POST-MERGER CONFLICTS

An explorative perspective on the application of conflict theories in merger analysis

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Program:	Master of strategic human resource management and labour relations
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Supervisor:	Jordan Thomas
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Abstract

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Purpose

The aim of this study was to find out how the application of a conflict theory perspective can contribute to new and/or different knowledge in the field of mergers and acquisitions, as compared to the more commonly applied organisational cultural, financial and strategic theoretical approaches. This was achieved by first answering two research questions regarding the nature of conflicts in a post-merger case. To conclude with a final question: How can conflict theory add new and/or different insights to the research field of mergers and acquisitions?

Theoretical framework

For the understanding of different levels of action in conflict, the theory *Levels of action* by Jordan (2015) was used in this study. To deal with the relational aspects of conflict, the *ABC-model* by Johan Galtung (Jordan. 2015) was applied. The ABC-model served to gain an understanding of what the conflicts were about and what the causes of the conflict might have been. Finally, the theory on *procedural justice* by Gleason and Roberts (1977) and *power dimensions* as described by Jordan (2015) was applied as an addition to the ABC-model.

Method

A case study conducted at two Norwegian locations of a company in the security technology industry. The study applied qualitative method with semi-structured interviews with managers and employees as primary data source. Exit interviews and an employee survey were included as secondary data sources. In order to add nuance a comparative analysis was performed between the different data sources. This enabled the multiple data sources to support each other and contributed to the trustworthiness of the results.

Results

Previous research has suggested that strategic and financial perspectives to mergers and acquisitions is an insufficient measure of success (Weber et al. 2012). The solution to that has been to apply theories with a stronger emphasis on the human aspects, such as organisational cultural theory (Buono. 2003; Sarala, Vaara & Junni. 2017). However, little research has pointed out the possible limitations in applying such an approach. It seems as if there has been a common understanding in the research field of mergers and acquisitions, that implications and success of M&A's can now be sufficiently explained with the addition of organisational cultural theories. However, the findings in this report suggests the contrary. By applying a conflict theory perspective to the analysis of a merger it was possible to produce much more differentiated findings than if applying strategic, financial and organisational cultural theories. The results indicated that there was a complex interrelation between different causes of conflict and the nature of the conflicts. Furthermore, the analysis pointed out specific types of conflicts which had been caused by the merger. The causes of conflicts were found on all levels (i.e. individual-, relational- and systemic -levels). However, the systemic level was the primary source of conflict in this case.

Acknowledgements

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I. Introduction

In war, there is conflict. In politics, there is conflict. In those areas it has come naturally to analyse phenomena with conflict theories. How is it, that this type of theory is not as vividly applied in a field that might be just as exposed to conflict in many cases: mergers and acquisitions? Mergers and acquisitions are more commonly analysed with the utilisation of organisational culture theories (Schraeder & Self. 2003; Buono, Bowditch & Lewis. 1985; Harris. 2010). There has also been a long-lasting trend of analysing mergers and acquisitions from a financial and strategic perspective (Weber, Rachman-Moore & Tarba. 2012). This case study comes from a view which implies that to enable a robust culture in a post-merger one must first deal with the conflicts that has emerged.

The strong attention given to the research field of mergers and acquisitions has been caused by the upward trend of mergers and acquisitions in many fields ever since the 1980's (Barmeyer & Mayrhofer. 2012). The field of the company in this case study, the security technology industry, has been no exception to this trend. As that may be, this study found no previous research focused on mergers and acquisitions in that industry. Therefore, this study hopes to make contributions not only to the theoretical application in mergers and acquisitions research, but also to the filed of security technology.

Aim

The aim of this study was to find out how the application of a conflict theory perspective can contribute to new and/or different knowledge in the field of mergers and acquisitions, then the more commonly applied organisational cultural, financial and strategic theoretical approaches. This was achieved by answering three questions of which the last question was the main question. The purpose of the two first questions was to investigate specific issues related to the merger, with the application of conflict theory. The issues were related to: what the employees were dissatisfied with and why, and what were the causes of the conflicts/problems? Based on the answers and analysis of the first two questions, it was possible to make comparisons with previous research that applied other theoretical frameworks and from that answer the main question.

Research questions

- What types of conflicts can arise in a post-merger organisation?
- What could be contributing factors to conflicts in a post-merger organisation?
- **How can conflict theory add new and/or different insights to the research field of mergers and acquisitions?**

1.1 The company and the industry

Mergers and acquisitions are common in the industry of security technology. In fact, it is estimated that there is an upward trend of mergers and acquisitions in the security technology market (Memoori. 2018). Add to this, that there had been little to no previous research conducted on mergers in the security technology industry. Therefore, this study was able to contribute value both to the research field, the investigated organization and the market of security technology. The case was a good example to investigate, as the company conducted their latest merger three years ago and they were still experiencing troubles which they could not fully explain. Thus, the case gave room for much exploration and provided the possibility to retrieve data in retrospect, as well as investigation of the outcomes of the merger. The company in the case was, as mentioned in the previous section, a multinational company. At the time of this report, they were present in 130 countries and had a total of approximately 16,000 employees worldwide. This study focused on two sites in the Norwegian location, which together consisted of approximately 200 employees at the time.

1.2 The merger[1]

Three years prior to this study, there was a merger between two multinational companies in the field of security technology. They were both specialised in doors, locks, etc, primarily targeting large customers such as offices and new building constructions. The strategic purpose behind the merger was to increase the return to the stakeholders and to accomplish a wider product portfolio for their customers. At the initial phase of the merger, the company made a thorough plan of the integration with the help of specialised consultants. On a global level and an EMEA level, the plan was conducted sufficiently. In hindsight however, it became clear that the plan was not as thorough on the national level in some cases.

One specific region of interest to this study was Norway, seeing as it seemed to be the region in the Scandinavia with most difficulties in the post-merger phase. Relevant to the issues in Norway was that one of the companies used to have multiple locations across the nation before the merger. As a result of the merger, many of the locations where shut down and they were structured in a more centralised way. Naturally, this had a stronger negative impact on the employees from the company which had previously been working in a more decentralised way, as compared to the employees of the other company which was used to a more centralised structure. The new structure caused an impression of a more hierarchical system with slow processes, seen from the perspective of employees and middle management. As a part of the execution of the merger, they also managed to put everyone under the same roof, implement new supply chain processes and new IT systems. The company invested a total of 40 to 50 million kronor in

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[1] The facts in the first part of this section was based on interviews, conducted with higher level strategic management, with a focus on the background of the merger.

new IT systems, which purpose was to have a consistent use of the same systems globally, thus making it more efficient and better for the customers.

In addition to this, the entire Norwegian management team was replaced in order to facilitate improved leadership with stronger emphasis on the human aspects. There was an impression that the leadership of the past leaders still was influencing the culture and made middle management feel subdued or even left out to some extent. This was assumed to be caused by the radical change in leadership styles, moving from leaders that was not capable of really leading to managers who wanted the middle management to take ownership in the process.

The merger was conducted according to the original time frame and with it came both positive and negative outcomes. One positive effect of the merger was a larger synergistic effect than expected in terms of financial turnover. They also experienced positive synergistic effects by consolidating positions (e.g. making three management positions to one). However, by only looking at these statistics when determining the success of the merger, one could get a much too favourable impression. When also considering the negative effects of the merger this became clear; there had also been an increase in sick leave rates and employee turnover, together with a decreased engagement and ownership (i.e. employees' tendency to take responsibility for their actions). As one strategic manager explained: "the biggest failure is that people don´t laugh and smile".

In the Norwegian region, the employee turnover had stagnated on a level of approximately 18 % in the post-merger phase[2]. As of the end of 2018 there had been 40 employees who had left the company since the merger, of which 14 were involuntary. 10 more employees were currently about to quit during the point of the investigation of the exit interviews. This had resulted in a turnover of 15,5 % during 2018, which indicated a slight decrease from previous post-merger years. According to the employees that choose to leave the company[3], the reasons were said to be unstructured environment, lack of goal clarity and lack of role clarity. One upside to this was that many of the employees that left expressed that they would consider coming back to the company when things had settled. However, the employees' tendency to leave the company was further illustrated by the high level of negative results found in an employee survey, previously conducted by the IBM corporation. The employee survey showed that 46 % of the employees in the Norwegian region said that they often considered looking for a job elsewhere. This was high compared to the corporate level which indicated that 20 % of the employees considered leaving.

The employee survey showed additional statistics on engagement (42 % positive, 29 % neutral, 29 % negative responses) and performance opportunity (40 % positive, 40 % negative responses). In

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[2] Facts on the employee turnover was retrieved from the HR department
[3] Information based on exit interviews conducted by the HR department

addition to this, four dimensions were presented with average scores on positive, neutral and negative answers. The dimensions where *change administration* (related to whether the employees felt supported in changes and knew how changes would impact their work), *work environment*, *leadership* and *work colleagues*. All the dimensions had 23 % neutral answers. The results showed: 43 % positive and 35 % negative, on the dimension change administration. For work environment there were 32 % positive and 45 % negative. Leadership had 50 % positive and 28 % negative. Finally, work colleagues had the highest positive score with 57 % positive and 20 % negative.

From this it was possible to tell that the work environment was the dimension that got the highest score of negative answers. Specific areas of the dimension which were subject to the most negative scores were related to: learning and personal development, effectiveness and organization of work processes, collaboration between functions, recognition and positive feedback. One possibility could have been that these aspects were related to leadership. However, it might also have been a product of higher systemic issues, or a combination of both. It was also important to consider that although the leadership got a higher positive score than most of the other dimensions, it was far from the external norm posted by IBM (77 % positive). IBM´s external norm is an average score of organizations in multiple branches in many countries across the world. There were also some specific aspects that stood out in the leadership dimension as being much higher in negative responses than the others (i.e. direction and prioritisation - 38% positive compared to the external norm 78 %, personal development conversations - 26 % positive compared to the external norm 70 %).

At the initial stage of this study, the impression stood that they still had not managed to integrate the processes and culture of the two companies in an efficient way in the Norwegian region. Implementation of the new IT systems had not settled and there was still an impression amongst employees that some processes and working methods where unclear and inefficient.

II. Previous research

Mergers and acquisitions have been an increasing trend in many fields worldwide ever since the early 1980's (Barmeyer & Mayrhofer. 2012). Naturally, the field has gotten much attention within research. Much of the research has focused on pre-merger financial and strategic parameters when determining success (Weber et al. 2012). This type of perspective has proven to be an insufficient measure with low validity (Weber et al. 2012). To compensate for the lack of focus on human aspects provided by the research on strategic, legal and financial implications of mergers, additional research has been provided on human aspects of organizational culture in mergers and acquisitions (Weber et al. 2012; Buono. 2003; Sarala, Vaara & Junni. 2017). Weber et al (2012) dealt with the intercultural conflicts in mergers and acquisitions by trying to develop a knowledge-based theory for merger and acquisition integration. This was done partially from the perspective of HR practices, and the results showed that there was no best practice that sufficiently analysed mergers and acquisitions. Some of these human aspects of importance to mergers and acquisitions has been emotional processes, change agents, resistance, HR practices and communication (Sarala et al. 2017; Weber et al. 2012). Additionally, a broad scope of the research focused on mergers and acquisitions emphasise the presence of conflict. However, little research has focused on conflicts as the main focus of investigation in mergers.

Some of the research has a focus on acquisitions, while the majority of research in the field has applied the term M&A's (mergers and acquisitions) in a more general manner. These two concepts are not the same, which is important to mention. However, they have similar attributes, success factors and implications. Arbuckle (2003) was one of many researchers to point at the difference between the concepts. While a merger is a consolidation of two companies on mutual terms, an acquisition is a consolidation or a take-over where one of the companies buys the other (Arbuckle. 2003). The literature review in this study looked at the factors of both M&A's, with a focus on the factors which were specifically applicable on mergers.

2.1 Merger implications

There has been much research dedicated to unfolding the negative aspect which can occur as a result of a merger. This has been done due to the evident low success rate of mergers (Cartwright & Cooper. 1993; Schraeder & Self, 2003). One such effect is an increase in voluntary turn over, which often is caused by the stress, anxiety and perceived justice experienced by employees in a post-merger (Bingöl. 2017).

Arbuckle (2003) suggested in his study that neglecting the cultural aspects of mergers can result in failure. One implication of neglecting cultural factors can be symptoms of a cultural shock, both on individual and organisational levels. A cultural shock can lead to depression, apathy, anger and disorientation, due to fear of things which are unknown or unpredictable to individuals. This can in time result in irrational

behaviours. At the same time, these fears are occasionally rational as well, when concerning fear of losing once position for example. When management is unable to deal with the resistance caused by such fears as described above, it is not uncommon that they become imperious in their leadership, which will only lead to a reinforced resistance from the employees who risk losing morale due to the way in which they are being treated (Arbuckle. 2003). This can be regarded as a negative downwards spiral where the lack of appropriate knowledge regarding resistance amongst managers is the cause of increased resistance amongst employees.

