# Organisational Cultures' Influence on Management in Merged Organisations

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#### Preface

This dissertation has been performed at Chalmers University of Technology, Gothenburg, Sweden, during the final semester of the program MSc International Project Management. The Master program MSc International Project Management, is held by Chalmers University of Technology, Gothenburg, Sweden, in collaboration with Northumbria University, Newcastle, UK. This dissertation equals 20 Swedish University credit points, which corresponds to 60 British University CAT credit points.

The study focuses on organisational cultures' influence on management in merged organisations, more specific the study evaluate a technical development project within a merged organisation, which involves different organisational cultures as well as Swedish and German national cultures.

#### Acknowledgements

Writing this dissertation has been an interesting learning process, as well as a very challenging task. Without every involved person's great contribution, this study would not have been possible. Therefore, I would like to express my appreciation to all individuals that in some way have been involved and contributed to this study.

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Johan Karlsson Gothenburg March 2007

#### Abstract

The environment of producing companies is set under a lot of competitiveness, and to survive in the everyday increasing competitive climate organisations merge to gain bigger markets, and to cut its development costs. When integrating two organisations with different organisational cultures problems could occur, and when the organisations are from different countries the problems could get even more difficult. Organisational culture differs between organisations, and to some extent even national culture plays a part in terms of differences between organisations. In year 1996 the Swedish company in this study bought another company within the same industry, located in Germany. In year 2004, the two organisations' started a project together, and this project demanded a greater integration and cooperation between the both organisations' development departments. Seeing the organisation, as a culture and using that view to explain the organisations' and team members' behaviour in a project, is the ground for this research. The purpose of the research is to evaluate a project's outcome and management from a culture perspective. More specific, the evaluation will aim to evaluate what has been good and what can be done better in the next coming multicultural project, by using the cultural perspective to explain obstacles, similarities and results throughout the project duration. The data collection was conducted by semi-structured interviews with all involved employees from the both organisations. The interviews lasted between one and two hours and included eight different areas concerning organisational culture and management. The result indicates that the Swedish and the German organisation have differences in their organisational history, which has affected the project. When the both organisations get more integrated within the project, culture clashes occurs and in some occasions the German employees experience the Swedish organisation as a "Big Brother." The both organisations also have different hierarchical structures and have different experiences of management. The familiarity of working in project teams differs between the organisations, as well as the respect for managers and the followership of taken decisions. Although, all interviewees in the study mention that an equal understanding and insights have been achieved by the project, and the organisations are now much more close to each other, and are less suspicious. From both organisations' perspective, differences in hierarchical, managerial and organisational issues are now less unknown. With knowledge about each other's organisational cultures, the integration process seems to have created a feeling of a common future.

Keywords: Organisational Culture, Metaphor, Leadership, Communication, Mergers, Swedish National Culture, German National Culture, Ambiguities, Integration.

1 Introduction	1
1.1 Research Background	1
1.2 Research Purpose	1
1.3 Research Delimitations	2
1.4 Research Disposition	2
2 Literature Review	
2.1 Organisational Culture	
2.1.1 Culture as a Subsystem	
2.1.2 Culture as a Metaphor	
2.2 Organisational Structure and Design	5
2.2.1 Organisational Structure in a Cultural Perspective	6
2.3 Leadership in the Context of Organisational Culture	
2.3.1 The View of Leadership	
2.3.2 Leadership as a Relation	
2.3.3 Leadership as a Process	
2.3.4 Leadership and Communication	
2.4 Varying Views on Culture and Corporate Culture	
2.5 Company Mergers	
2.5.1 Mergers, Acquisitions and Conglomerates	
2.6 Mergers Influenced by National Heritage	
2.6.1 German National Culture	
2.6.2 Swedish National Culture	
2.7 Employee Experiences of Merger Processes	
2.8 Organisational Culture Clashes	
2.8.1 Executive Perceptions in Foreign and Domestic Mergers	
2.8.2 Cultural Differences	
2.8.3 Influence on Perceptions	
2.8.4 Ambiguities in Cross Border Mergers	
2.9 Integration	
2.9.1 Channenges in Post-merger integration	
2.9.2 Resistance to Knowledge Transfer in the Context of Mergers	
2.9.5 Instability Between Weiging Partners	
2.10 Metaphors as Vehicles of Social Identity Building	
2.10 Metaphors as venicles of Social Identity Bunding	
2.10.1 Metaphors	
2.10.2 Construction of Images of Us and Them	
2.10.5 Construction of Images of Common Future	
2.10.5 Revealing Aspects of Metaphoric Cultural Identity-Building Processes	
2.10.6 The Use of Metaphors	
	25
3 Method	24
3.1 Research Background	
3.2 Qualitative Research in the Technical Development Project	
3.3 Research Procedure	
3.3.1 Interviews	
3.3.2 Observing	
3.3.3 Analysis	

3.4 Research Credibility	
4 Result	
4.1 Purpose	
4.1.1 The Purpose of the Project	
4.1.2 Problems With the Purpose Delivery	
4.2 Development Process	
4.2.1 The General Impression of the Organisation in Germany	
4.2.2 The General Impression of the Organisation in Sweden	
4.2.3 The Experienced Collaboration Within the Organisation	
4.2.4 The Germans' Perception of the Swedish Organisation	
4.2.5 The Swedes' Perception of the German Organisation	
4.2.6 The Swedes' Possibility to Influence the German Organisation	
4.2.7 The Germans' Possibility to Influence the Swedish Organisation	
4.2.8 Important and Visible Routines	
4.2.9 Descriptions and Routine Books	
4.2.10 The Experienced Hierarchy Within the Both Organisations	
4.2.11 Ways of Decision Within the Organisations	
4.2.12 Symbols for Position Within the Organisations	
4.3 Competence	
4.3.1 The Experienced View on Education and Formal Competence	
4.3.2 The View on Co-workers	
4.4 Information	
4.4.1 The Process of Communication	
4.4.2 The Information Within the Organisation/Project	
4.4.3 Communication due to the Organisation Scheme	
4.5 Collaboration Sweden/Germany	
4.5.1 Reviewed Working Procedures	
4.5.2 The Experienced Team Feeling	
4.5.3 The View on One's Own Initiative	
4.5.4 Managing Conflicts	
4.5.5 Organisational Conformation	
4.6 Cooperation with Customers	
4.6.1 Customer Cooperation	
4.7 Cooperation with Suppliers	
4.7.1 Supplier Cooperation	
4.8 Evaluate/Improve	
4.8.1 The Willingness to Learn	
4.8.2 Differences/Similarities in the Willingness to Learn	
5 Discussion and Conclusions	45
5.1 The German Organisation	
5.1.1 Hierarchy	
5.1.2 Symbols	
5.1.3 Education and Respect	
5.1.4 The Organisational Situation During the Project	
5.2 The Swedish Organisation	
5.2.1 Hierarchy	
5.2.2 Symbols	
5.2.3 Education and Respect	

