterized by extensive interdependencies (Simon, 1962; Zhou, 2013).

The relationships reflect the contextual embeddedness of post-M&A integration (Cording et al., 2008; Dao & Bauer, 2021; Lakshman, 2011), which leads to causal ambiguity. Extant strategic management literature explores this causal ambiguity, related to the degree to which decision makers understand the relationships between organizational inputs and results (e.g., Haspeslagh & Jemison, 1991; Lippman & Rumelt, 1982). According to Dierickx and Cool (1989), causal ambiguity can be described on a continuum, according to the (in)ability to specify which factors will increase assets (p. 1509). Because post-M&A integration is an organizational change (Kroon & Noorderhaven, 2018), it is also characterized by substantial intrafirm uncertainty, reflecting the interdependencies of integration decisions and temporal distances between decisions and their visible outcomes. In M&A, the targets enter a state of flux and respond by attempting to decrease uncertainty and create a sense of order. All of the involved units continue to interact with one another, dealing with similar issues. The resulting confusion and lack of clarity hinders the ability of the newly merged firm to isolate the effects of specific integration decisions (Cording et al., 2008, p. 743). In other words, causal ambiguity becomes intensified, because the various specific resources, capabilities, and locations require different strategic decisions and priorities.

Post-M&A task and human integration have different levels of importance and the motives underpinning the M&A decision should guide the level of effort devoted to each (Angwin & Meadows, 2015; Steigenberger, 2017). Extant research has sought explanatory factors for acquisition outcomes by exploring the link between the integration process and outcomes, although it has largely ignored the context in which the integration process is embedded (Rouzies, Colman, & Angwin, 2019). In so doing, there is a risk of disregarding elements within task and human integration, which could explain the inconsistent prior research findings (Angwin & Meadows, 2015; Dauber, 2012). Therefore, we propose the inclusion of new combinations of firm resources, as well as geographical and physical locations (Bodner & Capron, 2018), post-M&A, to address the gap in the extant literature regarding prioritization of elements within task and human integration.

3 | METHODS

3.1 | Case setting

To undertake our empirical investigation of integration processes, we reached out to an MNC to propose a collaboration that would enable us to research the process involved in a recent acquisition it had announced. The acquiring firm (*Alpha*), which provides high-tech ship equipment, acquired a competitor (*Tau*), after several years of trying, in an attempt to increase its performance (efficiency and innovation) and market share. *Alpha*'s acquisition of *Tau* in the spring of 2019 led to the creation of a new organization called *Sigma*, which then needed to integrate almost 4,000 people from *Tau* and (re)organize more than 100 information technology systems to boost its new capabilities and enhance its innovation performance. An integration management office, staffed by representatives of both *Alpha* and *Tau* and established in 2018 (a year before the formal acquisition), took responsibility for organizational design, value capture, harmonization of products and IT services, and management of the financial and legal considerations of the acquisition. Because *Tau* had suffered losses in recent years, *Sigma* also sought cost efficiencies by removing redundancies (in other words, through task integration). The M&A was substantial in its magnitude (worth approximately €500 million) and its global presence, which is rare in a Western European context, making it a particularly interesting research setting.

We adopted a sequential, mixed-methods approach in which findings from one approach inform the others (Venkatesh, Brown, & Bala, 2013). Specifically, we started with a list of relevant themes from the literature. We identified seven themes: (a) M&A aim to achieve economies of scale (efficiency) and/or scope (innovation), (b) similarity between products has a positive effect on efficiency, (c) complementarity between products has a positive effect on innovation, (d) cross-border M&A increase integration complexity, (e) post-M&A integration consists of task and human integration, (f) task integration has a positive effect on efficiency, and (g) human integration has a positive effect on innovation. Hence, the themes were used to design both our quantitative and qualitative study. We started with a quantitative research questionnaire for data collection, followed by qualitative focus groups interviews and in-depth interviews to interpret the questionnaire findings. The quantitative study was conducted to explore the perceived level of human and task integration across countries. The goal was to obtain an overview of current state of the integration process, which was further examined through a qualitative study. With the overall design, the qualitative insights clarify the quantitative results (Creswell & Plano Clark, 2007). Figure A1 presents the timeline. We issued the questionnaire in spring 2020, conducted two focus group interviews in autumn of 2020 and performed eight in-depth interviews in spring 2021. This timeline overlaps with the outbreak of COVID-19 and consequently with several waves of lockdowns, during which many employees of *Sigma* had to work from home. However, since *Alpha* acquired *Tau* in the spring of 2019, most of the colocation processes had already been initiated before the pandemic started and employees previously working for *Alpha* or *Tau* had already started working together.

3.2 | Quantitative study

3.2.1 | Organization and respondent profiles

In March 2020, we conducted a survey study to determine how people in the new *Sigma* organization perceived the current state of integration. Because the participants completed the

questionnaire approximately 1 year after the acquisition, they were expected to have accumulated some experiences with new colleagues, products, and organizational structures. With this assessment of the current state of the integration, we establish a baseline of employees' sense of where they stand as *Sigma*, a new organization that combines the strengths of *Alpha* and *Tau*. This questionnaire also gave the research team an "alibi" to collect more data through the focus groups and in-depth interviews.

We obtained a list of email addresses for potential respondents from *Sigma*'s human resources (HR) department. The respondents had been employed by one of the two firms prior to the acquisition and were still employed by the new firm. The respondents included engineers and senior managers. We sent emails to 768 targeted respondents at *Sigma* and received 326 complete questionnaires, an overall response rate of 42.4%. After deleting observations with excessive missing values, the final dataset consists of 307 responses.