El Zuhairy, Taher and Shafei (2015) further argued that in order to make a successful merger, organisations must consider how to merge leadership styles, organisational structures and policies, as well as deal with the expectations of the employees. If this is not conducted sufficiently, it is not uncommon that too much attention will be focused on internal struggle, which in time can result in decreased productivity, performance and service towards customers (El Zuhairy et al. 2015). Furthermore, El Zuhairy et al (2015) emphasise that the risk of losing customers increases the longer it takes for the internal matters to settle.

Other implications that often occur as a result of mergers are difficulties with integration. According to the case study by Buono, Bowditch and Lewis (1985), it is immensely difficult to integrate two companies with different cultures, even if they are in the same industry. To deal with the impact of the organizational members and the power they possess, Buono et al (2003) analysed the integration and dysfunctions of mergers. The dysfunctions with the largest decrease, based on a pre- and post- merger survey, were found in the following areas: interaction between staff and upper management, collaboration between departments, personal development opportunities, efficiency in training, caring about employees from top management and organisational commitment.

2.2 Successful mergers

Because of the many evident implications of mergers, much research has been devoted to studying how to make mergers successful. One such catalyst is organisational culture (Schraeder & Self. 2003). According to Schreader and Self (2003), there are various aspects to consider in terms of organisational culture both before and after conducting a merger. In the pre-merger phase, it has been suggested that it is as important to consider the cultural fit between the merging organisations, as it is to investigate the strategic fit (Schreader & Self. 2003). Schreader and Self (2003) contrasted this argument further by suggesting that some extent of contradiction in culture can be lucrative as it tend to fertilise synergies. Schreader and Self (2003) argues that post-merger integration is essential to its success. This is a reoccurring phenomenon in research on success factors in mergers and accusations which is why it has been devoted a separate section below.

Arbuckle (2003) also focused on the essential impact of a strong focus on organisational culture as a means to achieve success in mergers. Arbuckle (2003) stressed the importance of having a fundamental

understanding of the meaning of culture to begin with. He also pointed to the positive contribution of having consideration towards the inbuilt resistance which a cultural change implies, in this process it is also important to consider the time that it takes for an organisational culture to change. Arbuckle (2003) argued that in a battle between change and culture, the culture usually wins, seeing as culture is deeply rooted in the old ways. Openness in information and communication was also important according to Arbuckle (2003) who suggested that the slightest rumour of a merger can cause a cultural shock, the implications of which were explained in the previous section. To deal with the issues in a cultural shock, one must provide opportunities for negative feelings to be addressed in a sensitive manner. (Arbuckle. 2003)

Another aspect which can contribute to a successful merger, is being able to see the difference between the public and residual myths. Arbuckle (2003) explains how a public myth is defined by official statements in documents such as visions and missions. A formation of these types of statements is not that complicated to perform, the challenge occurs in the implementation of the vision and mission. Seeing as it takes involvement and change in individuals and culture to embrace and strive towards a new vision. If organisations do not manage to create a motivation to live up to new public myths (e.g. visions, missions), old underlying cultures and values such as competition and distrust might linger and grow in the residual myths. (Arbuckle. 2003)

Arbuckle (2003) also found that a clarity in the expected level of acculturation resulted by the merger. In this matter Arbuckle (2003) explains how the acculturation can occur as: cultural assimilation (i.e. one of the organisations adapts and takes on the cultural attributes of the other organisation), cultural pluralism (i.e. when the two cultures coexist), cultural integration (i.e. when the two cultures changes and combines into a new senior culture, also referred to as multicultural model). To achieve the cultural integration, it is important to find the common values of the merging companies and build the new culture around those, while being sensitive and not excluding any fundamental values of any of the merging organisations (Arbuckle. 2003).

An additional important point for achieving success in a merger was handling of grievances, which is an inevitable part of any merger. Arbuckle (2003) suggested that in the grieving process employees must be allowed to express pains caused by the merger process as well as stories of the past, in a trustful environment. Development of managers as cultural change agents was also essential according to Arbuckle (2003). In the case studied by Arbuckle (2003) the merger was conducted between religious hospitals. However, the success factors are easily transferable to any other organisational setting. As the study applied religious quotations occasionally in relation to the success factors of merger, it might be questionable how objective it was.

Harris (2010) analysed the merger of two of the largest accounting firms and pointed to some of the success factors of the merger. One specific question of relevance was the steps they took in order to

achieve the full potential of the merger. The findings suggested that the reasons behind the success were the striving towards creating a successful strategy and one shared organizational culture (Harris. 2010). One example of cultural similarities that enriched the performance of the merger was their shared results orientation, (i.e. comparing their results against competitors in gaining and retaining clients). In the post-merger phase, they integrated the companies by creating a new set of values and principles (less bureaucratic) and changed the mindset of the organization (Harris. 2010). This was similar to the suggested success factor by Arbuckle (2003) who also found that new shared values were important. It seems as if the success of this case was related to finding similarities in the respective organizational cultures, where they together could stand united towards the competitors.

Post-merger integration

Post-merger integration has been developed as a suggested success factor in mergers and acquisitions by many researchers. Teerikangas and Joseph (2012) have suggested that integration in the post-deal phase of a merger is crucial for its success. They support this claim by explaining that it is in this phase that all the desired positive outcomes of the merger need to be achieved (e.g. synergies, goals and cost-efficiencies). They highlight the importance of not seeing the pre-merger phase and the post-merger phase as separate, rather they should be regarded as interrelated. Teerikangas and Joseph (2012) further argues that the time frame of a merger needs to be taken into consideration. Research has shown that it can take as long as up to 12 years before all possible gains from a merger have surfaced, while the time span for the integration process usually lasts from five to twelve years (Teerikangas & Joseph. 2012). They further stress that it is often the integration of people that take longer, compared to the integration of tasks.

Teerikangas and Joseph (2012) presented a wide scope of factors which were related to a successful post-merger integration, as concluded by various researchers in the field. Dionne (1988) suggested success factors such as retrieving knowledge about why an acquisition is needed, having integration champions and other relevant positions (e.g. business managers) involved in the process, avoiding lengthy courtship periods, deal with expectations, put effort on the planning of the integration and upholding necessary support and surveillance. De Noble, Gustafson and Hergert (1988) also pointed out the influence of getting the right people involved in the process (i.e. line managers) and not lingering on time. They added additional perspectives on the successful impact of putting an emphasis on the root cause rather than the symptoms, integrate management teams, highlight the importance of the people and organisational culture, gain a knowledge of potential hidden costs, the linkage between strategy and structure. De Noble et al (1988) further argued that the integration process which takes place in the post-merger phase should be put on the table as a part of the pre-merger phase, this to allow potential issues to arise as a part of the negotiation rather than in the following phases.

Multiple articles have stressed the importance of communication as a part of making a merger a success (Arbuckle. 2003; Sarala et al. 2017; Weber et al. 2012). This factor has also been regarded as an important aspect of the integration process (Ranft & Lord. 2000, Epstein. 2004). Ranft and Lord (2000) argued that

mutual communication is critical to the success of an acquisition. Epstein (2004) agreed to the importance of communication, by adding that the communication needs to be thoroughly executed both internally and externally. Epstein (2004) also found success factors related to the teams and people involved in the integration process, the speed of the integration (to be quick) and success measurements with strong clarity. Integration process design, making critical decisions early in the process and applying sufficient methods as well as taking management of people in change into account was also found to be essential success factors in one specific merger (Epstein. 2004).

In sum, previous research has been able to connect the success factors of the integration process to the following areas:

- *Involvement of the right people:* appointed change agents, business manager, line mangers etc.
- *Allowing open communication and autonomy:* allowing both companies to have influence in the deal.
- *Moving on rapidly:* To have speed in the process and getting things done.
- *Invest efforts in the planning of the integration.*
- *Treat both cultural and human aspects with delicacy.*

2.3 Mergers and conflict theory

At the time of conducting this study, there had been little research concerning mergers from a conflict theory perspective. The previous research that aimed towards explaining mergers with the application of conflict theory mainly did so on a high level of abstraction providing general results.

Bingöl (2017) explained in a case study that conflict can be a common effect of mergers and acquisitions. The causes of the conflicts are, according to Bingöl (2017), often related to status, injustice, management practices and clashes of cultures. Bingöl (2017) applied a conflict theory to his study which focused on different levels of conflict. The levels in Bingöls' (2017) model are: intrapersonal (individual internal conflicts), interpersonal (conflicts between individuals), intragroup (internal conflicts in one group, often related to merging teams), intergroup (conflicts between groups), multi-party (complex conflicts between multiple groups) or intercultural (cultural clashes). Manager-manager or employee-manager constellations are often found in the above-mentioned typologies (Bingöl. 2017). The highest abstraction levels of conflict are intra-organizational and inter organizational (Bingöl 2017).

Other research on conflicts in mergers and acquisitions has shown that the more similar the companies are, the higher the risk is of conflicts. On the contrary, if the companies have complementary offerings the conflicts tend to be less intense. (Larsson & Finkelstein. 2008).

2.4 Conflict theory

Previous studies with a focus on conflict theory have been conducted within other research fields than mergers and acquisitions. Much research has been devoted to analysing different types of conflicts. Some of the most commonly occurring settings to apply conflict theory in has been in politics, wars and in organisational settings on the interpersonal level.

One theorist that differs from the statement about only focusing on the interpersonal level of conflict is Jordan (2015). The theories that he presents are highly related to workplace conflicts from a wider perspective. Just as the work by Scott (2012) described below, Jordan's (2015) book presents practical frameworks for dealing with organisational conflicts. The difference was that his methods and presented frameworks seemed to have a stronger scientific connection. This fact makes his theories more viable in a scientific setting.

Additionally, Jordan´s (2015) way of presenting implications of workplace conflicts is strongly connected to some of the implications described by research on mergers. Bingöl (2017) described how one result of ongoing merger conflicts can be a decrease in efficiency and productivity. Jordan (2015) discusses causes and implications of conflict in a similar way; by stating that poor communication and lack of collaboration can cause a decline in the quality of work. This gives an indication that conflicts, no matter if it is in a merger or in any other organisation, has similar implications to the organisation. Thus, it would be possible to analyse merger conflicts with similar methods and theories as is applied when analysing other organisational conflicts. The causes of the implications might differ, but the practical nature of the conflicts tend to be similar.

Conflict theory critiqued

Much of the conflict theories that have been developed have been of a very practical nature, often with a weak connection to the research field. It is common that such literature has been developed by professionals – for professionals. The first issue with this type of sources is that the people producing it often has a financial agenda. Which in some cases could imply that they include aspects that will sell, rather than objective facts. Secondly, it is not academically valid to mainly coming up with methods based on your own experiences as a professional. However, this report does not try to undermine the importance of the experience retrieved from a whole life of work in the field. Rather, this study questions the applicability and validity of such theories in the field of research, seeing as they have not been developed academically. One example of this is the book by Scott (2010), which outlines conflict resolution methods such as: eight steps to follow in a mediating process between employees and when one should consider turning to an external specialist. This is a good example of much of the produced literature in the conflict field.

III. Theory

To deal with the research gap, which was found in the lack of scientific application of conflict theories in organisations and more specifically in mergers and acquisitions, this study applied conflict theories to analyse a merger. The aim of this study was to find out how the application of a conflict theory perspective can contribute to new and/or different knowledge in the field of mergers and acquisitions, then the more commonly applied organisational cultural, financial and strategic theoretical approaches. To reach this aim it was essential to include relevant conflict theories that enable an analysis of conflicts in a post-merger. The choice of theories in this case study was based on the follow assumption: that it would be possible to utilise the same conflict theories that have previously been applied to analyse conflicts in organisations that have not been through a merger. This means that if there are conflicts in an organisation, it would be possible to apply the same theoretical framework to analyse the conflicts, independently if the organisation has been through a merger or not.

For the understanding of different levels of action in conflict, the theory by Jordan (2015) was used in this study. To deal with the relational aspects of conflict, the ABC-model by Johan Galtung (Jordan. 2015) was applied. The ABC-model served to gain an understanding of what the conflicts were about and what the causes of the conflict might have been. Finally, the theory on procedural justice as interpreted by Gleason and Roberts (1977) and power dimensions as described by Jordan (2015) was applied as an addition to the ABC-model.

3.1 Central concepts

A merger has been defined as the consolidation of two organizations (Schraeder & Self, 2003). The definition of conflict as presented by Jordan (2015) was used in this study. He defines conflict as a phenomenon which arises when at least one party are unwilling to give up their desires, whilst another party is blocking them from fulfilling their desires. Frustration can emerge when the desire continues to be unfulfilled, which results in actions by at least one of the parties (Jordan. 2015). Jordan (2015) has illustrated the definition in a visual model of the pattern which includes:

Unwillingness to let go of one's desires → Blockage (by another actor)

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Frustration → Action.