References	60
5.6 Reflections and Further Research	
5.5.6 Suggested Improvements for Future Projects	
5.5.5 Strengths vs. Weaknesses	
5.5.4 Summarised Voices from the Both Organisations	
5.5.3 Integration Process in the Context of Leadership Issues	
5.5.2 The Organisational Culture Integration Process	
5.5.1 The German and the Swedish Organisation	
5.5 Conclusions	
5.4.7 Organisational Conformation	
5.4.6 Information	
5.4.5 Managing Conflicts	
5.4.4 Own Initiatives	
5.4.3 Working Descriptions	
5.4.2 The Managerial Situation During the Project	
5.4.1 The Purpose of the Project	
5.4 Leadership in the Context of Organisational Culture	
5.3.3 The Willingness to Learn	
5.3.2 The Integration Process	
5.3.1 Integration Tools	
5.3 The Integrated Project Team	
5.2.4 The Organisational Situation During the Project	

### Appendix



# **1** Introduction

The introduction chapter aims to get the reader a view of what this research will examine. This chapter comprises the study's background, purpose, and delimitations. Finally the introduction chapter is ended by a disposition of the report.

# 1.1 Research Background

The environment of producing companies is set under a lot of competitiveness, and to survive in the everyday increasing competitive climate organisations merge to gain bigger markets, and to cut its development costs. When integrating two organisations with different organisational cultures problems could occur, and when the organisations are from different countries the problems could get more difficult.

Organisational culture differs between organisations, and to some extent even national culture plays a part in terms of differences between organisations. The view of organisational culture has been frequently discussed in the literature, and the two different views of organisational culture will, in this study also be examined. But the starting point for this research will be, the view on organisational culture as a root-metaphor. Alvesson (2002) sees organisational culture as a fundamental dimension, which permeates various subsystems. The culture and areas of communication, leadership and integration will affect these subsystems, and they will, by this view, depend on the organisational culture. According to Alvesson (2002), organisational culture influences all what goes on behind the walls of a company, and by that the ground for this study will be the context of organisational culture.

In this study a company situated in the western part of Sweden will be analysed. The company is in this study not mentioned by its real company name due to special request from the company's top management. The company is part of a big company group within the vehicle industry, producing various components to the biggest manufactures within the industry. In year 1996 the company bought another company within the same industry, located in Germany. Since year 2004 the two organisations' started a project together, and this project demanded a greater integration and cooperation between the both organisations' development departments. A project team was set up to include the both companies' development departments and in the end of year 2006, the company and the project leader requested a project evaluation, in order to evaluate how the project has been experienced and what was the general opinion of the outcome. The both companies that figures in this study will be given artificial names and the Swedish organisation will be named "STOCKHOLM," and the German organisation will be named "BERLIN."

# 1.2 Research Purpose

Seeing the organisation, as a culture and using that view to explain the organisations' and team members' behaviour in a project, will be the ground for this research. The purpose of the research will be to evaluate a project's outcome and management from a culture perspective. More specific, the evaluation will aim to evaluate what has been good and what can be done



better in the next coming multicultural project, by using the cultural perspective to explain obstacles, similarities and results throughout the project duration.

## **1.3 Research Delimitations**

As every research, this study also has delimitations. This study is only the result of the material given from the interviewed people along with the researcher's impressions. The time factor of the study, as well as the fact that the material consists of the interviewees' perceptions of the project in the end of the project duration, delimitates the study.

The evaluation of this specific project should not be taken as the common view of all projects within the company group as this study only have examined just this specific project, and not compared it with other projects within, or outside the company group. It should also not be taken as a common project between Swedish and German organisations as this not has been studied. As this project has been a multicultural project, and the study has used the cultural perspective to explain obstacles, similarities and results throughout the project duration the conclusions of this study only concern this specific project, and should not be taken as a typical organisational merger between Swedish and German organisations.

## **1.4 Research Disposition**

This study begins with an introduction chapter where the research background, purpose and delimitations are presented. This first chapter leads the reader into the topic of this study and gives a hint of yet to come.

The second chapter in this study is the theoretical framework, which has the purpose of providing a deeper understanding of the areas concerning organisational culture and integration processes. The chapter guides the reader into areas describing organisational culture, and the two different views of organisational culture that usually are described in the literature. Furthermore the reader leads into organisational integration processes in the context of cross border mergers.

The third chapter is the method, which describes the research methodology by describing the research background, research method, research procedure and the research credibility.

In the fourth chapter, the result of the 22 performed interviews is presented along with the researcher's observing.

The last chapter discusses the result by combining it with the theoretical framework and some conclusions of what is found is presented, along with recommendations for further research.



# 2 Literature Review

This chapter presents the theoretical framework needed in this research. The literature review also has the purpose of providing a deeper understanding of the areas concerning organisational culture and integration processes of such. The chapter begins to guide the reader into areas describing organisational culture, and the two different views of organisational culture that usually are described in the literature. Furthermore the reader leads into organisational integration processes in the context of cross border mergers.

# 2.1 Organisational Culture

Alvesson (2002) claims that senior organisational members are always, in one way ore another, managing culture. How people think, feel, value and act are guided by ideas, meanings and beliefs of a cultural nature, and managers highlight what is important and what is less so, framing how the corporate world should be understood. Further, Alvesson (2002) describes that culture is as significant and complex as it is difficult to understand and use in a thoughtful way. And culture is a tricky concept as it is easily used to cover everything and consequently nothing. Alvesson (2002) uses the term "organisational culture" as an umbrella concept for a way of thinking, which takes a serious interest in cultural and symbolic phenomena and argues that the term directs the spotlight in a particular direction rather than mirroring a concrete reality for possible study. Alvesson (2002) defines organisational culture as the importance for people of symbolism, rituals, myths, stories and legends, and the interpretation of events, ideas and experiences that are influenced and shaped by the groups within which they live. Also is culture then understood to be a system of common symbols and meanings, and it provides the shared rules governing cognitive and affective aspects of membership in an organisation, and the means whereby they are shaped and expressed. Alvesson (2002) describes that culture is not primarily inside people's heads, but somewhere between the heads of a group of people where symbols and meanings are publicly expressed, in work group interactions, in board meetings but also in material objects. Culture then is central in governing the understanding of behaviour, social events, institutions and processes and culture is the setting in which these phenomena become comprehensible and meaningful.

It is argued by Alvesson (2002) that all management takes place within culture, and this includes organisational culture but also societal-level, industrial and suborganisation-level culture. And the working environment of organisations is an increasingly international and multicultural society, making cultural issues highly significant. Furthermore Alvesson (2002) describes two different ways of explaining organisational culture. The first describes culture as a variable and part of a subsystem, the other sees culture as a fundamental dimension, which permeates various subsystems.