As detailed in Table B1, 82.4% of the respondents identified as men, 14.3% as women, and the rest chose not to answer. Nearly half of the respondents were managers (49.8%), and the rest were divided between administrative occupations and engineers. Approximately half (46.3%) of the respondents worked in a specific European country (coded Europe 1), and then employees located in one Asian country (Asia 1) represented the second largest group (24.4%). Other included units were in two American countries (Americas 1, Americas 2) with a smaller number of respondents (5.2% and 7.5%), and 8.8% of the respondents were in another European country (Europe 2). Both *Alpha* and *Tau* already operated in these locations before the acquisition, so geographical locations did not change due to the acquisition. However, in some locations (Asia 1, Americas 1, Europe 1), teams from *Alpha* and *Tau* colocated after the acquisition, altering their daily routines and requiring people to move to new offices or share office space with new colleagues. In some locations, the acquisition also created overlaps (products or processes) (Americas 1, Europe 1) that needed to be eliminated, leading to some downsizing. This distribution of locations (i.e., five geographic regions in three parts of the world) and occupations increased our confidence that the respondents were knowledgeable and qualified to comment on the post-acquisition process.

3.2.2 | Level of integration across locations

To assess the level of integration across locations, we compared levels of human and task integration. In line with Dao and Strobl (2018) and our previously proposed definition, we operationalized human integration according to the level of interrelationships of employees of *Alpha* and *Tau*, measured on a 7-point Likert scale with three relationship indicators. Task integration was the level of synergies between *Alpha* and *Tau*, which we also measured with three reflective indicators (Sarala & Vaara, 2010) on a 7-point Likert scale. Table 1 lists the measures of task and human integration, along with their reliability and validity and comparisons of the mean scores of task and human integration across countries where *Sigma* is located.

3.3 | **Qualitative study**

In the qualitative stage, we invited employees from different countries with strategic roles to participate in two separate focus group interviews. The first focus group included 11 employees of headquarters and subsidiary HR departments; the second featured nine engineering

TABLE 1 Internal consistency and convergent validity

Indicators	Constructs and loadings[a]	
	Task integration (TI)	Human integration (HI)
The practices have been standardized by changing the old practices to better fit both companies (TI1)	0.856	
The practices have been standardized by creating new practices (TI2)	0.859	
There has been a tendency towards standardization of processes (TI3)	0.776	
It is easy to access personal expertise and experience of colleagues (HI1)		0.883
Informal conversations and meetings are used for knowledge exchange (HI2)		0.873
Knowledge is acquired and passed on through personal mentoring (HI3)		0.889
Cronbach's alpha	0.782	0.857
Rho alpha	0.789	0.861
Composite reliability	0.870	0.913
Average variance extracted	0.691	0.778

[a]The correlation is .418 ($p = .000$), and the heterotrait-monotrait ratio is 0.489.

managers. The focus group interviews were conducted by the research team and organized as online meetings in Microsoft Teams. To prepare, we conducted face-to-face interviews with three experts from the integration team (HR manager, business development manager, and manager of control and analysis). In the first focus group, we encouraged discussion of cultural similarities between the two firms and efforts to build trust and fairness. In the second focus group, the main topics for discussion included managing complexity and dealing with the different integration dimensions. Next, we conducted eight in-depth one-on-one interviews with senior managers in different locations across *Sigma*'s regions. The interviews were organized online, again in Microsoft Teams, and ranged from 60 to 80 min in length. They were recorded, transcribed, and, with approval from interviewees, shared with the rest of the research team for analysis. Table C1 provides information about the interviewees and Appendix D contains the interview guide.

4 | DATA ANALYSIS AND RESULTS

4.1 | Quantitative analysis

To explore the relationships between human and task integration, we started by confirming the internal consistency, convergent validity, and divergent validity of the constructs (Hair, Risher, Sarstedt, & Ringle, 2019). As shown in Table 1, the Cronbach's alpha, rho alpha, and composite

reliability all exceed .708, indicating acceptable internal consistency of the two constructs. In support of their convergent validity, the average variance extracted is greater than 0.5. Their factor loadings also are greater than 0.7 (Hair et al., 2019). With regard to discriminant validity, we assessed the value of the heterotrait-monotrait ratio of correlation between task and human integration. Discriminant validity is established because the observed value (0.489) meets the requirement of being less than 0.85. The two constructs also are positively correlated ($p = .000$). However, with our cross-sectional data, we cannot make causal inferences about whether task integration causes or positively influences human integration, or vice versa.

Having established the validity and reliability of the measures for task and human integration, we computed mean scores for each focal construct, across countries, as Figure 1 details visually. The results exhibit clear differences in levels of integration across the five countries. The average score for task integration ranges from 3.20 (Europe 2) to 4.11 (Asia 1); the score for human integration ranges from 3.60 (Europe 2) to 4.44 (Europe 1). The discrepancy between task and human integration appears higher in Europe 1, but is quite narrow in Americas 1. With an analysis of variance (ANOVA), we also checked the significance of these differences. To test the assumption of homogeneous variance among groups, we conducted a Bartlett test (using the Bartlett's test function in R), which revealed that the variances across countries are equivalent, so the data are suitable for conducting the ANOVA (p for task integration [TI] $= .5295$, p for human integration [HI] $= .7513$). The ANOVA results (also conducted in R) reveal the differences in these mean values are significant across locations (p for TI $= .000$, p for HI $= .0452$).