3.2 Levels of action – the cause of conflict

Three levels of conflicts were used for the analysis of this study. The levels were based on the theory by Jordan (2015) which includes the individual, relational and systemic levels. According to Jordan (2015), it is common that the actors involved in a conflict possess different perspectives on the cause of a conflict. In this situation, it is important to take into consideration that this might lead individuals to jump to quick

conclusions based on their understanding. The individual perspective implies that it is individual factors, such as attributes or behaviours in one specific individual, that has been the cause of a conflict (Jordan. 2015). These factors can be related to personality or situational circumstances in their private lives. The next level is the relational level which is explained as being caused by people having incompatible desires or collaboration frictions. If a conflict stems from the systemic level the cause is organisational, such as role unclarities or weaknesses in leadership (Jordan. 2015). Jordan (2015) described how conflicts in the workplace are usually impacted by the coexistences of the three levels. In the light of this, this theory served to illuminate conflicts on multiple levels.

3.3 Levels of relationship & types of conflict

Johan Galtung's ABC (Attitude – Behaviour – Contradiction/Conflict) model as described by Jordan (2015) was used for the analysis. An adapted illustration of the model is found in appendix A. As the model describes different levels in relational aspects of conflict, it was essential in interpreting the results. Because there were indications that there were existing conflicts that might be causing the employee dissatisfaction; this model was utilised to help illuminating what the conflicts were about, how different actors felt and thought, and how it made them act. One limitation to the model might have been that the attitude and behaviour components were more applicable on the interpersonal conflicts, which were not the main level of conflict in this case. The component which was applicable to the larger part of the analysis was the contradiction component (i.e. the C of the ABC-model). However, this is in line with Jordan's (2015) reasoning about how the model should be applied. He suggests that the model can be utilised in order to figure out in which of the three components the major part of the conflict takes place. As the different types of conflicts in the contradiction components was highly integrated in the data collection process as well as the analysis, a more detailed description of the types will be found below. However, the two components attitude and behaviour are also vital components to the model. Thus, a brief description of those is also provided in this section.

The ABC-model

Contradiction (Conflict)

According to Jordan (2015), the contradiction component of the ABC model describes the obstructed interests and needs of the involved actors. This explains what the conflict is about. There are five main types of conflicts that can help to find out what the conflict is about (which also served as a foundation for the interview material in this study). *Distribution conflicts* is defined as resources which are distributable in the organisation. These resources can be monetary as well as related to how much time that is being devoted to different tasks or issues. However, Jordan (2015) describes how this does not only concern things are attractive to the parties. Rather, this can also be aspects that the parties would rather not have (e.g. expenses, time-consuming tasks etc.).

Position conflicts are related to the roles of the involved parties. Jordan (2015) describes how this is signified by resource which cannot be divided between parties. Examples of this type of conflict can be what individual should be considered for a specific role (e.g. project manager) or who will get the biggest office. More informal characteristics can also be present in this conflict type; such as who will be getting the last say in an issue (Jordan. 2015). Similar to the distribution issues, position issues can also concern negative aspects where parties do not want a certain role or responsibility, that someone has to have (Jordan. 2015).

Structure conflicts is a type of conflict which concerns the order of delegation, decision making, prioritisations, working methods, processes, authority etc. How these issues are defined will most likely have an impact on the distribution of resources, as this can sometimes result in more administration or other effects of proceeding with new or changed structures Jordan (2015). This type was of particular interest to this case study on a merger. Seeing as this is a type of conflict which always arise to some extent as a part of organizational change (Jordan. 2015), and a merger is one of the most radical changes that can occur in a company. Thus, it was very unlikely to say the least, that this type would be non-present in a case like this.

Behaviour conflicts (behavioural norms) is a type of conflict that is strongly related to interpersonal relations. This type signifies what types of behaviours that are acceptable and how to interact with one another. This can often take the form of perceptions of how other see their own responsibility in their work (e.g. following the rules and principles or not, how they interact with customers, how long break they take, quality awareness etc.). Jordan (2015) further describes the difficulties in dealing with this type of conflict. This is because the impression of others' behaviours and attitudes are often very subjective. Thus, it is not uncommon that the parties will have strong disagreements in finding a description of what the issue is about, or that the issues will be projected on the individual person. (Jordan. 2015)

Conviction conflicts (beliefs and values) is according to Jordan (2015) the one of the conflict types which is most deeply rooted in the individual. He describes how the convictions are defines by value systems and moral understandings of what is right and what is wrong and the proper way of doing certain things. If this type of conflict arises in an organisation, it is because of different understandings of which belief system or values that should guide the organisation. One common expression of this conflict in organisations is that individuals often feel like they are not enabled to exercise their values and beliefs, due to a lack of time or resources (Jordan. 2015). As this case had a strong emphasis on high employee turnover, which resulted in lack of employees and in turn increased the workload of the employees, this conflict type was very central to the analysis. According to Jordan (2015) the biggest challenge with conviction issues is to make decisions on what principles that should be followed, no matter the differences in convictions.

Behaviour

Behaviour is related to how different parties act in order to defend their interests, including dialogs, discussions, procedures, etc. The ways in which people interact with each other can be judged by characteristics in tone of voice and body language, as well as more direct communication and choice of action. The ways in which the involved parties chose to act can have a strong impact on the development of the conflict, sometimes leading to escalation. Common destructive ways of actions in conflict can be that the actors stop listening to the each other, they blame and judge each other. The challenge in this type of conflict is to turn the destructive behaviours of the conflict to a more constructive nature. (Jordan. 2015)

Attitude

The *Attitude* component of the model is characterized by narratives (i.e. the stories told by different actors), this is also related to the identity of individuals. There are three major internal aspects to this connected to the individual according to Jordan (2015): thoughts, feelings and desires. By analysing the attitudes of the individuals involved in a conflict, it is possible to understand how different, and often contradictory, understandings of a conflict can arise. As with the behavioural component, the attitude component is very much focused on the individual level. Because of this, the behavioural issue as a type of conflict in the C-component, including both behaviours and attitudes on a different level, is more relevant when conducting an analysis from an organisational perspective rather than an interpersonal. However, an understanding of the individual narrative was crucial to take into consideration in a study with this type of research design. Seeing as the major source of data was interviews that included very specific personal attributes, understandings and impressions.

3.4 The power dimensions

One important dimension of conflict which the ABC-model does not deal with is the power dimension. By adding two types of conflicts that has focus on a power perspective, it was possible to make an even more thorough analysis of this case study. Jordan (2015) describes two types of conflict that are related to the power dimension; *symmetric* and *asymmetric conflicts*. Symmetric conflicts are characterised by actors with an even distribution of power, i.e. both parties have as much influence and are capable of dealing with one another as equals. Asymmetric conflicts can be regarded as the opposite of symmetric, seeing as these are defined by an uneven distribution of power. In some cases, an asymmetric conflict can be difficult to solve because the actor who possesses the power is not willing to acknowledge the other actor as a legitimate part in negotiations (Jordan. 2015).

3.5 Procedural justice theory

Gleason and Roberts (1997) suggested that employees in the western world has an expectation on their employer to be treated fairly. If this expectation is not met, a feeling of injustice can arise and the employer

risk losing the trust of their employees. Gleason and Roberts (1997) presented two components of the justice theory: *distributive justice* and *procedural justice*. However, as the distributive justice has strong similarities to the conflict type distribution issues in the ABC-model, that component of organisational justice will not be included in this study. Procedural justice on the other hand, complements the ABC-model by adding additional perspectives on how fairness is perceived through the procedures that is a part of the decision process.

As a part of trying to understand the complexity of procedural fairness, Leventhal, Karuza and Fry (cited in Gleason & Roberts. 1997) came up with six dimensions: *Representation/Control* (influence of involved parties), *Consistency* (similar treatment to equals in similar situations, currently or over time), *Ethical interactions* (interactions on the interpersonal level based on moral standards, e.g. showing respect or being rude), *Bias suppression* (decision makers objectivity, e.g. avoid prejudice and own interests), *Decision accuracy* (the sufficiency/accuracy of the information possessed by decision makers) and *Correctability* (the possibility to dissolve/change already made decisions if proven insufficient).

IV. Method

To be able to answer the research questions, a qualitative method was applied, including data from narrative interviews and record data (i.e. statistics on turnover, IBM employee survey, notes from exit interviews). The reason for applying a qualitative design with narrative interviews was to get to the root cause of an experienced conflict. Seeing as a part of the aim was to find out what the employees were dissatisfied with and why, it was necessary to investigate the stories of different parties. Based on the narratives, the study could enable results that explained the underlying causes of the problems.

4.1 Data collection

The interview guides are found in appendix B (employees), C (managers) and D (strategic management - background). Approximately 1 hour was devoted to each interview. All interviews were individual, with the exception of one interview which included two employees due to availability issues. Three of the interviews were conducted as phone interviews, also due to availability issues and the location of the researcher.

Primary data source – Narrative interviews

Initial semi-structured interviews were conducted with front-line employees. The themes posted in the *Inventory of the organizational conflict potential* by Jordan (2015) acted as a foundation for the employee interview guide. The themes include aspects related to (1) Distribution of resources and work, (2) Positions/Roles, (3) Structure, (4) Behavioural norms and (5) Convictions (i.e. beliefs/values). Followed by this were the interviews with managers. The procedural order of the interviews was chosen to be able to ask management questions that were related to the impressions of the employees. The interview guide for managers was created based on the analysis of the employee interviews and the same Inventory of the organizational conflict potential by Jordan (2015). Finally, a semi-structured interview was conducted with higher level management to get an overview of the strategic purpose and implications of the merger. The purpose of the higher-level management interview was to add insights to the background of the report.

The reason for applying semi-structured interviews was to facilitate in-depth responses and an open environment for communication (Blaikie. 2003). The strategic management interview guide was designed to cover impression of the past (i.e. events leading up to the merger such as the strategic purpose of the merger and the planning phase), the execution of the merger (how the merger was implemented) and implications and effects of the merger. The employee- and manager interview guides were more focused on the present for most of the interviewees. The exception to this was the added perspective on how the merger had changed different aspects of ongoing conflict, that was added to the interview guides for employees that had been with the company through the merger. To have two different interview guides for pre-merger employees and post-merger employees was essential, seeing as the high

employee turnover had resulted in many employees that did not have any impressions of the merger or how it was before the merger. This applied more to the managers than the employees, where only three out of ten managers were still working at the company.

Secondary data source – exit interviews and employee survey

The purpose of using the exit interview documentation was to add a complementary perspective to the limited number of employees included in this study. The exit interviews consisted of notes and central themes retrieved from the HR department which had been in charge of conducting the exit interviews. The material that was found was based on five exit interviews and the systematic procedure of conducting the interviews had not been very formal or consistent. This left room to question the quality of the data from the exit interviews. However, the data was interpreted as valid, although it might have been a stronger source of information if the same questionnaire had been applied on every interview or if interviews would have been conducted with all employees who had chosen to leave. The fact that the interviewer could see the accuracy of the issues was something that supported the validity of the statements made in the interviews. In addition to that, the similarities of the issues in the exit interviews and the interviews conducted as a part of this study gave further indication to a trustworthiness of the exit interview data.

The employee survey was conducted in early 2018. It served as a starting point to this study, indicating in which areas the employees might have been experiencing dissatisfaction. Furthermore, it added valuable insights to the background of this study by highlighting some possible implications of the merger. The results of the survey were presented in parts, excluding results on the EMEA level/Scandinavian level and only focusing on the Norwegian level.

Participant and case selection

The participants were managers (N=8) and employees (N=9) on the sites, with additional higher-level management with a role devoted to the Scandinavian-Baltic region (N=1). The reason for not having an equal number of employees and managers was that one more employee was included during the process. When the early results gave indications that one of the sites had more issues than the other, it was necessary to include more participants from that site. The selection of employees was constructed to cover a wide range of demographics, including people from different functions, tenure, age and gender. Thus, employees were chosen with the strategy of maximum variation sampling. This was done in order to deal with the issue of generalisability and to facilitate a broad result including as many of the relevant functions as possible. Stratified sampling was also applied for selection of employees, to get an equal number of participants from each company of the merger. Management in the Norwegian locations were also chosen with the stratified sampling method, as the study included one manager from each of the participating employees' functions. Higher level management was selected by applying the snowball sampling approach, described by Aneshensel (2013) as selection based on the expectation that the participant would be able to provide relevant information.

The case was chosen on the premises that it was a company that had conducted a merger three years ago and that they still were experiencing issues caused by the merger. The case study was limited to two of the Norwegian locations. The functions that were included in the study were: manufacturing, technicians (service, on site and specialised department), sales, support, project management and purchase. The functions that were excluded from the study were done so based on the criteria that there were very few employees in the departments and/or it was already known that they had not experienced that many issues since the merger.