#### 2.1.1 Culture as a Subsystem

Researchers who traditional and functional see culture as subsystem (Figure 1.) suggest, according to Alvesson (2002), that several positive functions are fulfilled by culture. They also see culture that something an organisation has and that it contributes to the systemic balance and effectiveness of an organisation. Historical, Alvesson (2002) describes, it was a common idea that a strong corporate culture has a distinct and positive impact on



performance, but nowadays managing organisational culture is frequently associated with changing culture. This view of culture, Alvesson (2002) claims, provides a sense of identity to members of the organisation, facilitating commitment to a larger whole, enhancing system stability, and serving as a sense-making device which can guide and shape behaviour, and motivating employees to do the right things. The view of seeing culture as a variable recognise that organisations produce, or are accompanied by, more or less distinct cultural characteristics, such as values, norms, rituals, ceremonies, and verbal expression, and that these features affect the behaviour of managers and employees. Further Alvesson (2002) claims that this view on culture refers to certain, delimited, phenomena seen as analytically distinct from other phenomena and possible to relate in external ways to these.



Figure 1. In this view culture is one of several subsystems making up the organisation, culture is here seen as a subsystem. Source: Alvesson (2002)

#### 2.1.2 Culture as a Metaphor

Organisations can be seen as if they are machines, organisms, political arenas, brains, theatres, psychic prisons, etc. and Alvesson (2002) claims that culture in organisational culture theory has been seen as a metaphor for organisation with a considerable potential for developing new ideas and new forms of understanding. Further Alvesson (2002) argues that by seeing organisations as cultures one get a better or at least richer view of what goes on in organisations, of the thoughts, feelings, values and actions of people in everyday organisational life and in decision making situations.

Alvesson (2002) describes that a metaphor allows an object to be perceived by and understood from the viewpoint of another object. A frequently used metaphor for organisations in academic writings is the pyramid. Here the organisation is the principle object, and the pyramid is the modifier and the metaphor is the organisation seen as a pyramid.



One view of organisational culture is the previous described subsystem view. The other view of organisational culture that, according to Alvesson (2002), the root-metaphor stands for considers culture as something that an organisation is, not as the traditional concept states, has. Culture as a root metaphor (Figure 2.) promotes a view of organisations as expressive forms, manifestations of human consciousness. Alvesson (2002) defines the root-metaphor as culture is not outside anything, it permeates the entire organisation and there is a cultural dimension everywhere. Using this perspective, organisational culture is not just another piece of the puzzle, it is the puzzle. Management can, according to Alvesson (2002), increase effectiveness in favour of more general understanding and reflection as the major importance of cultural studies. Central is the statement by Alvesson (2002), where described is, that everything that is seen as meaningful for a group of people is so through being part of a cultural context. Seeing culture as a root metaphor, result in that nothing is "not culture", and therefore culture cannot be related to anything else. The cultural image guides all perception and interpretation of what goes on in organisations, and Alvesson (2002) claims that the very point is that one cannot single out something clearly "outside" culture.



Figure 2. Culture is here seen as a metaphor and culture is not outside anything, but permeates the entire organisation, there is a cultural dimension everywhere. Source: Alvesson (2002)

# 2.2 Organisational Structure and Design

Alvesson (2000) defines organisational structure as the sum of all tasks that are divided into different divisions and roles and how they are coordinated. Organisational structure concerns by that management and authority hierarchy. There are different dimensions that often, according to Alvesson (2000), are seen as significant regarding organisational structure and these are; vertical and horizontal job-sharing, standardisation and formalisation of tasks and centralisation of decision-making.



Mintzberg (1993) explains five common cases of an organisation, which are described as the simple structure, machine bureaucracy, the professional bureaucracy, division organisation and adhocracy.

#### The Simple Structure

In the simple organisation the CEO is the central person regarding decision-making and control. This structure is more common in smaller organisations where the management is direct and personal.

#### The Machine Bureaucracy

This form is dominated by plans, rules and routines. The decision-making process is centralised and the most important coordination mechanism is standardisation of the working process.

#### The Professional Bureaucracy

The activity is dominated by professionals that serve clients on the basis of there specialist skills. Hospitals and universities is a good example of this form of organisation form.

#### The Division Organisation

The organisation is divided into semi autonomic, market based units controlled from above through performance control.

#### The Adhocracy

In this form people are combined into different project teams in order to solve specific tasks during a certain time. The teams contain specialists and are put together depending on the task to solve.

#### 2.2.1 Organisational Structure in a Cultural Perspective

Organisational culture relates to an organisation's specific style or distinctive character and it is about how nuances and phenomena are interpreted. According to Alvesson (2000), a culture influences attitudes, prioritising, acting and the organisation's function. The culture is shared by the organisation's members and binds them together.

On the basis of a cultural and symbolic perspective organisational structure is not considered as a stabile phenomenon with physical characteristics, more as a symbol system. Alvesson (2000) claims that the organisational structure not easily can be monitored, it has to be interpreted.

As an example Alvesson (2000) describes a company's organisational structure and their use of the title president. The title stands for authority, responsibility, independency and superiority, and it is also common that the title stands for status and prestige. Furthermore Alvesson (2000) claims that a president can be seen as a person generating symbols. Activity, power to act, initiative, commitment, and hard work are some examples that a president can be seen to stand for. But it is also important, according to Alvesson (2000), to be aware of the symbolic meaning of a president and that it differ a lot in an internal or external perspective. The president position must therefore be understood on the basis of different interpretation schemes and value structures, where some can be in opposite position with each other.



Internal specific expectations and demands are put on the leaders and external a strong leadership is often shown that can differ from the internal perspective.

The organisational design is about support about a specific vision and some valuations of positions and relations between these. More specific Alvesson (2000) describes organisational design as conceptions about the organisation as the construction and structuring of formal positions, divisions, roles etc. and the relations between these. The understandings of the structure, demands even consideration of the contextual relationship, like market relations and valuations in the society. These influence by deciding formal elements in the organisation by creating external expectations and associations by the president's symbolic value and by influencing the organisational members' cultural preparedness to delegate the presidency a specific meaning. Therefore, an important part in the local organisational culture is the understanding of the precise significance of the presidency within the organisation, Alvesson (2000) argues.

Alvesson (2000) claims that if the conception of a flat hierarchy is spread and supported in the collective awareness this is an important part of the design and the functioning of the organisation. The formal organisational structures get its real consequences through the interpretations and meanings from what is supported by the collective awareness. If the collective awareness experiences a flat and non hierarchical organisation this means more to the real function of the organisation, then the real formal number of hierarchy levels. The flat organisation, can therefore, be given a more symbolic meaning then a literal meaning. Alvesson (2000) also argues that a flat organisation delivers a strive for getting the organisation's members together by creating fellowship, and it symbolises closeness, informality and free communication.

# 2.3 Leadership in the Context of Organisational Culture

Alvesson (2002) describes that the relationship between leadership and culture is complex. Leadership deals with meanings, thinking and feelings more than it has a narrow behavioural focus and it may even be defined as agents working through culture as the medium and target of action. Leadership is according to Alvesson (2002) culture-influencing activity, "the management of meaning", but not necessarily does it mean that leadership creates or drastically changes culture, only that leadership is a cultural manifestation influencing other cultural manifestations, such as shared understandings of objectives, technologies and environment.