The quantitative study revealed that the levels of human and task integration varied across countries and regions. Although one could simply assume that the differences in the levels of integration are due to differences between the countries, we wanted to examine these differences and their potential causes further. In sum, the empirical results show that even though *Sigma* had an organization-wide plan for the integration process, employees in different
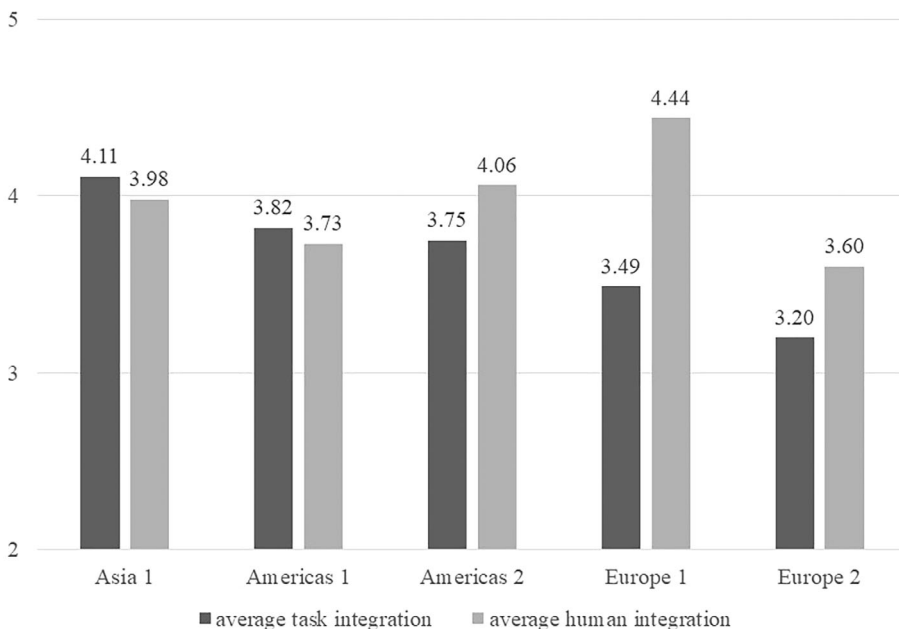

FIGURE 1 Integration by location

locations regarded the current state of the integration process differently. Therefore, we sought to understand their integration experiences in more detail through a qualitative study.

4.2 | Qualitative analysis

We asked the middle and top managers in the two focus groups and in-depth interviews to discuss the questionnaire results, but also to examine their experiences and lessons learned from the integration process more thoroughly. We selected these managers from six countries (the five countries represented in the quantitative analysis and one additional Asian country). A list of quotes and identified sources are available as Data S1. In Data S1 we use FGA and FGB to refer to the two focus group interviews, while CM refers to the in-depth interviews with country managers. After collecting the data, we initiated a content analysis, including a template analysis (Cavanagh, Freeman, Kalfadellis, & Cavusgil, 2017; Crabtree & Miller, 1992). We created a template on the basis of extant literature that indicated themes related to our research question. These themes were discussed in the previous section. Together with the results from the quantitative analysis, these themes were used as an interpretive guide for analyzing themes within the data (Gioia, Corley, & Hamilton, 2013). The seven themes from the literature are depicted on the left-hand side of Figure 2. Next, we created first-order codes based on respondents' own terms and phrases and derived second-order themes according to the similarities and differences in the first-order codes. Finally, we aggregated the themes into three theoretical dimensions (Gioia et al., 2013), representing product-, structure-, and people-focused integration approaches.

4.2.1 | Empirical findings: Task integration

Participants in both focus group interviews asserted that the new organization focused primarily on task integration. However, the process received mixed evaluations: Respondents regarded product integration and harmonization processes positively, but structural integration appeared less successful. The effective product harmonization efforts led to increased efficiency, so "Regarding cost-related outcomes, which are really positive, we have reached the goals set out" (CM3), seemingly because "We have had a lot of focus on profitability, not so much on bridging two companies" (FGA2). Although the COVID-19 pandemic did have an influence, it did not have severe effects on the task integration process, for which most communication took place through information technology channels.