4.2 Data interpretation

The employee survey was presented in the background of the report in order to facilitate an initial understanding of the case. As a complement, exit interviews were analysed to find out if there was a connection between current employees' dissatisfaction and the ones that had chosen to leave the organization. All interviews, including the exit interviews, was analysed thematically using coding. The interviews were transcribed with the application of selective transcription, seeing as it was evident that some participants did not have negative attitudes and were quite satisfied with their situation. Thus, some parts of these stories did not contribute as much to the analysis as the stories where it was clear that there was a potential for conflict. To provide as much substance as possible to the application of the conflict theories, emphasis was put on the stories including more dissatisfaction and the functions that had been strongly affected by the merger. This was done primarily because the data from interviewees that were satisfied with their situation or belonged to departments which had not been that effected by the merger, did not possess a high level of conflict potential. As such, those interviews which were few (N=2), would not be possible to adequately analyse with conflict theories. Additionally, to include data from departments which had not been very much affected by the merger would not contribute to answer the research questions sufficiently, as the questions were focused on post-mergers. This specifically applied to the manufacturing department, which had barely changed since the merger.

The ABC model by Galtung (Jordan. 2015), together with the complementary theories that are found in the theory section, was applied when analysing the themes that were found in the results. In addition to the thematic analysis of the interviews, the thoughts on narrative analysis posted by Druckman (2005) served as a foundation to the analysis. According to Druckman (2005), narrative theory can explain different aspects of people's stories, both including their experienced truth and fiction. This implies that the individual emphasises certain aspects in a story in order to convince the listener of their truth (Druckman, 2005). This was considered in the analysis in order to produce result which were as objective as possible.

4.3 Trustworthiness

This study included primary and secondary data to create a high trustworthiness. If the reliability of one data source could be questioned, another data source could compensate with supporting and consistent results. In this process, the comparative analysis including the results from all data sources was crucial. Another aspect which contributed to the trustworthiness was that the author had three presentations of the final results at the case company. The Vice President of the Scandinavian region, the Vice President of HR and the Norwegian Board of Directors all agreed that the results corresponded perfectly to reality and would make a great contribution to their future work. Finally, the researcher did not have any previous connections with the employees or the company, which minimised the risk of biases and subjectivity. This also facilitated a trustful situation where all participants gave very personal and sensitive answers, which they might not have done if the study would have been conducted by someone who worked at the company.

4.4 Limitations

One limitation to the study was the high employee turnover. As much as this provided insights to why people left, in relation to ongoing employee dissatisfaction, it also made it difficult to look at the merger in retrospect. It was not possible to ask all managers questions that were related to how it had been before and during the merger. Another aspect that added to this was the employee IT system that they had at the company which was updated about a year before the study was conducted. Any previous statistics on turnover etc. was impossible to retrieve and made those statistics inexact.

The employee survey also had its limitations, which made the trustworthiness of those results questionable. Firstly, it was not possible to distinguish the results based on units or sites. This implies that the results of the employee survey were based on a national level (all sites in Norway). Secondly the response rate on the employee survey was not that high (63 %), which might have caused a low validity on those results. With regards to the limitations possessed by the employee survey, it was mainly included in this study to provide information to the background.

As with many qualitative studies, there were limitations regarding how the results could be generalised. The study would have benefited from a larger number of participants on the employee level. However, as this was not possible due to high workload at the company the study took all precautions possible in order to deal with this issue, by including complementary data sources such as exit interviews and the employee survey. Another aspect which might have been a limitation was that a few of the interviews had to be conducted virtually. The researcher dealt with this issue by making sure to ask follow-up questions which compensated for this.

4.5 Ethical considerations

The ethical principles of the Swedish research council (Vetenskapsrådet. 2002) were taken into consideration throughout the entire process of the study. These being: the information claim, informed consent claim, confidentiality and privacy, useful claim. To fulfil these principles, all participants were given information about the purpose of the study. They were informed that they could withdraw their participation at any point without having to state a reason. To ensure anonymity, personal information about participants, or any information that could be associated to the individual, was excluded in the final report. As a part of this promise, the decision was made not to include any interview participant numbers in connection to the quotations, as the HR department had access to the order of the interviews due to the collaboration in the planning. Anonymity was of utter importance in this study, seeing as it investigated conflicts which could be harmful if any aspects related to statements by individuals got out. Finally, to ensure that all participants that might have had an interest in the study, and other individuals in the population, the results were distributed in newsletters and presented in different meetings. The purpose of presenting the results in meetings was to provide an opportunity to ask questions and have a discussion.

V. Results and Analysis

This study aimed to answer three questions: What types of conflicts can arise in a post-merger organisation? What could be the causes of conflict in a post-merger organisation? How can conflict theory add new and/or different insights to the research field of mergers and acquisitions? To provide answers to these questions, an analysis was conducted based on conflict theoretical perspectives, something which has rarely been done before within the field of mergers and acquisitions.

The results section is divided into four main parts: employee interviews, management interviews, exit interviews and a final comparative part which was devoted to comparing this studies contribution to previous research in mergers and acquisitions. The sections with the employee, management and exit interviews mainly addressed the two first research questions, while the comparative section answered the third research question.

5.1 Employee interviews

The analysis of the employee interviews indicated that there were conflicts caused by all of the different levels: the systemic level, the relationship level and the individual level. The systemic level was revealed to be the greatest source of conflict. However, there were some conflicts on the other two levels as well. The codes that made the themes possible to distinguish were the different types of conflict. This section is divided into three main categories which are the different levels of conflict. In each sub-section the themes, which describe the conflicts, are presented and analysed with the use of the ABC-model (Jordan. 2015) and procedural justice theory (Gleason & Roberts. 1977).

Systemic level conflicts

The data provided indications to which types of conflicts that might be more of an issue than others. The chart below is a representation of some of the issues that were discussed by the employees. Some of the issues were interpreted as being of greater importance, due to the thorough discussions on the topic by many of the employees. Issues that were very personal or of trivial importance were left out of the results. "Personal" in this context implies issues related to a specific position, or issues on the relationship and individual level which are described briefly in the next section.

Figure 1. Analytical connections made from employee interviews.

Codes	Analytical connection - Themes	Frequency
Management and leadership	Behavioural norm	13
Lack of organisational structure, goals and role unclarity	Structure	12
Internal struggle over competences (Slow recruitment process)	Distribution – personnel Structure	9
Collaboration issues and prioritisation (Worker vs. management in decisions)	Behavioural norm & structure Positions	8
Salary new vs. tenure employees	Distribution - salary	4

Note. Frequency is determined by the no. of times the topic has been discussed in all of the interviews combined. The codes were ordered from highest to lowest frequency in each theme.

Lacking leadership - Information, engagement and weak action

Issues related to the employees' impression of the management and leadership was the topic that was most thoroughly discussed by most of the interviewees. In sum, the employees felt that management did not listen to them, that they received poor feedback on issues which had been raised and that raised issues did not lead to action. It was also stressed how the current forums of raising issues was ineffective. The quotes below are two out of many examples of this.

> *Management is very poor. Workers don't get heard. When we raise an issue, they don't want to or have the energy to talk about that problem now. You don't get asked how you´re doing. That´s no leadership that cares about its employees.*

> *There are many meetings in the hallway, they don´t mean anything. If you want it to work, you need to get together like you and I. Otherwise it won´t get done.*

This type of issue can be interpreted as a behavioural norm conflict. It was clear in this case, that the communication of the management was an issue to many employees. The issue could also be strongly related to the managers' ways of doing their job, which would indicate a distribution issue in the sense of how much time managers devoted to communication and other tasks. The employees had a desired way in which they wanted a manager to act like and communicate in. This desire, or need, was not fulfilled in this case, thus the results presented a distinct conflict. Although the majority of the conflicts in this analysis were focused on the Contradiction component of the ABC model (i.e. the issue at hand), the issue with management was also related to the Attitude component. Seeing as the situation caused strong feelings in some employees (explained by Jordan (2015) as affect), who felt like there was no use in even raising an issue anymore. This was a typical example of attitude as a part of a conflict. According to Jordan (2015), conflicts that also involve strong attitudes are not as easily resolved, which was one aspect that indicated that this specific conflict might have been more difficult to resolve than some of the other conflicts that were of a more trivial nature.

Another aspect of the management issue was, according to some employees, the lack of information and consultation in the decision-making process. Poor consultation was said to be the cause of dissatisfaction with decisions in some situations, as the management did not involve their employees in decisions. This is exemplified by the following quote.

> *No, it´s more like: This is the way it is. Sometimes employees might become dissatisfied because of this. There are many voices to be heard. They have to become much better at informing.*

The decision-making process as regarded by the employees, can be analysed with procedural justice theory (Gleason & Roberts. 1977). Judging by the quotation above, it was clear that the employees might not have had any influence in the decisions made by management. This lack of representation of involved parties, might have been the cause of dissatisfaction as this process could have caused a feeling of being treated unfairly. Another aspect of this, which was also raised by the interviewees, was the decision accuracy. The results indicated that the decisions that were made were not always the best decisions, as the management had not retrieved all the necessary information. However, one upside to this might have been that one of the interviewees also had an impression of correctability of made decisions. This means that there was a possibility to raise the issues of poorly made decisions and to some extent correct them.

To nuance the management and leadership issues even further, it was important to mention that there were also some employees at specific functions that were very happy with their closest manager. However, they all had in common that they had an impression of strategic management as being very distant, as the following quote indicates.

> *They are a bit non-existent. We don´t see them. It would have been nice to have them more present. At least tell us how it´s going in the different departments.*

Lack of organisational structure, goals and unclear roles

The issue of the organisational structure was something that all the interviewees had similar views on. Most of the participants did not have insights to who did what and which positions there were since the merger. However, how the lack of organisational structure impacted the different functions varied. Some of the employees stated that they could spend unnecessary time on trying to find who to contact. In contrast, others said that they knew who to contact at their specific site, but the roles outside of the site were unclear. Some of the employees that had been with the company through the merger also stated that some roles in the organisation had been very unclear initially after the merger but was now better. At the same time, other employees said the contrary. It was obvious that one of the sites had more issues with this than the other.

Another issue that was common among most of the interviewees was the perceived lack of goals. However, the interviewees did not stress any frustration in this matter, they merely stated that there are

not any goals being communicated. There were some exceptions where the employees felt like they had goals to work with. Naturally, this seemed to be very function specific. Because employees did not express any strong frustrations in this matter, this was not interpreted as a conflict in the analysis. This is in line with the definition of conflict as posed by Jordan (2015) who states that there has to be frustration due to blocked desires for a conflict to arise. In this case, there was no desire to have clear goals and as such no reason for frustration to arise.

Internal struggle over competence and inefficient recruitment processes

Based on the data, there was one primary function which seemed to have a higher level of distribution conflict in terms of workload, as compared to the other functions. That function was the on-site technicians. This is illustrated by the quote's below:

> *The current situation is that the project manager that screams the loudest will get the staff. This makes a bad collaboration when deciding where the installers are needed. This can cause wrong prioritisations.*

> *As a technician… there´s a fight between the departments about getting to borrow people from other departments.*

The seemingly ongoing battle over the available technicians can be interpreted as both a distribution conflict and a structure conflict. There were not enough technicians to begin with, together with a strong competition over competences in the market (which is further discussed in the management interview analysis). In addition to that, there was inconsistency in were they were most needed, which might have caused prioritisation issues at some points. Prioritisation and routines are often related to structure conflicts according to Jordan (2015), whilst the distribution of staff is a clear distribution conflict.

In addition to the ABC-model, this conflict could also be analysed with procedural justice concepts. It might have been the case that the employees that did not get the staff when they felt like they were in greater need of it, got a feeling of unfair treatment. This implies that the entire procedure of the decision made by management was flawed, from the perspective of the employees. This type of decision making could have resulted in procedures which were seemingly unfair as they risked being inconsistent and made with poor decision accuracy. In addition to this, the manager might have prioritised sending staff on tasks where there had been a great need historically. By doing so, s/he would not consider personal biases about how things used to be, disregarding the situation as it is now. This type of action is a perfect example of the procedure of bias suppression in procedural justice.

According to the employees, the cause of this was most likely related to the high employee turnover and slow recruitment processes, which had resulted in a lack of competence in the organisation. Another contributing factor to this was assumed to be the lack of specialised competence on the market.

Collaboration issues and prioritisation (worker vs. management)

The data indicated that the collaboration issues were strongly related to the lack of employees and had its strongest presence on the building sites and the service function. This was, again, a clear indication that it was the functions with technicians that experienced most issues with conflict. This issue had similarities with the leadership issue in terms of being connected both to the C- and A- component of the ABC-model. The employees expressed how they experienced *"feelings of hopelessness when they realise that another department was incapable of helping them"*. This type of affect might be a strong aspect to the attitudes as a part of a conflict. Additionally, the ways in which the conflict were described was a part of the Contradiction component.

Another aspect to the collaboration issue as described by the employees, was the working methods at the building sites. There were clear disagreements on how the work should be prioritised between the employees and the building consultants/ management. Both of the issues regarding collaboration can be interpreted as a behavioural norm conflict. In this type of conflict, it was central that the issue could be found in the ways of interacting and informing one another. However, the working methods on the building sites could also be explained as a structural conflict, with emphasis on routines and prioritisation.