Alvesson (2002) argues that the strongest case for leader-driven organisational creation or change is made by adherents of charismatic individuals in organisations. Charismatic leadership often involves the creation of something new. Furthermore Alvesson (2002) claims that founders of organisations are frequently viewed as also founders of cultures or at least significant sources of a set of values, which the organisational members adapt and reproduce.

Cultures in organisations are also affected by the interaction with suppliers, customers, authorities and others and all this counteracts deviation from the shared cultural understandings within a society or an organisational field that makes cooperation possible. Alvesson (2002) claims that culture can be seen as a repertoire of positively and negatively



loaded meanings and leadership to be perceived as successful involves trying to attach positive meanings to one's intentions, acts, arrangements and outcomes and steer away from people ascribing negative meanings and beliefs to what one is up to.

Culture does not only limit, frame and prescribe leadership on a general, societal level, but also within organisations. Any particular organisation represents a mix of general societal and industrial expectations and ideas, and of local, more or less organisation-specific ones. Alvesson (2002) also claims that organisation-specific cultural ideas and meanings in various ways direct and constrain managerial behaviour and leadership. It is not, according to Alvesson (2002), uncommon that managers are located in between values and norms held by senior managers and those promoted by their subordinates. Top management sometimes seen as "corporate culture" and "functional culture" frequently differ and may conflict, and here leadership may partly be a matter of negotiation between different kinds of normative frameworks and views on corporate reality.

Alvesson (2002) believes that most people expected to exercise leadership in their jobs are more strongly influenced by organisational culture than they are involved in actively producing it. Apart from structural conditions, which to some extent are cultural manifestations and have consequences through the cultural meaning attached to them, the cultural context guides the manager to how leadership should be carried out.

Alvesson (2002) describes that leaders are said to work on culture rather than to work within culture. Leadership is rather understood as taking place within and as an outcome of the cultural context, although under extraordinary circumstances leaders may transcend parts of existing cultural patterns or even contribute to the creation of culture. In such cases, Alvesson (2002) argues that cultural context and cultural constraints must be considered and a precondition for changing culture is to connect to it.

#### 2.3.1 The View of Leadership

Alvesson & Ydén (2000) discuss the different meanings of the wide expression "leadership" but defines it to include influencing task objectives and strategies, influencing commitment and compliance in task behaviour to achieve these objectives, influencing group maintenance and identification, and influencing the culture of an organisation. The importance of good leadership in order to gain organisational success is expressed in several leadership studies, but Alvesson & Ydén (2000) claim that the leader's effect on organisational success only is 10 to 20 percent and that the followership is the real factor in the other 80 to 90 percent that makes for great success.

The modern view of leadership is, according to Alvesson & Ydén (2000), seen in terms of influence on valuations, way of thinking and commitment. By influencing peoples' conceptions it is possible to get people to act in certain ways, but this demands persuasion and voluntary willingness in order to get acceptance of ideas and goals. Certain needed behaviour can be forced by sanctions or rules, but valuations and commitment need voluntary acceptance. To gain valuations and commitment persuasion is to prefer rather than force, Alvesson & Ydén (2000) argue.

Alvesson & Ydén (2000) claim that leadership is often seen in the context of an organisational culture where the leadership is related to the situation of valuation, ideas, conceptions,



thinking and symbolic, which the culture results in. The culture set out the starting point for the leadership and the leadership is perceived on the basis of conceptions and symbolic. As the leadership will influence peoples' valuations and thinking Alvesson & Ydén (2000) argue that leadership is about "symbolic acting" or "management of meaning" as it sees the importance of trying to influence peoples' behaviour instead of organising and setting up rules etc. As peoples' way of acting in interaction with others and the surrounding gets important the leader's role is to be considered as a cultural influencer and it is important to get positive influence to gain peoples' voluntary commitment and valuations.

The type of organisational culture that has been developed defines how people within that culture will act and the culture gives a reference to interpretations and gives an input to the understanding of specific phenomena. As a leader can be perceived as brave or stupid, democratic or weak the consequences will differ. Different people can perceive one situation different and the most important, according to Alvesson & Ydén (2000), is to be aware of how a certain situations will be perceived by people belonging to the same culture.

Management placements are often offered to persons that are, deliberately or unaware, culturally formed and understand the cultural codex and how to act within it. To take the role as a visionary leader and not follow the norms within the culture will not always result in followership. Instead the opposite can occur and response to the leadership can be indifferent or directly negative. Being a cultural-change-spokesman, Alvesson & Ydén (2000) argue, will not often lead to advancement, more certain being expelled.

#### 2.3.2 Leadership as a Relation

How people interpret and valuate a manager's statements and acting rather than objectively looking at what is done by the manager mean that leadership is seen as a relation. Seeing leadership as a relation demands give-and-take, and that claim Alvesson & Ydén (2000) to be the central meaning for leadership. Peoples' acts and statements and the responses to these are a negotiation about how to behave when interacting with each other, what meaning different skills and titles will have. The involved parts are linked together and define each other mutual and relational. Furthermore Alvesson & Ydén (2000) claim that leadership does not start from a leader, it is more a person that becomes a leader as one or more assign what this person says and let them be influenced by it.

#### 2.3.3 Leadership as a Process

Alvesson & Ydén (2000) define leadership as a process where someone has a strong influence on other people. That person, who is the driving force behind an action, is in that situation the one who practise leadership. But what really stands for the social interaction is not the individual leadership Alvesson & Ydén (2000) claim, it is a more collective form of leadership. When a decision is to be taken in a group or organisation it is often not just one leader that decides what the final decision is to be, it is often a group of people who discuss a problem and that together suggest a decision. In today's situational environment Alvesson & Ydén (2000) claim that it is common to start with seeing leadership as a process where the leader is informal and only act and lead when needed in a situation.

#### 2.3.4 Leadership and Communication

In all situations concerning leadership the role of communication is central. Influence on conceptions is done through communication and between people communication is where



leadership is practised. Alvesson & Ydén (2000) argue that communication is about the use of language, but also interpretation of what is expressed. What is expressed is not only a message that is sent out and received, another big important part is that the intention is interpret in the way it was intended by the sender. People always critically examine others' statements and that is why the leader has to communicate in a way that is understood by all who are to be influenced.

## 2.4 Varying Views on Culture and Corporate Culture

As previous described by Alvesson (2002), there are varying views on culture. Holmquist & Boter (2004) argue that often these varying views of culture are mixed, which makes misinterpretation easy. National cultures are frequently used to explain corporate cultural differences, so that all differences between people or organisations from different national cultures are attributed to differences in national cultures. Further Holmquist & Boter (2004) claim that in reality other differences may exist simultaneously, such as occupation, gender and ethnicity at the individual level, and industry, size and organisational culture at the organisational level.