Respondents were less positive about structural integration, as it was achieved by creating a new organizational structure. *Alpha* and *Tau* differed greatly in their initial organizational structures, in that *Alpha*'s functional structure featured high levels of autonomy, trust, and empowerment, whereas *Tau*'s matrix organization imposed high levels of control and a greater focus on rules and procedures. *Sigma* adopted the matrix organization after the acquisition, but not without a struggle. According to CM8, the complexity of the new matrix organization was underestimated and various focus group participants complained that decision-making takes more time because so many people need to be involved. For example, "I have much more responsibility but less authority. This is frustrating" (FGB11), and in this setting, being able to collaborate with former employees is like a "holiday for the brain" (FGB6). Although CM5 suggested that the new organizational structure should empower people—granting them more
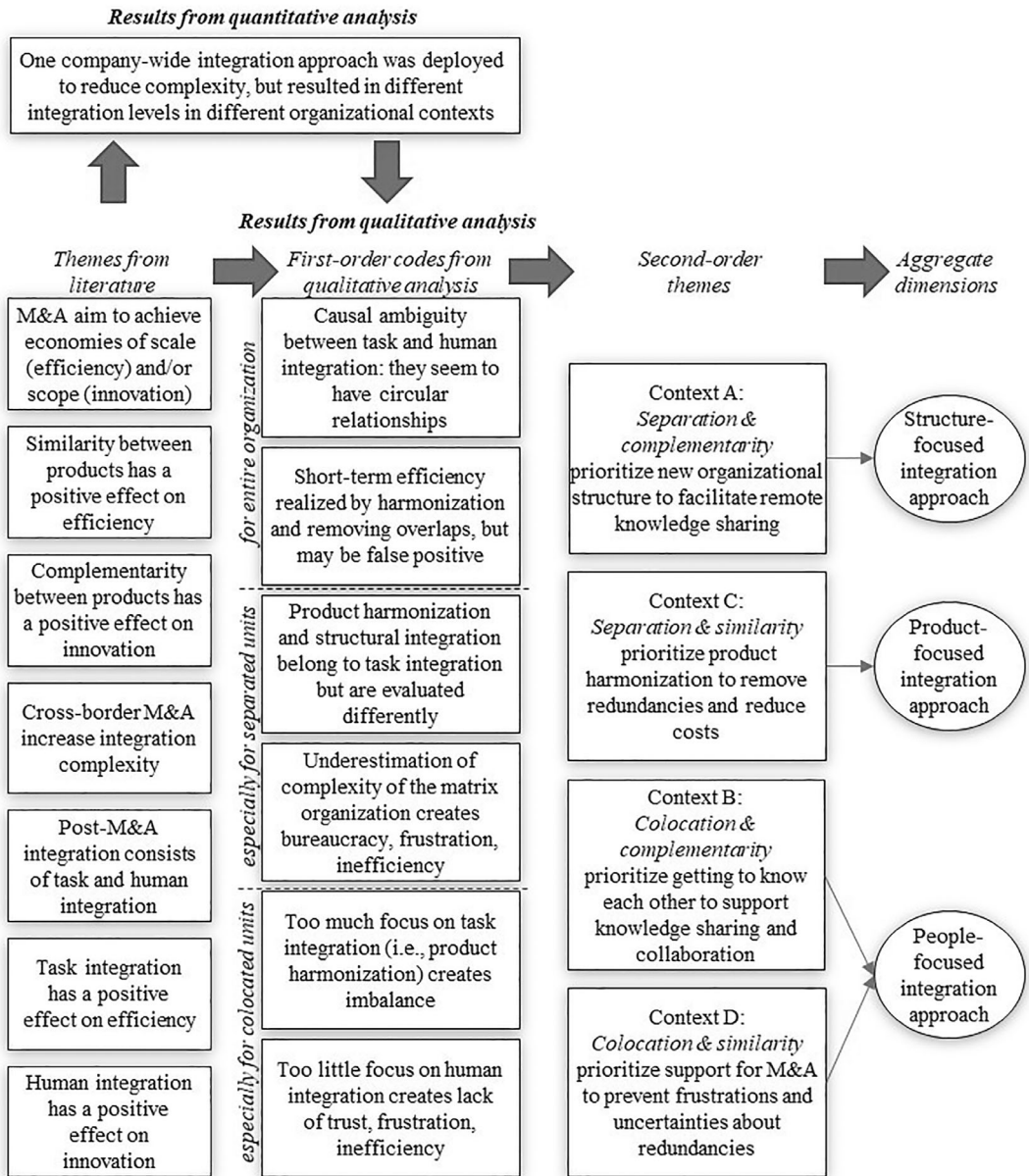
FIGURE 2 Data structure

ownership over their work and thus stimulating efficiency in dealing with the complexities of task integration, with a "Focus on the essentials. Find simple policies, guidelines for the new organization" (FGB16)—the new matrix organization was anything but simple. One interviewee cited the challenge of implementing a new matrix structure in parallel with the product harmonization process (FGA9), and another noted the difficulty of completing tasks, due to a loss of connection with headquarters (FGB17). CM4 acknowledged that "the matrix structure is still a struggle. For the *Alpha* guys it is not only a new matrix structure, but also a new role for them with sales budget responsibilities." CM3 said "From a products and tax point of view,

we're still two separate companies. We're one team, one group, one location, but we're pretty much two separate companies." CM6 shared this perspective, stating, "After the merger, it is a challenge with these two different ways of working, especially with these reporting lines." CM6 also pointed out that "the way of working is still different, even when we are colocated for two years. In the eyes of the customer, we needed to act as one company a long time ago, but we are not." Thus, both CM4 and CM5 identified structural integration as the most challenging task.

4.2.2 | Empirical findings: Human integration

The cost savings realized due to the focus on task integration seemingly came at the expense of human integration. While "Ideally you focus on two dimensions: performance (buy, make, sell) and health (ability to perform in a sustainable way, build engagement) [...] we focused more on performance" (FGA3); this led to perceptions that "we are out of balance now, there has been too much task integration, too much focus on cost effectiveness" (FGB1). Furthermore, the realized cost savings may be illusory, in that "We think we are saving money because we can see our costs are down and we think everything's going along well, but nobody's in the offices, nobody's in the warehouses" (CM3). The focus groups also revealed concerns about getting to know new colleagues when "People try to defend their positions. There is not enough trust" (FGB3). Describing another colleague's assessment, CM3 explained, "One of my colleagues from *Alpha* has mentioned that it is like the corner store all of a sudden bought Harrods and they have all these new colleagues, and they don't know who they are, and they don't know what they do." FGB4 regarded human integration as critical, because: "If you only continue the old business, it is OK to have only task integration. But if you want to develop new business you need human integration." However, *Sigma* did not appear to focus much on culture or behaviors, nor did it pursue central coordination of such integration activities. Instead, different locations adopted their own activities (FGA4), such that "human integration was very much left to the locals instead of being driven centrally" (CM4). Seemingly due to the accumulated frustration of employees after the acquisition (CM7), they began to focus on local communication between management and engineers.

4.2.3 | Empirical findings: Reciprocal relationships between task and human integration

The focus group interviews explicitly noted the need to find a balance between task and human integration: "It is like two elephants trying to dance with each other ... finding a tone where both elephants can learn the chords is what is needed for the dance to become synchronic" (FGB12). However, the best way to find this balance was contested. Some respondents suggested starting with task integration, which can then catalyze human integration. For example, product harmonization forces people to collaborate (FGB13), even when they do not know one another, so it can be a good foundation for human integration processes (FGB14, FGA6). As CM2 confirmed, "Focusing on task integration first, was a conscious decision (from the company perspective, not personal). It was good that we had the time to get to know each other. Focusing on task first, makes it sometimes easier to succeed with human integration." However, some other informants preferred the reverse order, because "If we have these shared values, we have a foundation for the other processes" (CM8). These respondents also felt that