The order of prioritisation was also strongly related to roles and authority, where the employees seemed to know better than management in some cases. Even as this was a fact, according to one interviewee, the management was often the ones making the decision on what to prioritise. This can be interpreted as an example of a position conflict, which can be defined by who should have the last say (Jordan. 2015). This conflict is illustrated by the next quote.

> Sometimes I know better than the management, because they only get e-mails on the
> status, which are often wrong. Whilst I know exactly where they stand on the locations
> because I have been there a couple of days ago.

Salary distribution among new and tenure employees

The salaries were one of the issues where it came clear that the theory of procedural justice by Gleason and Roberts (1977) was a fundamental complement to the ABC-model by Jordan (2015). In this case, there was a number of employees who felt like they had been treated unfairly in terms of their salary. There was a common understanding that new employees, who had little to no experience had received a higher pay than the employees that had more tenure and experience. Still, they would receive a lower pay than someone who had just joined the company. This issue was from the perspective of the employees, excluding any factual measures on the actual distribution of salary. However, what was important was that the employees felt treated unfairly due to the salary distribution. When analysing this issue with procedural justice theory, this was a perfect example of inconsistency. This implies that everyone that was doing the same things and possessing the same merits, was not treated in the same way. The issue of the unfair salary distribution can be symbolised by the next quote.

The process of setting the salaries is unfair since the merger, before the people that were doing the same things had the same pay. You know that there´s a skewed distribution. This creates frustration. If a new employee comes along, he can earn more than us who´s been here to make the company successful.

However, the levels of conflict and the ABC-model should not be underestimated in the interpretation of this issue. By looking at different levels of this conflict, it was clear that this issue had its root in both the individual level and the system level. The process of determining new salaries and how to deal with salaries of more tenure employees was on a system level, related to the principles for distribution of money. At the same time, some parts of the conflict were on the individual level. Examples of that were statements such as "If you threaten to leave the company you will get a raise". By these indications, this conflict was clearly a part of all the components of the ABC-model. However, it might have been strongest in the C-component, seeing as the issue would probably be resolved if the organisation solved the practical aspects of the conflict. The attitude that the salary is the only way that the employer values the employees was one part of the conflict, together with the feeling of being treated unfairly. The actions that some employees choose to take in order to influence or change the situation was a part of behaviour in the conflict. While the C-component was the major part of the conflict containing the actual inconsistency in salary.

Relationship and individual level conflicts

The results indicated that there were not as many conflicts primarily caused by the relationship and individual levels as the system level. Therefore, little attention was devoted to these two levels in the analysis. In contrast to the results that were related to conflicts on the relationship level, the results showed some indications to individual aspects as a cause of conflict. However, it was also highlighted that most of the more negative employees, whose individual characteristics or circumstances had been regarded as a cause of conflict, had left the company.

5.2 Management interviews

In this section follows an analysis of the most frequently occurring conflicts from analysis of the interviews with managers. The results in this analysis showed that management and employees had a consistent view in terms of conflicts. This implies that management agreed on and was aware of most of the conflicts experienced by employees. The analysis of the management interviews provided a more profound understanding of the causes of the issues, it also highlighted conflicts from the managers' perspectives.

This analysis gave indications which implied that the cause of the conflicts was on a systemic level, meaning that it was not interpersonal or relational aspects which were the main cause of the ongoing conflicts. However, in terms of the management's feelings of unfair treatment from top management, this could be regarded as a conflict on a relationship level as well. The types of conflict found by the analysis

were mostly concerning structural, behavioural and conviction issues. The causes, together with conflicts expressed from the managerial perspective, are explained in depth in the following sections and analysed with the conflict types by Jordan (2015) and the power dimensions. This section is organised by the type of conflict, where each section provides explanatory results for each theme followed by an analysis.

Figure 2. Analytical connections made from management interviews.

Codes	Analytical connection - Themes	Frequency
Centralisation – Managerial autonomy	Structure – order of delegation & authority	15
Lacking processes financial, logistics, back office	Structure – routines, working methods	13
Role unclarity/ Manager workload	Structure – distribution of responsibility and roles	18
Lacking recruitment process	Structure – organisational structure/ order of delegation	4
Prioritisation	Structure – order of priority	4
Poor communication	Behavioural norm - communication	7
Lack of ownership – pointing fingers	Behavioural norm – interaction between managers	5
Short-term focus	Behavioural norm – perspective on how to work	4
Low drive among managers	Behavioural norm – perspective on how to work	4
Focus on figures over people	Conviction – contradictory beliefs and values	7
Value clash – "customer first"	Conviction – contradictory beliefs and values	3
Cultural clash - Two different cultures	Conviction – best approach on how to work	2
Consensus with employee impressions	Comparative – showing connections	13

Note. Frequency is decided by no. of times the topic have been discussed in all of the interviews combined. The codes were ordered from highest to lowest frequency in each theme

Structure conflicts

Centralisation – low managerial autonomy

One common pattern found in the interviews with managers was that they felt like they did not have much autonomy since the merger. In terms of day to day methods and activities, they experienced that they were able to make decisions without consulting strategic management, since the merger had been conducted. On the contrary, when they needed to make more strategic decisions, such as changing processes or recruit new employees, most of the mangers expressed how they had to go through a long and time-consuming order of delegation to get a decision from top management. The cause of this was thought to be the new organisational structure since the merger, which was more centralised than one of the merging companies was used to. Relevant to this was that the majority of managers who were still at the company had belonged to the more decentralised organisation before the merger. Leaders on different

levels expressed frustration due to the change in the order of delegation. This is illustrated by the following quotation.

> *Everything except daily operations is top managed. This has been a direct result of the merger. You don't have freedom. This gets worse and worse the longer you work, the longer you are in a situation like that. You lose motivation and initiative.*

Another frustration with the new delegation structure was that the board of the Scandinavian region was represented by Swedes to a majority, with only one Norwegian whom had recently been hired. This gave an impression of an unbalanced view on risks and challenges. The fact that Norway was the largest unit in the Scandinavian region gave an impression of an unfair representation.

When applying the framework by Jordan (2015), the centralised structure of the organisation and the evident effects of it was interpreted as a structure conflict. This implies that the root of the conflict stem from the structural aspects of the organisation. In this specific type of conflict, it was a matter of order of delegation and managerial autonomy. However, by problematising the issue further, it could also be related to the convictions of one of the companies in the merger. By running things more centralised, this was their view on how things should be run, which contrasted to the view of the other company which had been very decentralised. This caused a conflicting perspective between Norwegian management and top management.

In terms of the power dimension, which is present in the conflict described above, the ABC-model was not enough to analyse the situation. However, when applying the power dimensions by Jordan (2015), it was possible to make a more profound analysis of the conflict. As the Norwegian management felt that they were not heard and had a low influence on a strategic level, the conflict could possibly be regarded as an asymmetric conflict. This would imply that there was an uneven distribution of power, which the low influence from Norwegian management would show. However, to be able to answer this, one would have had to include the top management and Swedish strategic management in a similar fashion as with the employees and Norwegian managers. To draw a conclusion which was only based on one side of the conflict would not be sufficient.

Slow and inefficient recruitment process

In terms of the order of delegation in the recruitment process the results gave contradictory suggestions as to who had the authority in different situations. Some managers stated that decisions needed to be made by top management at the European head office in all types of recruitments. While some managers implied that the long order of delegation only was needed when there was a need for new positions and not when merely replacing an employee who had left. It was also suggested that one of the locations had more difficulties with the replacements. However, the conclusion was that the inconsistency in knowledge about authority regarding recruitments covered both locations. This was based on the fact that the

inconsistency was found in both locations. The conflicting impression can be illustrated with the following quotations.

> *It is hopeless to get a decision to hire new staff. The process moves through all five steps up to the top and the same way back again to get approved. The same process applies even if it is just a matter of hiring a replacement to someone who quit.*

A contrasting view on when the long order and time-consuming order of delegation is applied can be illustrated with the following quotation.

> *If it concerns a new position, to expand the workforce, it is a very long process. If it's a matter of finding a replacement that's an easier process, much easier to pull through.*

This difference in understanding of the recruitment process can be interpreted as poor communication. Managers do not have the same understanding, which could also be caused by the unstructured and complicated decision-making process.

Another difficulty in the recruitment was assumedly caused by the company's bad reputation in the market, which had been present since the merger. Their reputation had increased the challenges to find qualified candidates. On top of the already time-consuming order of delegation, this extended the amount of time to fill available positions even further. Relevant to the long order of delegation was also the impression that top management did not have enough contextual understanding to know the needs of the sites. On top of that, the company utilised a recruitment company which was specialised in office workers, when they could have benefitted from a deal with a recruitment firm with a more relevant focus on technical trades. Furthermore, the current scarcity of qualified candidates in the market and their position in a high competition area also contributed to the complicated situation.

Due to the complexity of the recruitment issue, a visual model of the connections between different possible causes is provided in Figure 3.

Figure 3. Possible causes of inefficient recruitment process
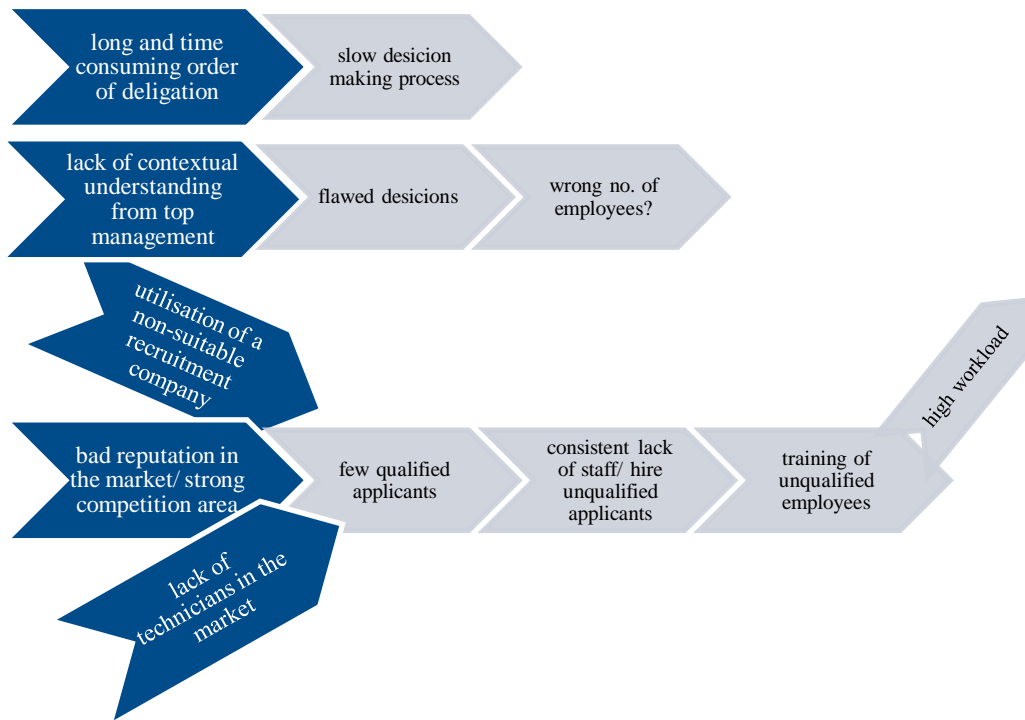
The issues present in the recruitment process were very much related to the order of delegation, mostly in terms of the wide time scopes which the process was characterised by. Conflicts related to order of delegation and authority are clear examples of a structure conflict according to Jordan (2015). The difficulties to find qualified candidates for available positions was possibly as influenced by external phenomena as internal conflicts. Where external phenomena refer to the market and the ongoing competition for skilled staff as well as the competitive geographical position of the company. However, as the organisation had not been experiencing issues with finding employees before the merger, the conclusion was made that it was the merger that was the cause of the issues. Another possibility might have been that one of the companies or both had flawed or ineffective recruitment processes before the merger, but it was only when the company lost a major part of their workforce and got a bad reputation in the market, that the issues with the recruitment process became noticeable.

Lacking processes/ Role unclarity - financial, back office and logistics department

The results showed that there were many structural aspects which were still not in place. In addition to the challenges in the recruitment process and implementation of the new IT systems which was very time consuming for both employees and managers; there were major issues with the processes in the financial, logistic and back office departments. One issue which was assumed to be a cause of the increased workload, experienced both by managers and employees, was the new organisational structure which had been implemented during the merger. This mainly concerned functions with product specialists, the administrative financial function, logistics and back office. The financial department had been moved to Sweden and the previous in-house financial functions had been discarded. The issue with the new

structure was explained to be related to the inconsistency in what types of tasks that should be executed by the Swedish financial department. As the following quote illustrates, there were some of the tasks which the Swedish financial department did not have the resources to execute. Thus, some tasks (e.g. invoicing) now ended up on some managers responsibilities, which had not been the case before.