Culture is according to Holmquist & Boter (2004) an existing system of meanings, with the different bases existing at all levels. Organisational culture also builds on the norms and values of individuals and these are in turn influenced by the existing dominant culture of the organisation. Moreover Holmquist & Boter (2004) argue that national culture is often taken for granted, but is visible at an organisational level when companies internationalise and find that their taken-for-granted way of doing things is formed by the national culture of the country of origin.

Alvesson (2000) describes two different views on corporate culture. One refers to a variable or sub system view on culture. This view means that culture has a limited meaning and can be related to other organisational variables. The second described view is the metaphor view that Alvesson (2000) stands for. The metaphor view contains all organisational relations and cultural dimensions and is viewed as possible objects for culture theoretical interpretations. The view of culture as a metaphor is argued by Alvesson (2000) to be the "right way" to see culture, but when describing corporate culture it is discussed in more conventional terms of culture. The conventional meaning of culture, that other writers see it, according to Alvesson (2000), is something that an organisation "got," but it is also pointed out that the difference between the two views on culture not necessarily is clear, but the distinction should be kept in memory. Furthermore Alvesson (2000) argues that the two different views on culture not have to exclude each other and that it is more of where the centre of gravity is emphasised.

### 2.5 Company Mergers

Van Knippenberg, van Knippenberg, Monden, & de Lima (2002), claim that after a merger, employees often feel that the organisation has changed so much that "it is no longer their company," and that it sometimes seems to employees as if they have in fact switched jobs and moved to another organisation rather than having gone through a phase of transition and



change within their own organisation. A merger involves the integration of two groups of people, and may give the impression that one's own group is required to adopt the other group's ways, and may thus pose a threat to the group's "way of life," van Knippenberg, et al. (2002) argue. The perceived obligation to adopt the other group's identity may initiate a sense of discontinuity of their own organisational identity and therefore may be harmful to identification, and van Knippenberg, et al. (2002) declare that the extent to which the own organisation dominates, or is dominated by, the other play a key role.

Organisational identification reflects the perception of individuals' belongingness to an organisation, and according to van Knippenberg, et al. (2002), higher levels of organisational identification are associated with a higher likelihood that employees will take the organisation's perspective and will act in the organisation's best interest. Moreover van Knippenberg, et al. (2002) describe, from a social identity perspective, that a merger may be defined as a formal re-categorization of two social groups as one new group.

#### 2.5.1 Mergers, Acquisitions and Conglomerates

The three different approaches to growth; mergers, acquisitions, and conglomerates are often, according to Epstein (2004), analysed if they were the same, but a clearer distinction between them is needed. Epstein (2004) claims that mergers of equals involve two entities of relatively equal organisations coming together and taking the best of each company to form a completely new organisation and growth through acquisitions involves the process of fitting one smaller company into the existing structure of a larger organisation. Conglomerates bring large companies together without a clear attempt to create synergies or meld strategies, but keep them separate to provide the advantages of decentralisation and autonomy, Epstein (2004) argues. An acquisition communicates clearly which company is in charge, and a merger of equals often causes a power struggle, as members of both companies seek control over the new organisation, Epstein (2004) claims.

Even though mergers, as opposed to acquisitions, in principle involve equal partners, van Knippenberg, et al. (2002) argue that the distinction between mergers and acquisitions is in practice primarily a legal one. According to Knippenberg, et al. (2002) most mergers are, from a psychological perspective, to a certain extent takeovers and one partner generally dominates the other because it is larger, richer, more viable, or is otherwise more powerful and influential than its partner. Because of its "acquiring" role, the dominant organisation is likely to be more influential in determining the shape of the merged organisation than the dominated organisation. This results in, according to Knippenberg, et al. (2002), that the change from pre -merger to post-merger situation gets smaller for employees of the dominant partner, who find themselves a member of an organisation that is very similar to their premerger organisation, than for employees of the dominated partner, who are more likely to find themselves in an organisation that is quite different from their own pre-merger organisation. Merger partners may differ in the way they do the work, in styles of leadership or interpersonal interaction, in beliefs and values, and national cultural differences between the merger partners are among the factors often causing problems on the psychological side of a merger Knippenberg, et al. (2002) claim.



# 2.6 Mergers Influenced by National Heritage

Angwin (2001) claims that the spread of businesses globally brings the issue of national and regional differences to the fore, but the meaning of "management" differs to a larger or smaller extent from one country to another. Management is embedded in a wider societal setting, and is heavily influenced by local historical and cultural norms. Angwin (2001) shows that top management decisions are affected by national culture and nationality has a strong effect upon the type of managerial controls exercised over foreign subsidiaries. Nationality also affects decision on ownership preferences for subsidiaries when companies acquire abroad.

Angwin (2001) refers to a study of 75 international mergers in Europe that shows that firms are influenced by their national administrative heritage and managers in different countries have differing perceptions of the external environment because they hold different national cultural values. According to Angwin (2001) management characteristics are affected by local regional geographies as well as the size of business and industry type, but among Europe's diverse cultures there are noticeable differences in management styles at the national level.

#### 2.6.1 German National Culture

According to Angwin (2001), the Germans show quite high levels of uncertainty avoidance in studies of national business culture. To an outsider Germans manage uncertainty through an emphasis on planning and orderliness, and native German management theories concentrate on formal systems, Angwin (2001) claims.

Uncertainty avoidance, Angwin (2001) claims, assesses the degree to which structured situations, where rules can be written down, are preferred over unstructured ones. A high uncertainty avoidance score represents risk averseness and a fondness for planning. A low uncertainty score reflects a willingness to tolerate ambiguity and risk, and organisations where flexibility and change are the norm.

It is also argued by Angwin (2001) that German workers generally do not expect managers to motivate them and they expect to have tasks assigned and then to be expert in resolving them. According to Angwin (2001) the Germans together with the Swedes are the strongest supporters for submerging the money motive within the organisational context. For the Germans, value is best sought-after in goods carefully manufactured and made to last and this is reflected in their preference for manufacturing, engineering, and machinery industries. Germans also tend to perceive more complex and qualified goals than just the profit motive, Angwin (2001) claims. Moreover Angwin (2001) argues that German managers typically downplay financial calculations, asserting they are in business not banking, and prefer flexible payback techniques to elaborate discounted cash flow forecasts.

In German national culture, Apfelthaler, Muller & Rehder (2002) claim, the worker is a highly trained individual whose well-developed skill, establishes the worker's expertise and hierarchical position in the production process. In this environment, defined by Apfelthaler, et al. (2002), as an expert-worker environment compliance is usually preferred over consensus and employees show a strong deference to authority. Consequently, teams are regarded only



as loosely knit groups of individuals with strong expertise and clearly defined roles that are respected. Moreover Apfelthaler, et al. (2002) argue that senior managers, engage in planning with mainly "top-down" decisions, information-sharing on a need-to-know-basis, and rather distant supervisor-subordinate relationships.