too much task integration at the expense of human integration could undermine trust and fairness (FGA7) and increase employee turnover (FGA8, CM4): "We have lost some really good people because of this. We should have had more focus on human integration" (FGB15). If task integration leads to layoffs, it also increases frustrations and anxiety. CM5 was relieved to be spared from such decisions because his location did not have to reduce staff, although CM7 acknowledged that "Double functions had to fall out. Mergers have repercussions. This reality led to disappointments and insecurity." The relatively weak focus on human integration may also have hindered structural integration, because "Cultural differences, internal competition and protectionist behavior are all decreasing the level of collaboration required to succeed in a matrix organization" (FGB18), but managers felt abandoned by *Sigma* in terms of how to deal with these cultural issues (FGA10). CM2 argued that the cultural issues actually were caused by the slow pace of structural integration, in that employees did not know where they fit into the new organization. Differences in legal structures across locations did not help: "Legal structures in different countries create differences and this may negatively impact trust/fairness when people feel they are not treated equally" (FGA11). Furthermore, people "noticed that, at different management levels, there were more people from *Tau* than from *Alpha* and that had an impact. The most common expression I heard in the period is 'we have been taken over by *Tau*'" (CM7). According to CM8, the new organizational structure was not clear from the beginning, which created polarization ("us versus them"), as well as inefficiencies, with CM3 and CM6 claiming that they spent most of their days in meetings instead of managing people.

4.3 | Summary of empirical findings: First-order codes

We can summarize our findings in six first-order codes (Figure 2) that we have divided into three groups of two codes. The first two codes describe aspects of the integration process for the entire organization. Firstly, the causal ambiguity between task and human integration was recognized. Some respondents believed that frustrations could have been prevented if *Sigma* had prioritized human integration. Others claimed that task integration was required as a foundation for human integration. Thus, task and human integration appear to have a reciprocal relationship, which makes it difficult to identify where precisely to start the post-M&A integration process. Secondly, although product harmonization caused short-term efficiencies, respondents pointed to the risk of long-term inefficiencies because other dimensions of the integration process were neglected. The second group of codes was primarily fed by respondents working in locations that remain separated from their counterpart in the target or acquirer. It was recognized that task integration consists of several elements, such as product harmonization and structural integration. *Sigma* prioritized and successfully executed product harmonization; respondents were more negative about its structural integration efforts. Furthermore, the new matrix organization of *Sigma* was perceived as complex and bureaucratic, and people lost track of one another and their responsibilities, creating frustration, and inefficiencies. Finally, the third group of codes was inspired by interviews with respondents working in locations that are colocated with their counterpart in the target or acquirer. These respondents generally agreed that too much focus on product harmonization created an imbalance, while too little focus on human integration created inefficiencies, due to diminished trust and greater frustration.

These six first-order codes also offer insights into the diverse ratings of task integration in our quantitative study. For example, Asia 1 scores much higher than Europe 2, perhaps because it was clear what products people needed to work on after the acquisition (standardization of

practices and products), whereas there was less certainty regarding how to work together (standardization of processes). Across the multiple subelements of task integration (product harmonization and structural integration), the mixed results likely produce different scores for the overall construct. Furthermore, in attempting to deal with employees' frustrations after the acquisition, respondents in the qualitative study cited several local initiatives to support the human integration process in specific locations (such as Americas 2 and Europe 1), which likely led to the higher ratings on human integration in these locations. The business development manager of *Sigma* summarized the integration process as follows:

> Initially, the goal was to give both task and human integration the same amount of focus. But task integration is much more about objective, measurable, easy-to-set targets and following up on progress made. It is a lot harder to measure progress made in human integration. We had to make progress with product harmonization [task integration] because some divisions were losing money. We had to be more cost-efficient, but this also caused uncertainties for our employees. The HR department was almost overwhelmed by the extra work of dealing with the insecurities and uncertainties of employees caused by task integration. As a result, HR simply could no longer focus on human integration.

5 | DISCUSSION

5.1 | Second-order themes

Complexity and causal ambiguity between task and human integration make post-M&A integration a challenging exercise. There are many interacting elements, which are difficult for managers to keep track of simultaneously, such that during the integration process, managerial capacities may be strained, which could undermine the post-M&A integration (Colman, 2020). Instead, organizations might focus on certain elements of the integration approach; Zaheer, Castañer, and Souder (2013) predicted that task integration is prioritized because managers who are under pressure to deliver results find it easier to deal with similarity rather than complementarity. The benefits of task integration are more obvious as well. The events at *Sigma* bear out this prediction: The pressure to be cost-efficient led to a focus on task integration and product harmonization in particular.

Some respondents agreed with the decision to start with task integration, noting the pressing need to cut costs and provide a baseline for human integration (e.g., FGB13 in Data S1). However, we found varying opinions regarding the specific elements of task integration. Some respondents suggested prioritizing product harmonization (e.g., CM6, in Data S1), but others believe that structural integration should have been emphasized more (CM4 and CM5). Still other respondents argued for a focus on human integration (FGB1 and CM6).

Although the respondents disagreed, they arguably all have a point when we take their contexts into account. A preference for a certain integration focus seems to depend on the context, which in turn is defined by the motives of the M&A (such as increasing scope through innovation, increasing scale through reducing redundancies) and the organizational choices made to achieve them. We suggest characterizing the post-M&A context by (a) the motives of the M&A, or the primary source of synergy (similarity or complementarity) and (b) the degree to which the target and acquirer are colocated. For our research purposes, we define similarity as the