> *I now have many tasks which are not mine. I invoice all orders for the employees on*
> *my team. The function that used to do that disappeared when finance moved to*
> *Sweden. Sweden doesn't have time to do that.*

Concerning the product specialists, there were now few or no such positions currently situated at the sites. The main issue was the lacking knowledge about who had the position and if there were any replacements to the previous specialists that had left. The lack of back office had also contributed to more administrative tasks on managers which was not their formal responsibility. In addition to that the training centres which had been on the sites before the merger had been discarded, resulting in more time being devoted to training new employees. All of the lost/discarded functions had resulted in a higher workload on mangers, an unstructured way of distributing and executing tasks, which lead to some tasks not being performed at all and little management time devoted to long term strategizing. This further contributed to a confusion regarding roles which is illustrated by the following quotation.

> *There is no clarity in who does what. Some tasks are just floating. Methods, processes,*
> *the relationship between sales and execution become poorer, everything becomes*
> *poorer. There are no processes for administrative tasks that have added up.*

The issues in the logistics department were said to be causing delayed or lost goods, which resulted in overtime for workers. The logistical issues were also assumed to have a negative impact on the customers, and in turn this contributed to their poor reputation among contractors. It seemed clear that this was a direct effect of the merger, as the following quote illustrates.

> *We are bad at logistics and have been for three years, we didn't use to be.*

Conflicts related to unclear roles, working methods and processes are examples of structure conflict according to Jordan (2015). In this case, it was clear that there were many processes within three specific areas which were challenging to the company. As the managers choose to focus on these three areas, the interpretation was made that these areas were most exposed to challenge in their processes. However, it was important to consider that there might have been other areas as well with lacking processes or working methods.

Customer and employee dissatisfaction - Miss prioritisations caused by high workload

The results suggested that the increased workload had a direct effect on the order of prioritisation. Some of the managers expressed how it was difficult to prioritise when new tasks came along with the implementation of the new IT systems. It was expressed how it was the loudest customers that got their

attention, which could have resulted in poor prioritisations at occasions. The following quote is an illustration of the issue.

> *It can cause poor prioritisations, the ones that call us and scream and fuzzes get our*
> *attention, but others with critical problems don't get our help.*

The issue of high workload and customer satisfaction was strongly related to the value clash (i.e. not being able to live up to "customer first") which had made many employees leave, according to the exit interviews. Based on this, the conclusion was made that the high workload affected both customers and employees to such a high extent that it made them leave. Thus, the conclusion was made that this was a very severe effect of the merger. However, it was only a symptom. To be able to answer what the cause of this phenomenon was, connections were made to events and factors leading up to the symptom. In sum, these factors were practically related to all ongoing conflicts which could be traced back to why people decided to leave. Naturally, the high employee turnover had a negative effect on the workload of the employees that were still at the company.

Behavioural norm conflicts

Poor communication on multiple managerial levels

Most of the managers participating in the interviews agreed with the employees about being poor at communicating. In addition to their own communication, the managers expressed a dissatisfaction with communication from top management at the European and Scandinavian level. The poor communication from top management was, according to the managers, characterised by low understanding, they felt like they did not get heard and did not consider the input that they received from the Norwegian management team, which can be illustrated by the following quotation.

> *It is very much managed from top down. From Switzerland or Sweden. Don't think*
> *they acknowledge input that comes from the Norwegian management enough.*

The issue of communication from top managers is closely related to the order of delegation as a structure conflict. However, communication is according to Jordan (2015) a behavioural norm conflict. In this case, it was possible to draw the conclusion that the cause of the poor communication from Norwegian managers was related to high workload as well as the long chains in the order of delegation. As they expressed how they were not able to make decisions themselves, issues that employees raised with their managers did not stop at that manager. Rather the issue would travel up in the organisation and take time before a response could be given from the manager. At the same time as the order of delegation contributed to poor communication, it was important to also consider how the Norwegian managers dealt with the issue. A few managers explained how they try to be transparent and say that they cannot provide an answer at this stage. Contrasting to that, others admitted that they must be better at communicating, which the analysis of the employee interviews could indicate.

Regarding communication from top management and the order of delegation, this could be interpreted as an asymmetric power distribution.

Pointing fingers - Management's lack of ownership

The results indicated that one behavioural norm conflict was the lack of ownership among managers. The way of interacting in the management team was expressed to be characterised by an attitude of us against them. Expressions such as "you rather throw your colleague in front of the bus and protect yourself" was frequently occurring when discussing the topic. Some managers drew the conclusion that the cause of this was related to the fact that they used to be very decentralised and work as separate units. Others explained how the many parallel challenges persistent in the management team made them blame each other instead of taking ownership of their own actions.

> *There are many parallel challenges in the management team, and you begin to blame*
> *the others instead of taking your own responsibility, throw your college under the bus.*

The issue with collaboration in the Norwegian management team was a clear example of a behavioural norm conflict, as described by Jordan (2015), as it was characterised by how the individuals acted among one another. To have such an approach between managers risk being very destructive in the long run. In addition to the causes of this approach as posted by managers, which were related to the parallel challenges and the previous decentralised organisational structure, there might have been other causes of the conflict which was not raised by the managers.

Putting out fires - Short-term strategical focus

Partially caused by the additional administrative and operative tasks described above, the managers expressed how they often failed to have a long-term perspective on their strategies. The expression "putting out fires" was frequently used throughout the interviews. Another factor which contributed to the short-term focus was the financial goals from top management.

In this case, a short-term focus could be interpreted as a behavioural norm conflict, as it was related to how to work. However, the cause of the short-term focus was related to the strong focus on financial figures from top management. In this sense, it could also be connected to the order of delegation and authority. If the Norwegian managers, who wanted to have a long-term perspective on strategies, would have had the authority to decide their strategies themselves, this conflict might not have existed. This suggestion can be further problematised by considering the high workload. Even if managers would have had a stronger influence over the strategies, a result of having a high workload could still contribute to a short-term focus and putting out fires.

Decisiveness - Low drive among managers

The results showed that there was an impression of things not getting done on multiple levels. Just as the employees expressed that one aspect of the poor leadership was a lack of action, the managers had similar things to say about their managers. They stated how managers might be working on things in the shadow, which would be more related to communication than lack of execution. However, there were also situations where managers explained that they themselves needed to become much more decisive. This is shown by the quotation below.

The poor communication, which was described in one of the sections above, might have been one of the causes why it seemed to some managers and employees that there was a low drive among managers. However, the possibility that they had a low decisiveness was also indicated by the results. In either case, the conflict was related to behavioural norms as it illustrated how they should work. It could also have been related to the structure to some extent, with the connection to the order of delegation once again. When considering how much time is spent on different tasks, this could also be interpreted as structure conflict in terms of delegation. As there were many analytical connections to be made in this specific conflict, the conclusion was made that this might have been one of the more complex conflicts.

Conviction conflicts

Value clash - Focus on figures over people

One common issue which many of the managers raised was the strong focus on financial figures from top management. They expressed how this was not enough and that there was a need of a stronger focus on the human aspects, processes, working methods, collaboration between regions, competence development and more personal goals. It was emphasised how there should be goals focused at making the company a place where the employees felt happy and safe or to be an attractive employer, not to make X amount of money. This is illustrated by the following two quotation.

> *We need many goals in addition to the numbers, such as personal goals for teams,*
> *training and development for the employees, collaboration between regions.*

The strong emphasis on figures from top management had a negative impact on the Norwegian managers, in the sense that they felt like they could not pursue the type of strategies that were in alignment with their values. The connection between the top managements' focus on figures, the values of the new Norwegian management team which was focused on human aspects, and the short timeframes, showed a complex connection between different conflict types. As the conflicting values and views on best practice was characterised as a conviction conflict. The result of the combination of the two conflicting views might have been a short-term focus which was interpreted as a behavioural norm conflict.

Value clash – "Customer first"

One aspect, which was thought to be contributing to the decreased customer satisfaction, was the inability of the workers to put the customer first. This was related to the implementation of new IT systems, which was very much related to prioritisation issues described in one of the previous sections. One important part of the issues with prioritisation, was that managers felt like there was a clash between their values (to put the customer first) and the amount of time which had to be devoted to other tasks which did not contribute to the customer satisfaction. This issue was expressed in the exit interviews as one contributing factor to why employees choose to leave. This affected the employees and managers working at the company as well. The effect of the value clash can be symbolised with the following quote.

> *We don't manage to get the jobs done on time, then the customer leave to other companies. There are customers that don't get our help on a daily basis.*

Cultural clash - Two different cultures

Another aspect which was not discussed as frequently in the interviews with the Norwegian managers, as compared to the strategic management on the Scandinavian regional level, was the cultural issue. In this case, it seemed as if there were still two different cultures to some extent. One manager expressed how it was common that employees from different companies were concerned with how the others performed their tasks, which possibly lead to increasing the gap between the employees. This is expressed through the following quotation.

> *Two cultures are allowed to continue to live separate lives. We grow apart when you start pointing at each other asking "Why do you do it that way? We don't do it that way then you are wrong".*

5.3 Exit interviews

The data from the exit interviews revealed five themes where most of the interviewees had expressed reasons to why they had chosen to leave the company. The themes were: *ability to support customers, challenges in shipping process, dissatisfaction with leadership, workload, culture and HR*. The issue with the *ability to support customers* was according to the interviewees that they felt like they were not able to do so as much as they wanted to. This was in line with the company value of putting the customer first, which had resulted in a struggle when employees felt like they could not live up to their values. *The challenges in the shipping process* was both related to the structure of the process and the fact that they were using an order system that did not always work efficiently. In addition to that they were working with two different warehouses which made the process even more complex. All of this resulted in slow processes with recurring errors which made it difficult to deliver on time. The *dissatisfaction with leadership* was explained to be related to the major changes in management, partially due to replacements of managers that had left and partially unclarity in roles and responsibilities. Other aspects to the lacking

leadership was, according to the interviewees: slow onboarding and training processes for new employees, poor level of respect for the different cultures of the merging companies, poor adherence to strategies and difficulties to uphold the "walk the talk"-mentality (i.e. management say one thing and do another). High *workload* was expresses as being caused by the many simultaneous changes and parallel projects, which resulted in more work to be done. The critique concerning the *culture and HR* consisted of a poor integration after the merger, poor harmonisation of policies and guidelines, a decreased company pride and poor recruitments (i.e. hiring unqualified candidates which results in more work for the qualified technicians).

In addition to the themes described above, the high employee turnover was a recurring issue to many of the employees who had left the company. Although there were many negative issues that caused the employees to leave, many of the employees also mentioned that they would consider coming back to the company when things had settled. They were happy with the general environment of the company.

5.4 Connections and contradictions between the three interview types

When comparing the results from the analysis of the three different interviews the conclusion was made that there was a consistent view between employees and managers. The management expressed consensus with most of the issues in the interviews with employees. They agreed that they had to fight over staff to some extent in the technical departments and that there was poor communication from management on multiple levels. Some managers did not agree on the issue of salary distribution as being unfair whilst others agreed. This seemed to be very function specific which lead to the interpretation that the issue might have a stronger presence in the functions with higher employee turnover.

Differentiations in application of theory

The analysis of the employee interviews did not provide as many examples of different types of conflict as did the analysis of the manager interviews. Thus, it seemed valuable to make the analysis more profound by also applying the ABC-model to the employee interview analysis. Additionally, the employee interviews revealed more issues which could be explained by applying all three levels of conflict (individual, relational and systemic), while the management interviews had its main focus on the systemic level. This made a distinct difference between the parts in the report as the employee interview analysis was ordered based on level of conflict, while the management interview analysis was structured based on type of conflict. The applicability of the power dimension was also a difference between the employee and management analysis, as this was more relevant in the latter. What the employee and management interview analysis had in common was that the procedural justice perspective was applicable in analysing various narratives in both.

In terms of the power dimension and the managerial influence, definite conclusions could not be made only based on the Norwegian managers' impressions about the order of delegation and autonomy. The

employee and exit interviews acted as complementary objective facts which would support their view. At the same time as managers expressed how they felt, sometimes with strong persuasiveness, it was possible to distinguish a pattern based on both management interviews and employee interviews. The fact that decisions were time consuming and that there was a long chain in the order of delegation, was not questionable. Thus, the validity of the impression of the managers was not questioned, after all it was their impression. Rather, the analysis was made as objective as possible by drawing conclusions not only based on managements' impressions, but also including employees and exit interviews.