#### 2.6.2 Swedish National Culture

Angwin (2001) describes that Sweden is characterised by low power distance, the lowest uncertainty avoidance, and having the most long-term perspective. According to Angwin (2001) low differentiation among Swedes is reflected in low power distance, which allows participation and interaction and for the Swedes, there is little unwillingness to by-pass a hierarchy. Indeed there is no desire to shelter within a group and groupthink is clearly absent. Low power distance is also reflected in a cult of competence where legitimate and expert power are recognised rather than status.

Swedish managers head the league in willingness to delegate authority and this leads to a very flat organisational hierarchy where information is widely distributed throughout the group, Angwin (2001) claims. Furthermore Angwin (2001) describes that Sweden has the lowest uncertainty avoidance score and this correlates interestingly with also having the lowest levels of anxiety. Vaara, Tienari & Säntti (2003) describe that the typical image of Swedish management style is participative and that the manager is one of a group or a collective. Other distinctive characteristics are egalitarianism, empowering, cooperation and teamwork.

Swedish businesses are less rule bound than other European countries and activities are less structured. Managers participate more fully in strategy and there is a strong collectively of beliefs. The need for consensus is an important indicator of the Swedish business and merging many scattered opinions may require considerable tolerance for uncertainty, Angwin (2001) argues. Also patience, restraint, moderation, emotional control is, according to Angwin (2001), Swedish virtues. Problems should be solved by discussion leading to compromise and group values are promoted. Angwin (2001) describes that foreigners have difficulties to detect that a decision has ever been made, although the Swedes appear to know that it has. The Swedes rely far less on formal assessment and evaluation instruments preferring to rely far more on good relationships within the group.

### 2.7 Employee Experiences of Merger Processes

Acclimatisation between organisations that merge differs, Risberg (2001) claims. Risberg (2001) refers to findings made that the highest degree of acculturation between merging firms was found among those with the highest cultural differences. In conclusion organisation with high difference in culture acclimatise better than organisations with more equal culture. In addition to corporate cultural differences there may also be national cultural differences that can affect the financial outcome of a merger. Risberg (2001) also claims that national heritage was found to influence control mechanism.

Further Risberg (2001) points out that international mergers are not only about national cultural differences and there are other problems that are referred to, for example, geographical distance and market structures. Risberg (2001) describes when people do not have the possibility to meet physical, misunderstandings and misinterpretations are more



likely to occur. The parent company could also have difficulties understanding the different market structures and another issue could be the misunderstandings and difficulties due to the use of foreign languages.

Instead of only taking a national cultural perspective of mergers Risberg (2001) focuses on understanding by using an ambiguity approach to be able to understand how people experience and interpret merger processes. Risberg (2001) defines ambiguity as contradiction, confusion and inconsistencies and it means that something can be interpreted in more than one way. Ambiguity has, according to Risberg (2001), been treated mostly as obstacles to mergers, as an effect of the merger that causes problems and ambiguity is also seen as something that must be resolved. As ambiguities are viewed as something problematic, Risberg (2001) claims that different views of the world and different interpretations of mergers are not acknowledged. Ambiguities do not have to mean obstacles to an organisation and in some situations organisational members may thrive on working under ambiguous conditions as they are allowed freedom and flexibility, and may, by that be the best condition for the organisation, Risberg (2001) claims. But in other cases, ambiguous conditions may harm both the organisation and its members and it may be best for the organisation and its members to try to decrease the ambiguity.

Moreover Risberg (2001) argues that an ambiguity approach shall be seen as a complement to traditional explanations of the integration problems as human obstacles, for example; employee resistance, culture clashes, and unwillingness to perform from the acquired company's part. Ambiguities of purpose of a merger process are described by Risberg (2001) to consist of that the members do not understand the purpose of the merger. Alvesson (2002) argues that the strongest case for leader-driven organisational creation or change is made by believers of charismatic individuals in organisations and that charismatic leadership often involves the creation of something new.

An ambiguity perspective indicates, according to Risberg (2001), that situations that usually are explained as problematic might have occurred because of multiple interpretations, and if so, failures and perceived misunderstandings should no longer be blamed on only one party. Further Risberg (2001) argues that an ambiguity approach does not view communication as a solution to resolve ambiguity and misunderstandings. Instead, communication becomes an ongoing interactional process of interpretation and reinterpretation of meanings. Gill & Butler (2003) address questions about what are the dynamics underlying alliance instability and how these vary for partners from different national cultures. A variation of different factors that are included in alliance instability are described, but the overall picture presented is that trust, interpartner dependencies and conflict between partners are the three most common themes involved in alliance instability. The ambiguity approach by Risberg (2001) using the ambiguity themes in Table 1, can thus be a help to further the understanding of how employees experience and interpret the post-merger processes.



Ambiguities of Purpose	The organisation appears to have ill-defined preferences. The members do not know what the organisation is doing, should do, or intends to do. The members do not know what they are supposed to do for the organisation. The members do not understand the purpose of the merger.
Ambiguities of Identity	When it is difficult for the employees to find an identity in the work situation and the organisation. When their identities get altered.
Ambiguities of Power	<ul><li>When a person does not know.</li><li>What power she or he has.</li><li>What he or she can do for the organisation.</li><li>Who the leaders are.</li><li>Who is supposed to give orders.</li><li>Why they have this leader.</li></ul>
Ambiguities of Negotiation	Events and actions taking place before the actual merger, for example, during the negotiations, that affect people and their attitudes towards the merger and the acquiring company.
Ambiguities of Understanding	Competing ideas of how the organisation should do what it does.
Ambiguities of Experience	When past experiences become redundant or when people are not sure if their past knowledge will be useful in the future. Difficulties in abandoning old practices.
Ambiguities of Success	When are the company, the manager, and the employee successful? When the employees do not know who defines success and how it is defined.
Ambiguities of Communication	Misunderstandings in communication.
Ambiguities of the Future	The employees experience doubts about their own future, in terms of redundancy, and the company's future, in terms of closing down.
Ambiguities of Organisations	Fluid participation among organisational members in decision making. People are differently involved in the organisation at different times.

Table 1. Different classifications of ambiguity used as a basis to understand what it is that makes a situation more or less ambiguous in order to emphasise and illustrate possible multiple interpretations of different situations. Source: Risberg (2001)



# 2.8 Organisational Culture Clashes

Veiga, Lubatkin, Calori & Very (2000) claim that differences between two organisational cultures affect the outcome of a merger and such differences have been associated with lower commitment and cooperation of the acquired employees. Further, Veiga, Lubatkin, Calori & Very (2000) argue that organisational culture clashes are likely to be more pronounced in cross-national mergers than in domestic ones since such mergers bring together not only two firms that may have different organisational cultures, but also two firms whose organisational cultures are rooted in different national cultures.

Veiga, Lubatkin, Calori & Very (2000) claim that researchers have defined organisational culture in numerous ways, but most definitions focus on the beliefs, assumptions, and values that members of a group share about rules of conduct, leadership styles, administrative procedures, ritual, and customs. Organisational culture is also seen as being important in determining an individual's commitment, satisfaction, productivity, and longevity within a group or organisation.