TABLE 2 Contextual post-merger and acquistion integration approach

Locations of target and acquirer	Primary source of synergy			
	Complementarity		**Similarity**	
Separated	A	Structure-focused integration approach	C	Product-focused integration approach
Colocated	B	People-focused integration approach	D	People-focused integration approach

extent to which two firms have a high degree of overlap in their technologies, operations, products, customers, or distribution channels, whereas complementarity occurs when components of the target "round out" those of the acquirer, such that they might achieve joint value creation through coordinated management (Zaheer et al., 2013). When similarity is high, synergies from M&A result from the removal of overlapping positions and consolidation of structural hierarchies (Larsson & Finkelstein, 1999). When complementarity is high, synergies can arise and increase the potential value of acquisitions by accessing or acquiring new resources to develop new products and services (Wei & Clegg, 2014). Colocation stimulates face-to-face communication among employees of the target and acquirer, so they may benefit from greater access to knowledge and expertise shared by peers (Wang, Waldman, & Zhang, 2014). In particular, colocation with expert colleagues provides easy access to proven technical solutions, which is important in knowledge-intensive settings (Narayanan, Balasubramanian, & Swaminathan, 2009). Focusing on sources of synergy and location choice as two main contextual characteristics is a simplification, as other characteristics may be worth considering. However, we believe that these two characteristics are crucial because they implicitly define both the goal of the M&A and the way to realize this goal. The combination of these contextual characteristics (similarity or complementarity and colocation or separation) defines four integration contexts, which we identify as our second-order themes (Figure 2), presented as a matrix in Table 2.

5.2 | Aggregate dimensions

The four contexts reflect different motives for collaboration and different ways to collaborate, so they also may require different integration approaches. The matrix in Table 2 represents four extreme contexts; we did not find them specifically in our empirical analysis, but across *Sigma*'s locations, we find representative versions. Context A implies that the primary source of synergy is complementarity, but the target and acquirer continue to work in separate buildings and locations, as in Europe 2, Americas 2, and Americas 1 (for the first 2 years after the acquisition). Context B also relies on complementarity as a source of synergy, but adopts colocation, as we find in Asia 1 and Americas 1 (2 years after the acquisition). Context C then uses similarities as a source of synergy without colocating the target and acquirer. Although our sample does not include any examples of this context, *Sigma* maintains some other locations that fit this description. Finally, Context D targets similarities and colocates the previously separated organizations, as in Asia 2 and Europe 1.

Noting the reciprocal links among task and human integration, and the difficulty of finding a starting point for the integration process and defining priorities, we propose three focus areas

for post-M&A integration, reflecting the aggregate dimensions we identify with this study (Figure 2). We summarize these ideas as propositions for how and why an organization should prioritize its post-M&A integration efforts.

5.3 | Propositions

5.3.1 | Structure-focused integration approach (Context A)

Complementarity requires high levels of human integration to support knowledge sharing, collaboration, and innovation. However, when the target and acquirer are separated, it might be better to focus on structural integration first. The employees of the target and acquirer work separately, so it is critical that they all know how the new organization will function across locations and who is responsible for what before they can start working together. When working separately, misunderstandings can quickly escalate due to the limited face-to-face interactions, as was the case in Europe 2: "In the beginning, *Sigma* was not clear about how the new organization should be structured. This created polarization of the type: 'who bought whom,' 'us and them,' 'who has the right culture,' and 'who is making money'" (CM8). The Americas 1 informants also recognized the need to focus on structural integration first, because "Employees need to know as soon as possible where they fit in the new organization. It was too slow and that created a lot of tension, a lot of uncertainty, and that doesn't help people to share knowledge" (CM2). Trying to force too much collaboration instead could also reduce knowledge sharing (Briscoe & Tsai, 2011).

> **Proposition 1.** *A structure-focused integration approach is preferred when the target and acquirer are separated, and the primary source of synergy of the newly established firm is complementarity (Context A).*

5.3.2 | Product-focused integration approach (Context C)

If synergy comes from similarities, and the target and acquirer remain separated, product harmonization should be prioritized. Separation may reduce employees' ability or motivation to absorb others' knowledge and learn from one another (Junni & Sarala, 2013). However, because the products and activities are similar, more value might be achieved by removing redundancies than by encouraging knowledge sharing. Removing redundancies can also spark uncertainty, resistance, and frustration (Larsson & Finkelstein, 1999). To avoid such negative effects, human integration must be addressed; we simply propose that the organization can afford to focus on product harmonization first. *Sigma*'s business development manager mentioned that the locations that matched this context (similar products and separated units) have been more successful in the integration process, which started with product harmonization and then proceeded to human integration. Although these units are separated, they operate as one unit.

> **Proposition 2.** *A product-focused integration approach is preferred when the target and acquirer are separated, and the primary source of synergy of the newly established firm is similarity (Context C).*

5.3.3 | People-focused integration approach (Contexts B and D)

When the target and acquirer colocate, employees must get to know one another in order to work together. Being in the same building may force people to interact, but without a strategic focus on human integration, the new organization still may suffer from relational inertia and polarization (us vs. them). For example, in Europe 1, frustrations escalated to such an extent that human integration had to be prioritized over task integration, reflecting a recognition that "It is good to let people vent, especially after years of accumulation. All the accumulated frustrations came finally out. After this, and after a good talk together, I would say it is 95% okay now. Since then, management has held regular weekly/biweekly meetings with work counsel to keep the communication open" (CM7). The country manager in Asia 2 agreed, stating: "Ideally, human integration should be the first priority [...] The integration of tools and the way of working should be the second priority. Product harmonization comes third" (CM6). Human integration encourages relationships among employees, and as a result, they increasingly share resources, coordinate activities, and create value (Briscoe & Tsai, 2011). This leads to Proposition 3.