Exit interviews supporting the data

The issues found in the exit interviews could be translated and fitted with the codes and themes posted by this studies' results. The *ability to support customers* was interpreted as being the same issue as the theme value clash – customer first presented in the analysis of the management interviews. *Challenges in shipping process* was interpreted as the same issue as the theme which included lacking processes in logistics found in the management interview analysis. The *dissatisfaction with leadership* was clearly connected to the themes poor communication found in management interview analysis and management/ leadership dissatisfaction found in the analysis of the employee interviews. *Workload* was also a frequently discussed topic throughout all interviews. The *culture and HR* could be explained by themes found in the employee and management interviews, mainly: Lacking processes in the financial-, logistics- and back office -departments, Role unclarity and Recruitment. As previously mentioned, the integration and the decreased company pride was a topic that was more frequently discussed by management, specifically higher management. The fact that the cultural integration was primarily an issue from exit interviews, managers' and strategic management's point of view concluded that the issue of having two different cultures might have started to improve on the employee level. Another possible interpretation could be that the employees who had left the organisation were contributing to maintaining the old cultures, while the high employee turnover resulted in a new workforce that did not have the perspectives of the pre-merger organisations.

Implementation of new IT systems

Implementation of the new IT systems was frequently mentioned as a cause of conflict, both in interviews with employees and managers. As the change of IT systems was a direct result of the merger, the issues caused by the IT systems could be interpreted as a conflict indirectly caused by the merger. However, most organisational changes will cause turbulence and resistance, which leads to the conclusion that the implementation of new IT systems might have affected the organisation in a similar manner, disregarding the merger. However, it seemed appropriate to consider that the challenges that came along with the implementation of IT systems in this case, might have taken a harder toll on this organisation because they had just experienced a turbulent period of change. Compared to if new IT systems would have been implemented in a stable organisation with all processes, working methods, goals and competences in place, in which case such an implementation might have gone smoother.

5.5 Contribution and insights from a conflict theoretical perspective

This section is devoted to answering the research question *How can conflict theory add new and/or different insights to the research field of mergers and acquisitions?*

The results found in this study provided clear indications showing that by applying conflict theories to analyse a merger, it is possible to shed light on important issues that are related to mergers. The application of the *inventory of workplace conflict* by Jordan (2015) facilitated data which was related to both positive effects of the merger as well as current negative implications in the post-merger phase. However, the results were more focused on the implications than the positive effects. The results also illuminated very specific issues of conflict, which would not have been able to capture if applying a more traditional framework in the field, such as organisational cultural theories or strategic/ financial theories. In addition to this, the theoretical framework helped the analysis to focus on multiple levels, to not only analyse the effects of a merger from an organisational point of view, but also include individual and relational levels.

With the application of the ABC model and the levels of conflict (Jordan, 2015), the procedural justice theory (Gleason & Robert, 1977) and the power dimensions (Jordan, 2015), it was possible to distinguish specific types of conflicts and make a detailed analysis. Without the complementary theories to the ABC model, it would not have been possible to give justice to the complexity of the conflicts. The theory on the levels of conflict (Jordan. 2015) provided an answer to on what level that was the strongest cause of conflict. By including perspectives from respondents on different organisational levels (managers and employees), the analysis was able to find some of the possible causes of the conflicts.

One final, and very important insight, was that the theoretical framework and the chosen method enabled results which showed in what areas of the organisation there were most conflict. This type of knowledge was crucial, seeing as this could help any organisation in a post-merger to find out in which departments and what specific areas that they need to make interventions and/or improvements, before even starting to consider improving the entire organisational culture. It seems very logical that an organisation that is experiencing conflict in the post-merger phase first need to deal with the conflicts, before trying to reach harmony by implementing a new organisational culture. The results in this study provided support to that statement.

Comparison to previous research

As the results shows, the utilization of a conflict theory perspective in the analysis of a post-merger case was possible. The application of the workplace conflict inventory by Jordan (2015) enabled results which were multifaceted as well as focused. The interviews revealed aspects which were both personal and related to deep feelings concerning ongoing conflict, at the same time as it showed clear and practical

examples of ongoing conflicts. This way, the theoretical framework made it possible to both describe what the conflicts were about, as well as how it affected the involved parties (managers and employees).

Previous research that has applied other theories than conflict theories has often presented less detailed and general results. Examples of this which were presented in the previous research section of this report has been related to implications and success factors of mergers to a high extent. However, a possible limitation to their findings is that they have not managed to answer what the causes of the implications are in a profound manner. In many cases, the implications can also be interpreted as conflicts. However, as mentioned in the introduction, few of these studies applied a conflict theory perspective to analyse the conflicts. Weber et al (2012) dealt with the intercultural conflicts in mergers and acquisitions by trying to develop a knowledge-based theory for merger and acquisition integration. This was done partially from the perspective of HR practices, and the results showed that there was no best practice that sufficiently analysed mergers and acquisitions.

In addition to the cultural clashes between companies, Weber et al (2012) was one of many researchers to focus on national culture as a part of the challenge when conducting mergers and acquisitions. Barmeyer and Mayrhofer (2012) also investigated how international cultural differences could affect the outcome of mergers and acquisitions. In contrast to Weber et al (2012), Barmeyer and Mayrhofer (2012) did their analysis from a managerial perspective rather than the HR perspective taken by Weber et al (2012) which produced a strategic angle on the findings. Teerikangas and Joseph (2012) discussed the importance of post-merger integration, which was strongly related both to HR (which would imply consideration of the human aspect) and integrating tasks and processes (which was more related to the strategic level of analysis). Harris (2010) had a focus on the managerial and strategic levels in their analysis. Buono et al (1985) did their study based on a thorough theoretical understanding of culture from different point of views, including aspects such as managerial culture, cultural differences between organisations and cultural climate. Arbuckle (2003) also had a strong focus on culture which provided a wide perspective to different success factors of mergers and acquisitions.

One contrasting example was the study by Bingöl (2017) which did apply conflict theories to some extent. Still, the findings by Bingöl (2017) provided a general description of success and failures in mergers. It did not address specific conflict types or details in conflicts which can be caused by a merger. The study was very focused on industry-specific conditions which affected the outcomes of a merger. In addition to that, all participants were on a managerial level, which facilitated results which had a more strategic focus rather than addressing the more practical nature of the implications (e.g. how does this affect the employees?).

Furthermore, much research stressed the importance of post-merger integration as a part of success in mergers and acquisitions (Teerikangas and Joseph. 2012; Dionne. 1988; De Noble, Gustafson and Hergert. 1988; Ranft and Lord. 2000; Epstein. 2004). However, they did not discuss how to deal with the

issues that can arise if not conducting the integration in a sufficient way. By mainly discussing the success factors from a very limited point of view (post-merger integration from a cultural perspective), the results might be too angled. In this matter, the methods and conflict theoretical frameworks applied in this study was able to add more profound and detailed insights than previous studies which used other frameworks and methods.

VI. Discussion

The historical development of research in mergers and acquisitions has had a strong focus on financial and strategic parameters to determine success (Weber. 2012). As researchers suggested that this was an insufficient method, they started to consider the human aspects of mergers to a higher extent. While much research has looked at success factors and implications of mergers and acquisitions (Bingöl. 2017; Arbuckle. 2003; El Zuhairy et al. 2015; Buono et al. 2003; Schraeder & Self. 2003; Harris. 2010) the majority of this type of research has provided results which are of a very general nature.

Furthermore, it seems as if there has been a common understanding in the research field of mergers and acquisitions, that implications and success of M&A's can now be sufficiently explained with the addition of organisational cultural theories. By failing to address the issues on multiple levels, having a sample including mostly strategic positions or having a limited perspective by assuming that the issues are related to organisational culture, previous research has not been able to gain the same profundity in analysis as this study. Although they have provided results that are applicable to many cases of mergers and acquisitions, their methods have not facilitated deep and complex understandings in what the causes of merger implications are.

The strong focus on intercultural conflicts and integration in the article by Weber et al (2012) might have created a biased result. They assumed from the start that conflicts in mergers and acquisitions were caused by the cultural differences between the companies, and that the solution to this would be integration (i.e. "in the case of M&A, the potential for conflict stems from the tension between the different organizational cultures" (Weber et al. 2012. P 74)). Both Weber et al (2012) and Barmeyer and Mayrhofer (2012) investigate conflicts in mergers and acquisitions from a very limited point of view: the intercultural level of conflict. This was also a possible limitation to the study by Schreader and Self (2003) and Buono et al (2003). By taking such a standpoint they might have missed important aspects of conflict in mergers and acquisitions, which they might have been able to capture if they would have applied a less narrow perspective such as conflict theory. A theory of different levels, or at least the standpoint that there can be different levels of conflicts in mergers, could have enabled a more profound analysis of the conflict potential.

As there is now such a wide scope of research that suggests that organisational culture is the most important aspects to mergers and acquisitions, this might have created a bias in the research field. By having an initial assumption that the issues in mergers and acquisitions are related to organisational culture, studies risk facilitating results which overlook other important aspects. By instead applying a more general and assumption free perspective, such as conflict theory, studies can enable findings which are less biased, in the sense that they will point out what the issues are related to from a broader view. As this study was able to exemplify, it is likely that issues in a post-merger is not only about culture or strategies or processes. Rather, it is a combination of issues of different characteristics. Culture is

definitely an important issue to post-merger integration, as many scholars has implied. However, other more practical issues such as processes and structures should not be overlooked.

6.1 Consistencies and inconsistencies with previous research

During the analysis, there were some aspects to the merger in this case which supported findings from previous research. However, there were also some contradictions. In this matter it was important to consider that every case is unique, and that general suggestions on merger implications are just that: general. This draws further attention to the result which indicated that previous research has provided very general results. As such, it is not strange if both implications and success factors are untransferable in some cases. The fact that there were many aspects in the findings of this study which could be supported by previous research, adds to the trustworthiness of this study. As the results were not completely new suggestions to implications of mergers, rather they provided more profound answers, it was possible to draw the conclusion that the results were relevant to the broader research field and not only to the investigated organisation.

In terms of the success factors it was difficult to either support or contradict previous research, as this study had a stronger focus on the implications (i.e. conflicts) of the merger. Thus, the success factors presented as a part of the previous research rather served to create a fundamental understanding of the perspectives taken by previous research, as compared to this studies' focus on conflict theory.

Consistencies

The integration of the merged companies had been allowed to take too long in the company participating in this study. Many processes and working methods were still not in place during the investigation of this study. As research has suggested that speed during post-merger integration is crucial to its success (Epstein (2004)), this might have been one of the contributing factors to why the company was still experiencing problems in fundamental areas.

Another area where the case organisation had not been successful was in the integration of processes and policies. The study by El Zuhairy et al. (2015) pointed out how the effect of being unable to perform a sufficient integration of processes and policies often lead to decreased productivity, performance and service towards customers. Those findings were a perfect representation of what was a part of the issue in this case, as Zuhairy et al. (2015) also suggested that the longer the process takes, the higher the risk is of losing customers; something that had started to become a problem for the company in this case. However, the findings in this study described the issues and the connection between multiple issues in a more profound way. Zuhairy et al. (2015) further stressed the importance of merging leadership styles, a suggestion which could neither be supported or contradicted by this case as the management team had been replaced as a part of the merger.

The high voluntary employee turnover was an obvious effect of the merger in this case, a phenomenon which is common in mergers and acquisitions according to Bingöl (2017). This study showed both consistencies and inconsistencies with Bingöls' (2017) findings. The suggestion that stress could be the cause of the high turnover (Bingöl. 2017) was supported by this study, as many employees had stated that high workload was a part of the reason why they choose to leave. A contradiction to the view of Bingöl (2017) might have been the employees' perceived justice, as this was a topic which was not mentioned in the exit interviews in this study.

One study found in previous research which showed perhaps the strongest consistency in comparison to this study was Buono et al (2003). The most essential dysfunctions of mergers which they posted were all found by this study as well. The dysfunctions by Buono et al (2003) were interaction between staff and upper management, collaboration between departments, personal development opportunities, efficiency in training, caring about employees from top management and organisational commitment. Interaction between staff and upper management was a phenomenon which was clearly a large issue in both studies. In this study, that issue was very much related to the poor communication from management on multiple levels and the changed order of delegation due to the centralisation fo the organisation. The collaboration between departments was an issue which had increased in this case due to the lack of staff which had resulted in a "fighting over available staff". Personal development opportunities had decreased according to many employees and as a result of discarding the training centres the efficiency in training was now very low. Some employees also expressed that they did not get heard by management which could be interpreted as a similar phenomenon as Buono et al's (2003) caring by management. The decreased organisational commitment by Buono et al (2003) could be compared to the decreased organisational pride found in the exit interviews of this study.

Contradiction

Larsson and Finkelstein (2008) suggested that if merging companies are more similar, the risk for conflict is higher than if they have complementary offerings. For the most part, the latter applied to the merger of the companies in this case. This made it an even more interesting case to investigate, as they were experiencing much conflict even if they had complementary offerings. This makes it stand out as the single contradiction to previous research.

VII. Conclusion

The method used in this study enabled an answer to what types of conflicts that can arise in a post-merger and the causes of conflicts in a post-merger. The main causes of conflicts in this case were: the discarding of training centres, implementation of new IT systems, the replacing of the Norwegian board (to achieve a more humane type of leadership), centralisation (contrasting to the decentralised organisational structure in the pre-merger) and poor implementation of processes primarily in logistics and finances/administration. There was a complex relationship between the main causes and the conflicts, which is illustrated and explained by the model below.