When two different cultures are brought into close contact with each other, as typically happens when two firms merge, a culture fit occurs. Moreover Veiga, Lubatkin, Calori & Very (2000) define culture clashes as the emotions and conflicts associated with cultural differences. In general, Veiga, Lubatkin, Calori & Very (2000) mean that mergers are surrounded in an "aura of conquest" where considerable pressure is placed on the managers of the acquired firm to break their bond with the "way things were" and obey the culture of the buying firm. But it is also argued that some cultural differences may actually facilitate an assimilation mode of integration. As an example, the acquired executives may believe that the buying firm's culture better addresses their normative expectation, and therefore willingly adopt its culture.

#### 2.8.1 Executive Perceptions in Foreign and Domestic Mergers

Krug & Nigh (2001) examine the perceptions of U.S. executives involved in foreign and domestic mergers and if executives' perceptions differ when a foreign firm acquires their firm and if so, what explains these differences. Based on executive interviews, differences in executives' perceptions between the foreign and domestic mergers could, according to Krug & Nigh (2001), be classified into five different areas:

- 1. Cultural Differences
- 2. Company System Changes
- 3. Characteristics of the Merger Negotiations
- 4. Major Reasons for Staying or Leaving after the Merger
- 5. Post-merger Outcomes for the Organisation

Krug & Nigh (2001) explain that these five areas offered insight into the differences in executives' perceptions when their firm was acquired by a foreign multinational rather than a domestic firm. It is important to notice that the view on culture here presented by Krug & Nigh (2001) differ from the root-metaphor view on culture presented by Alvesson (2002).



#### 2.8.2 Cultural Differences

When asked executives to comment on the cultural differences between the two merging firms, 90% of the comments were overwhelmingly negative Krug & Nigh (2001) claim. Executives involved in the foreign mergers commented mainly on four areas and according to Krug & Nigh (2001) these four differences reduced the cooperation between the merging top management teams and they also decreased the ability and willingness of target company executives to support the post-merger organisation. These four areas were:

#### **1. National Culture Differences**

Communication problems, difficulties developing trust, a lack of understanding of business culture on the part of the acquirer, and the feeling that opportunities for promotion were limited within the foreign parent.

#### 2. Corporate Culture Differences

A general lack of sensitivity and poor understanding of or appreciation for "our corporate culture" on the part of the acquirer, corporate culture clashes, and the disruption of business resulting from a failure to blend the two corporate cultures.

#### **3. Management Style Differences**

The use of formal vs. informal command structures as a result of different organisational cultures.

#### 4. Company Structure Differences

Resulting from the consolidation of a large and small company, private and public company, private and government-controlled company, or retail and wholesale operation.

#### 2.8.3 Influence on Perceptions

In the study made by Krug & Nigh (2001) significant differences in the way executives perceived the positive and negative outcomes of a merger was found and that the outcomes were based on whether if it was a foreign or domestic purchaser. Further Krug & Nigh (2001) found that the major effects of the domestic mergers occurred during the first three years after the merger and that the major effects of the foreign mergers occurred over a six-year period. On average, it took twice as long for the positive outcomes to show themselves in the foreign mergers and Krug & Nigh (2001) claim that successful mergers are often based on how the acquiring company approaches the integration process. What have significant effect on how executives viewed the merger and what heavily influenced their decisions were, according to Krug & Nigh (2001), if the acquirer showed respect for the target company's employees, suppliers, and customers and respected the company's history and traditions, as well as demonstrated a concern for the brand and the company's community. Alvesson (2002) defines organisational culture as the importance for people of symbolism, rituals, myths, stories and legends, and the interpretation of events, ideas and experiences that are influenced and shaped by the groups within which they live. In other words, what Krug & Nigh (2001) describe, is the respect for the target company's organisational culture.

#### 2.8.4 Ambiguities in Cross Border Mergers

Risberg (2001) claims that the international dimension of mergers can provoke ambiguities, as international encounters always invoke ambiguities when people from different cultural, societal, political and legal backgrounds meet, and get integrated. Geographical distance can,



bring about ambiguous situations and communication via e-mail, letters and other kinds of written forms is always open for multiple interpretations. Risberg (2001) points out if there is no possibility to clarify and verify how the communicated information has been interpreted, because of geographical distance, or due to communication problems multiple interpretations of the information are most likely to occur.

According to Risberg (2001) telephone conversations may decrease such ambiguity, but there is always a risk of misunderstandings if one or both parties are communicating in a foreign language. Risberg (2001) goes on explaining that in some cultures employees expect the manager to explicitly show power by giving orders and supervising but in other cultures a manager is more of a person who provides directions. Therefore, different management style in cross-border mergers may be the reason for many ambiguous interpretations.

As previous described, it is argued by Angwin (2001) that German workers generally do not expect managers to motivate them and they expect to have tasks assigned and then to be expert in resolving them. Angwin (2001) also argues that German managers typically downplay financial calculations, asserting they are in business not banking, and prefer flexible payback techniques to elaborate discounted cash flow forecasts. Moreover Apfelthaler, et al. (2002) argue that senior German managers, engage in planning with mainly "top-down" decisions, information-sharing on a need-to-know-basis, and rather distant supervisor-subordinate relationships. However, Angwin (2001) claims that Swedish managers head the league in willingness to delegate authority and this leads to a very flat organisational hierarchy where information is widely distributed throughout the group. Furthermore Angwin (2001) describes that Sweden has the lowest uncertainty avoidance score and this correlates interestingly with also having the lowest levels of anxiety.

An understanding of how things should be done is, according to Risberg (2001), likely to differ in cross-border mergers where the employees and managers of respective company are trained in different cultural, societal and legal systems, but it could also be due to different market structures. As an example Risberg (2001) describes that the consumers may value different things in different markets, or there could be different traditions of how things are done. The view of success is also likely to be differently interpreted in different cultural contexts and could be the cause for ambiguities.

Further Risberg (2001) refers to Risberg, Tienari, & Vaara and that identity could be another sensitive issue as the national identity of the parent company often is important for employees of the acquired company but also for other people and organisations outside the acquired company. It could be difficult for a country to lose a large and strategically important company to another country. Risberg (2001) writes that ambiguity and the ambiguity themes in Table 1 could be found in almost any organisation. The difference is that they are more obvious in mergers because of the turbulence and radical changes such activity provokes. Moreover Risberg (2001) argues that they are likely to be enhanced in cross border mergers where so many more aspects may cause ambiguities: geographical distance, foreign languages, different understandings of the market, different societal and legal systems and different traditions.

Risberg (2001) describes the illusion of familiarity that may occur when a company is acquiring another company from the same industry or with a seemingly similar culture is to be



one issue and other could be the risk of losing key personnel because of ambiguities. To avoid ambiguities during the merger process Risberg (2001) claims that arranging mixed working groups, rotate and visiting each other's companies could help avoid ambiguities.

# 2.9 Integration

After a merger process the integration of the merged organisations becomes very important in terms of getting the "new" organisation to work properly. Here some important issues regarding integration is discussed.