> **Proposition 3.** *A people-focused integration approach is preferred when the target and acquirer are colocated, regardless of the sources of synergy of the newly established firm (Contexts B and D).*

6 | CONTRIBUTIONS

6.1 | Theoretical contributions

Cross-border M&A can involve multiple sources of synergy (similarities and complementarities) and multiple locations, which means that post-M&A integration processes are quite complex (Larsson, 1990). By analyzing the postacquisition integration process of a Western European provider of high-tech ship equipment that acquired one of its competitors, we found that the acquirer used a single, organization-wide approach to integrate its target. However, such a single approach limits the understanding of this complexity (Schweizer, 2005). Instead, effective integration requires managing each individual subprocess and addressing the dilemmas and paradoxes that arise from their interactions (Graebner et al., 2017). At *Sigma*, the powerful focus on one element of task integration (product harmonization) came at the expense of human integration and other task integration elements, which led to frustration, inefficiencies, resistance, and turnover. This finding corroborates previous insights that emphasize the need for both task and human integration (Birkinshaw et al., 2000; Colman & Grøgaard, 2013). A minimum level of task integration is required to allow the human integration process to initiate (Bresman, Birkinshaw, & Nobel, 1999; Briscoe & Tsai, 2011; Sarala & Vaara, 2010); the human integration process facilitates the effectiveness of the task integration process (Birkinshaw et al., 2000). Noting their reciprocity also reveals that too little focus on one dimension can hinder the development of the other, and too much focus on one dimension can be equally harmful. Task integration without sufficient human integration prevents employees of both the target and acquirer firm getting to know one another, and can create suspicion about the motives for the acquisition (Birkinshaw et al., 2000). Too much human integration can disrupt task integration, undermine the target firm's capabilities (Bresman et al., 2010; Rouzies et al., 2019), induce ambiguity, and increase complexity (Cording et al., 2008; Gomes et al., 2011).

Beyond confirming previous findings, our research also advances theory about post-M&A integration. First, while task integration is broadly defined and used in prior literature, we propose that it should be conceived of according to two elements: product harmonization and structural integration. The first element involves integrating product lines and production technologies (Shrivastava, 1986), and the second implies integrating organizational structures (Teerikangas & Laamanen, 2014), boundaries (Driori et al., 2013), and procedures (Shrivastava, 1986). Although product harmonization and structural integration both belong to the same higher-level construct of task integration, our findings suggest that they should be treated differently in post-M&A integration processes. The two elements do not necessarily behave in a synchronized way, and one does not naturally follow from the other. For example, as our findings suggest, when product harmonization occurs without structural integration, it can create problems for the overall integration process. When considering task integration only as a high-level construct and analyzing its performance in general, the underlying behavior or performance of its sub-elements may not be discovered. Therefore, we call for a more fine-grained perspective of task integration as a key contribution to relevant theory.

Second, post-M&A integration consists of multiple elements, but as our study respondents emphasized, it is difficult to focus on all of them simultaneously. *Sigma* hoped to focus equally on task and human integration, but under pressure to deliver results, it prioritized product harmonization. Similarly, Zaheer et al. (2013) discovered that managers under pressure find it easier to deal with overlaps between organizations (similarities in tasks) than with organizational arrangements that could create benefits due to complementarity. Considering the difficulty of focusing on all elements, we assert that the key is to focus on the right element at the right time. In addition, the relative ease of establishing product harmonization does not mean it should be the priority; rather, the focus should depend on the context (Porter & Siggelkow, 2008), in line with Schweizer's (2005) calls for a hybrid integration approach. Our findings propose *how* such a context can be characterized; namely, by the primary source of synergy (similarity or complementarity) and the location of the target and acquirer (colocated or separated), as can be summarized by the two-by-two matrix in Table 2. We also suggest that, for each context, firms should prioritize a different element in the integration process, which adds to our understanding of integration processes in complex settings of multipurpose and multisite contexts. These proposed integration approaches also align with findings that indicate integration unfolds in temporal phases (Birkinshaw et al., 2000; Bresman et al., 1999; Monin, Noorderhaven, Vaara, & Kroon, 2013). They signal our recognition that there is no one-size-fits-all approach for an organization; integration requires differentiated execution.

6.2 | Managerial contributions

Our three propositions reflect the theoretical insights and offer clear recommendations for managers. When the target and acquirer are colocated at a certain location, the approach should be people-focused and prioritize human integration, followed by structure- or product-focused integration, depending on the primary source of synergy. If the target and acquirer remain separated, the source of synergy determines which element of task integration should be prioritized. Similarity as a source of synergy requires attention to product harmonization first (product-focused integration), while complementarity demands structural integration first (structure-focused integration). These differentiated integration approaches reveal where firms should start their integration processes to increase their chances of success and reduce negative

impacts on other subprocesses. Because of the reciprocal relationships of these elements of the integration process, we suggest where to start and also how organizations can shift their emphasis as the integration process progresses.

In addition to outlining how to initiate the process and providing insights for designing future M&A decisions, our findings might help firms undertaking other strategic moves, such as joint ventures or offshoring. These arrangements can also induce changes that require location decisions and assignments of similar or complementary activities. As such, the approaches in our propositions may help managers deal with these sorts of organizational changes too.