Figure 3. Connections between causes and conflicts in the post-merger.
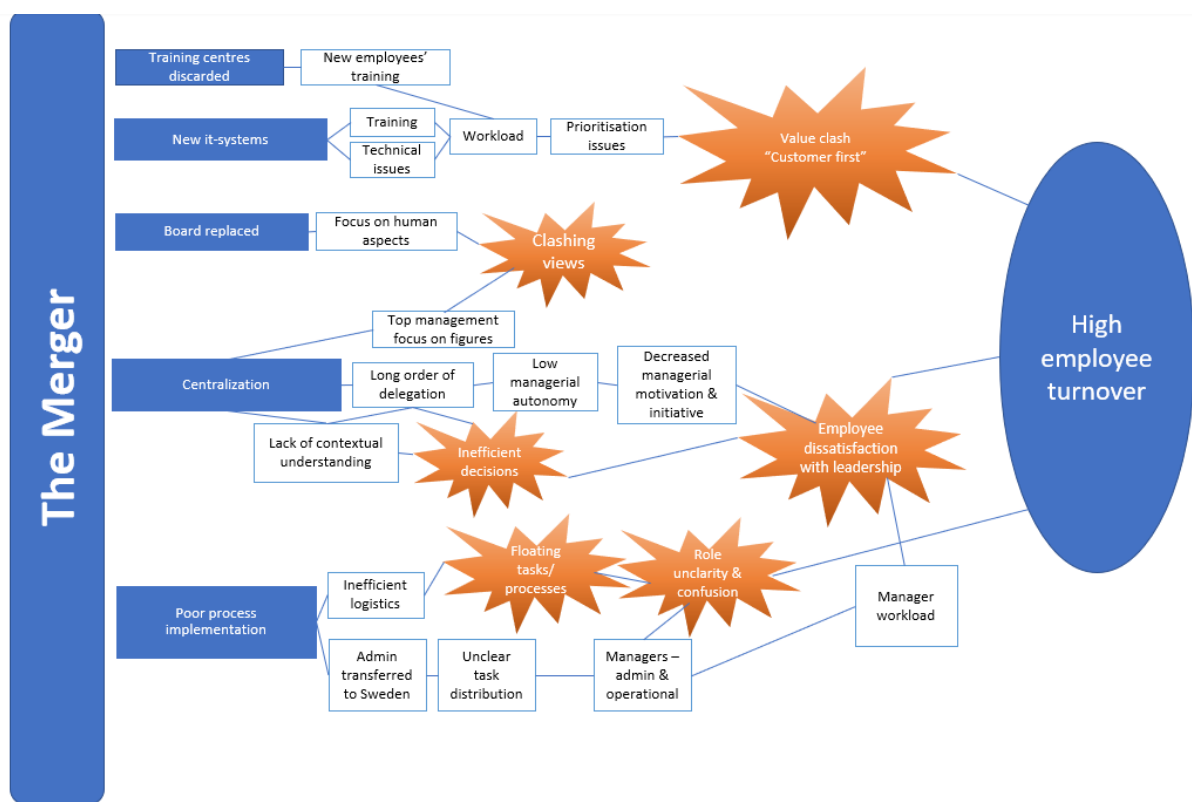
Note. The root causes are presented in the filled boxed following "The merger", the uncoloured boxes are implications which also contributed to the conflict. The conflicts are presented in the stars.

The discarding of the training centres as a result of the merger, together with the implementation of new IT systems created an increased workload on the employees and managers. This was because both employees and managers needed to spend more time on training new employees on top of their regular tasks. Another contributing factor to the extent of training needed was that the organisation had now gained a poor reputation in the market, thus attracting less qualified workers which were in need of more thorough training. The new IT systems contributed to increased workload as the employees had to participate in training and spend time on learning the new systems. The technical issues, primarily in one

of the IT systems, contributed with additional time spent on the systems aside of the regular tasks. As the employees now had more tasks to perform during the same amount of time, this caused prioritisations issues, which could be explained both as a structure and distribution conflict. In line with the results from all data sources (i.e. interviews with employees, managers and exit interviews), this created a value clash. The clash was explained to be between the time that they had to spend on new IT systems and training, and the strong organisational value of "customer first".

The replacement of the Norwegian board intentionally resulted in a management team with a strong focus on human aspects, which naturally clashed with the strong focus on figures which was still possessed by the European top management. The view of the top management could be traced back to the centralisation. The conflict of the clashing views in this matter was primarily found in the analysis of the management interviews. The centralisation created further chain of events which were connected to the employees' dissatisfaction with the leadership. The centralisation resulted in a longer order of delegation, which created a slow decision-making process and a decreased autonomy for the Norwegian managers, whom felt like they were being treated unfairly. The long order of delegation, together with the lack of contextual understanding expressed by Norwegian managers, created the conflict inefficient decisions which was characterised by a slow decision-making processes and sometimes flawed decisions. The low autonomy of the leaders did not only create feelings of unfair treatment, they also explained how it decreased their motivation and initiative tendency. This, together with the high workload of managers, also contributed to the employees' dissatisfaction with leadership.

The high workload on managers could be traced back to the poor implementation of processes, which also caused various other implications. The functions which had been more strongly affected by the poor implementation of processes were logistics and finances/administration. However, the analysis revealed that there were issues in working methods and procedures on technical functions as well. This caused the conflict of floating tasks/ processes, which implied that there was a lack of clarity regarding how tasks and processes should be executed. As a result of the floating processes, there was a lack of clarity in roles and functions, an issue which had also been caused by the transferring of the financial function to Sweden. When they transferred the financial department, there was a lack of clarity in task distribution. The unclear task distribution resulted in some of the tasks, which had previously been delegated to financial functions on the sites, were now being sent back to the managers. This also contributed to the high workload on managers, as managers now had to work more operatively and with administration.

All of the conflicts created one of the biggest challenges for the organisation, which was the high employee turnover which had been ever present since the merger. The employee turnover created further challenges which were mainly related to the recruitment process, which was also a central part of the results.

7.1 Contributions of this study and future research

The results of this study indicated that it is possible to apply a conflict theory perspective to analyse a post-merger. The approach added different insights to the field of mergers and acquisitions in terms of the depth of the results. This assumption was based on the general success factors and implications which have commonly been presented in previous research. In contrast, the conflict theory perspective in this study provided profound results which explained issues in a post-merger in a more detailed manner. As such, application of a similar method can add more valuable information than more traditional methods and theoretical frameworks, as it enables detailed issues related to a merger. With this in mind, it is possible to draw the conclusion that this study has made a theoretical contribution to the research field of mergers and acquisitions. In addition to that, this study presented results which could possibly be highly relevant for the security technology industry, as no research like this had been previously conducted. The fact that the results of this study also made a strong contribution to the case organisation is support of that claim. These conclusions lead up to a final question: How would this type of theoretical application stand if the case was at a different company or in another industry? That would be an interesting question for future research to investigate.

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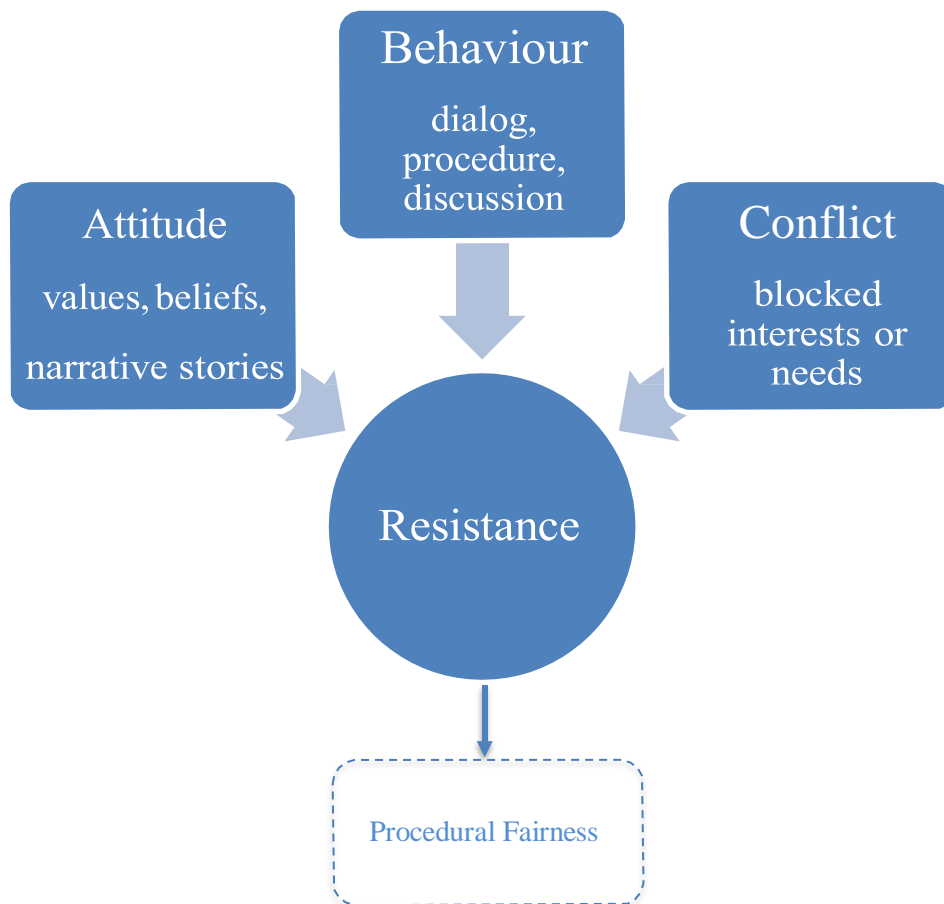
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Appendix

Appendix A

The ABC model - Level of relationship

Own interpretation of Jordan. 2015

Behaviour

dialog,
procedure,
discussion

Attitude

values, beliefs,

narrative stories

Conflict

blocked
interests or
needs

Resistance

Procedural Fairness

Appendix B

Interview Guide – Front-line Employees

The pre-post-merger focus in the questions were excluded for employees who were hired after the merger.

Initial open questions
At what company did you work before the merger?
What type of position do you have and how long have you had that position?
How do you feel about the company today?
What do you think about the leadership from management above you (since the merger)?
Focused questions
(1) Division of resources and work – Monetary, Work load, Time and attention
How has the merger changed: …
…the division of finances? (e.g. prioritisations in budgets, cutdowns, salary negotiation, over time compensation, approval of competence development courses)?
…your work load (e.g. division of labour, tasks, customers, sites)?
…the time and attention dedicated to different tasks/questions?
(2) Positions & roles
Are you satisfied with the role and the work tasks that you have since the merger?
Do you have clarity in your role?
Are there any work tasks that you would like/need to have that you do not have today?
Are there any work tasks that you were given after the merger that you would rather not have?
(3) Structure
Do you have a clarity in the goals and strategic aims of your organization?
How do you experience the structure of your organization (collaboration between departments, who does what, who has what responsibilities etc.)?
How are the routines and processes since the merger? (Efficient, structured etc.)
(4) Behavioural norms
How do you feel like people are treating each other since the merger? (respectfully, with integrity etc.)
Do you feel like you and your opinions are being respected and taken into consideration by management?
How have the ways of doing your job changed since the merger? (in terms of tempo, quality, prioritisation)
(5) Values & Beliefs
Do you feel like people in your organization share the same values?
Prospects
How do you feel about the future?
What would be the ideal state of your situation?

Appendix C

Interview guide managers

The same guide as for employees (found in appendix B), with additional question based on analysis of employee interviews (found below).

How do you feel about your conditions for being a leader?
The majority of employees stated that they feel like there is no action when they raise an issue with management, what do you think is the cause of that?
How do you think that the lack of technicians affects your company and your employees on an everyday basis?
What do you think has the largest effect on the high workload among technicians? Do you believe this is connected to the merger, or was it like that before the merger as well? How do you think the market interplay with this issue?
Multiple functions with technicians explained that they feel like they have to fight over the available staff. What are your thoughts on that?
What is your opinion on the recruitment process?
Some employees feel like they are more up to speed on current projects than project managers/managers, and therefore can make more informed decisions. What is your opinion on that? (applies to technicians on construction sites)
Multiple employee experience that there is an unfair distribution of salary, where new employees get a better pay than employees with longer tenure at the company and more experience. What are your thoughts on that?

Appendix D

Interview Guide – Strategic Management

Pre-merger
What was the strategic purpose of the merger?
What strategies where implemented in the merging process? How?
How did you consider the human aspects of the merger? (communication, networks, etc)
Did the companies meet on equal terms or did you feel like one got more out of the merger?
Post-merger
How would you explain the current state of the organization?
Was the merger successful? In what ways?
If you got to go back and implement the merger again, what would you have done differently?
What is your impression of the relationship between employees and their leaders since the merger?
Prospects
How do you feel about the future?