6.3 | Limitations and further research

The present study has certain limitations and caution should be exercised before attempting to generalize our findings. The first limitation is the small number of participants in both the quantitative and the qualitative studies. Because we were able to investigate postacquisition integration in "real time," we anticipated that recruitment of respondents might not meet targets in all countries. However, because of this real-time investigation, the findings of our study offer new and potentially useful information for the population. Second, we acknowledge the imperfect measures of key items in the quantitative study. Although the indicators used in this study are semantically plausible and statistically reliable and valid, future studies can consider exploring and adding items that might fully represent the target constructs. This will require developing and confirming comprehensive scales for the measuring human and task integration and its subelements. Third, we conducted this study as a single case in relation to a specific M&A involving Western European firms. Every case has its specificities, so another case study may lead to other contextual elements of M&A and focus areas in the post-M&A integration process. Replication studies might confirm the external validity of our findings and examine whether other contextual elements (besides synergy and location) also need to be considered (such as geopolitical, cultural, accounting elements). Our study is also limited in its time frame, and some effects might only emerge after more time has elapsed. A longitudinal study, beyond the 2 years that we test, might strengthen the results and provide more nuanced explanations of the entire post-M&A integration process. Such longitudinal research could also test our propositions in practice, to determine whether our suggested differentiated integration approaches improve the post-M&A integration outcomes. It would be interesting to investigate whether synergies are postponed (or not realized at all) due to the adoption of an improper integration approach. In addition, our research overlapped with the pandemic, which may have impacted the results as the pandemic started 1 year after the acquisition. Human integration in particular may have been slowed down, as employees could only meet virtually due to national and global regulations, such as lockdowns. Therefore, a similar study that does not involve the pandemic and its potential unsettling effects on people and the organizations they work for is recommended to verify our findings. Finally, we also call for analyses of how and how quickly organizations discover that they have chosen an incorrect approach and get back on track. Finally, including new employees, hired after the M&A, might reveal valuable insights, according to their fresh perspective on the newly formed firm.

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SUPPORTING INFORMATION

Additional supporting information can be found online in the Supporting Information section at the end of this article.
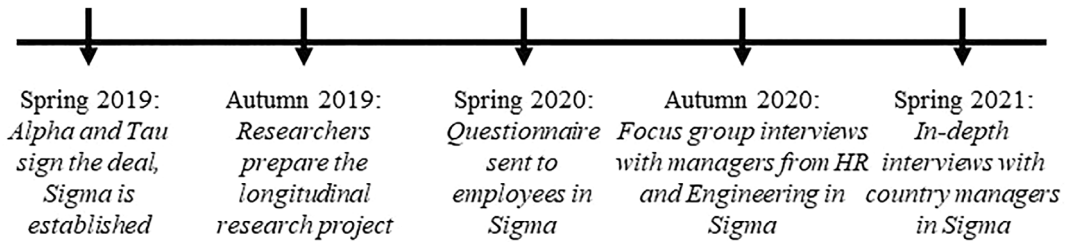
APPENDIX A

FIGURE A1　Research timeline

APPENDIX B

TABLE B1　Sample characteristics

Measures	Item	Frequencies	Percent
Affiliation	Acquiring firm (*alpha*)	170	55.4%
	Acquired firm (*tau*)	137	44.6%
Gender	Male	253	82.4%
	Female	44	14.3%
	Other/not answered	10	3.3%
Job position	Manager	154	49.8%
	Engineers	153	50.2%
Country	Americas 1	16	5.2%
	Americas 2	23	7.5%
	Asia	75	24.4%
	Europe 1	27	8.8%
	Europe 2	142	46.3%
	Other	24	7.8%

APPENDIX C

TABLE C1 Profiles of interviewees

Interview		Profile
FGA	Focus group interview with 11 human resource managers	Headquarter and subsidiary-level HR management
FGB	Focus group interview with 9 engineering managers	Managers with engineering skills, knowledge and expertise, alongside knowledge of business
CM1	Country manager	Leading role in integration process in Americas 1
CM2	Country manager	Leading role in integration process in Americas 2
CM3	Country manager	Leading role in integration process in Americas 1
CM4	Country manager	Leading role in integration process in Asia 1
CM5	Country manager	Leading role in integration process in Asia 1
CM6	Country manager	Leading role in integration process in Asia 2
CM7	Country manager	Leading role in integration process in Europe 1
CM8	Country manager	Leading role in integration process in Europe 2

APPENDIX D: INTERVIEW GUIDE FOR IN-DEPTH INTERVIEWS

1. Roles and responsibilities
   a. Can you explain your current role in the (new) organization and your previous role (before the acquisition)?
   b. What has changed in your role, responsibilities? Why? Do you have to report to different people or maybe more people?
   c. How large is the team you manage? Has this changed after the acquisition?

2. Multinationals
   a. Both *Tau* and *Alpha* were already multinational organizations before the acquisition. How did this influence the integration in your perspective?
   b. Has the multinational aspect changed for you and your team (do you have to deal with more or less different countries now)?
   c. Do you see any big differences between your country and the country where *Sigma*'s headquarters is located? Can you explain how these differences influence your work?

3. Task integration
   a. From earlier interviews, we know that *Sigma* made a great effort in harmonizing the product portfolio after the acquisition to realize cost efficiencies. How were you/your team affected by this?
   b. Did you have to remove overlaps/redundancies because of similarities between *Tau* and *Alpha* or was this not an issue?
   c. If overlaps were removed: How did this process unfold? How did your team respond? Was it a successful process? If you had to do it again, would you do it the same way?
   d. If overlaps were not removed: Why not? Because you are mostly working on complementary products?

4. Human integration
    a. How would you describe the collaboration between *Tau* and *Alpha* in your team?
    b. How did this collaboration evolve since right after the acquisition until now? (Any frustrations or negative responses?)
    c. How does/did COVID-19 influenced this process?
    d. Did you/your division do anything specific to boost collaboration, shared values, build trust, etc.? If so, what? If not, why not?
    e. Did you notice any cultural challenges (occupational, organizational, geographical differences)?

5. Juggling different tasks
    a. Managing a team is not an easy task and managing a team through an acquisition (and potentially building a new team in a new organization) does not make it easier. What was the most difficult task for you right after the acquisition (about 1 year ago)?
    b. Did you manage to solve this? If so, how? If not, why not?
    c. If you managed to solve it, it was probably replaced by another problem; what was this problem? In other words: can you say something about the last year and what kind of managerial problems you were juggling with?
    d. Assuming you cannot do everything, you probably have to prioritize. If you think about task integration and human integration, did you prioritize between these two? How? Why?

6. Performance
    a. Can you think of any outcomes/results that your team/division has achieved in the past year because of the acquisition? (New ideas/products/markets/customers)