#### 2.9.1 Challenges in Post-merger Integration

A strong, and from the top management forced, post-merger integration process can, according to Epstein (2004), overcome some miscalculations or problems in the design of the merger, and can also overcome merger activity that has been undertaken by chief executive officer's with political motives, to cement their legacy, or to achieve other personal rather than shareholder related objectives. But most importantly, a weak post-merger integration can destroy an otherwise well conceived merger.

Epstein (2004) states that companies too often have done an inadequate job of developing a post-merger integration strategy and what is even more common is the inadequacy of the implementation of the post-merger integration strategy. Moreover Epstein (2004) claims that post-merger integration is not the same as the integration process for serial acquirers such as Cisco and General Electric because in those integration efforts, one company's systems, structure, and culture are being fit into another. Post-merger integration, according to Epstein (2004), involves two large companies that mutual need to fit together and this type of integration requires a much more demanding and sophisticated process.

#### 2.9.2 Resistance to Knowledge Transfer in the Context of Mergers

Empson (2001) discusses why individuals resist knowledge transfer in the context of mergers and claims that without trust the "internal market" for knowledge will not function effectively because individuals cannot be sure that they will be rewarded appropriately for sharing their knowledge. Empson (2001) argues that, in the context of mergers, individuals will resist knowledge transfer when they perceive fundamental differences in the form of the knowledge base and the organisational image of the merging firms. The resistance could also be compared with integration problems regarding ambiguities about the organisation's future, that is previous described by Risberg (2001), or the metaphoric cultural identity-building process described by Vaara, Tienari & Säntti (2003). Furthermore Empson (2001) claims that individuals will only share their technical knowledge with their new colleagues if they value the knowledge they are offered in return which, implies that individuals evaluate the costs and benefits associated with exchanging knowledge with their merger partner colleagues in a highly objective and commercial manner.

#### 2.9.3 Instability Between Merging Partners

Gill & Butler (2003) address questions about what are the dynamics underlying alliance instability and how these vary for partners from different national cultures. A variation of different factors that are included in alliance instability are described by Gill & Butler (2003),



and the overall picture presented is that trust, inter-partner dependencies and conflict between partners are the three most common themes involved in alliance instability.

Trust within alliances involves relationships between organisations, Gill & Butler (2003) argue, and as individuals mediate relationships between organisations, the dynamics of trust cannot be understood without considering social relations. Gill & Butler (2003) claim further that the conceptualisation of trust, indicators of trustworthiness and the relative importance of social relationships not are universal and vary between national cultures. Alvesson (2000) claims that organisational structure not easily can be monitored, it has to be interpreted, and with the statement from Gill & Butler (2003) about social relationship between cultures from different nationality this could be an important aspect, in terms of understanding other organisational cultures.

Moreover Gill & Butler (2003) describe that perceived dependencies between organisations are a necessary condition for collaboration. Dependence favours alliance stability and provides a motivation to act in a trustworthy manner or promote a desire to resolve any conflicts.

According to Gill & Butler (2003), conflict is more likely to occur in mergers where partners are from distant national cultures as there is greater potential for communication problems and misunderstandings. Gill & Butler (2003) also describe that conflict can arise from a number of sources, occur at any organisational level and, if unresolved, lead to a partner's exit. A variety of factors contribute to partner conflict, such as differences in founding goals, strategic resources and corporate cultures.

In cross-border mergers, Very & Schweiger (2001) argue that the buying firm will likely be operating in a new environment characterised by differences in language, culture, law, and socio-economic conditions. As an example national cultural differences could affect the integration process and as a result, the nationality of firms play a key influence in the management of the integration phase, Very & Schweiger (2001) claim. According to Very & Schweiger (2001), problems of information, negotiation and integration are more likely to be problematic when the merger is a first entry into a country as the buyer lacks local information and knowledge.

#### 2.9.4 Cultural Integration in Post-Merger Change Processes

Vaara (2000) describes that mergers between culturally closer national cultures result in less instable alliances than those between more distant cultures, but on the contrary it is also shown that cross-border mergers between culturally distant countries may outperform mergers between culturally closer countries. Further Vaara (2000) argues that it is not initial cultural differences per se that create problems. The most problematic situations would be those where the beliefs and values of the organisational members are contradictory and it is also claimed that it is the acculturation processes that people should turn their attention to.

Moreover Vaara (2000) refers to theories that claim that it is the communicative aspects of identification processes that help us to understand the outcomes of organisational integration processes. According to Vaara (2000), it is found that communication is often characterised to highlight cultural differences and these communicated interpretations have a fundamental effect on behaviour of the organisational members and the organisational change processes.



# 2.10 Metaphors as Vehicles of Social Identity Building

Vaara, Tienari & Säntti (2003) argue that cultural conceptions play a major role in postmerger organisational integration, but that the construction of these conceptions is a complex social identity building process that still is inadequately understood.

Traditional methods of analysis are not effective in finding the multiple and even contradictory meanings of cultural categories Vaara, Tienari & Säntti (2003) claim. Another approach proposed is that the cultural identification processes involved in merger situations could be seen as metaphoric processes, not to be confused with the root-metaphor view on culture presented by Alvesson (2002). To outline a theoretically grounded perspective to examine cultural identity building as a metaphoric process Vaara, Tienari & Säntti (2003) try to show another approach to cultural identification.

Merging involves a need to construct one's own identity in relation to the other party and identity building in the merger setting involves constructions of common identity in the new organisation and to further explain this Vaara, Tienari & Säntti (2003) images these aspects as "Us and Them" and "Common Future." Vaara, Tienari & Säntti (2003) argue their main point by illustrating how a metaphoric perspective allows revealing specific cognitive, emotional and political aspects of cultural identity building that easily remain "hidden" in the case of more traditional approaches.

When comparing the perspective of the cultural identification process with how Alvesson (2002) defines organisational culture, there is a likeness between the both perspectives. The importance for people of symbolism, rituals, myths, stories and legends, and the interpretation of events, ideas and experiences that are influenced and shaped by the groups within which they live, is the definition of culture made by Alvesson (2002). Also is culture then understood to be a system of common symbols and meanings, and it provides the shared rules governing cognitive and affective aspects of membership in an organisation, and the means whereby they are shaped and expressed. Further Alvesson (2002) argues that culture is central in governing the understanding of behaviour, social events, institutions and processes and culture is the setting in which these phenomena become comprehensible and meaningful, which in whole share the same perspective presented from Vaara, Tienari & Säntti (2003), where merger settings involves constructions of common identity in the "new" organisation.

#### 2.10.1 Metaphors

Vaara, Tienari & Säntti (2003) describe that metaphors give insights into hidden feelings, which participants have about belonging to a particular group and metaphors are also useful as they allow researchers to see beyond existing theoretical models. Metaphors do also communicate in a more concise way to readers of a text. Alvesson (2002) describes that a metaphor allows an object to be perceived by and understood from the viewpoint of another object. A frequently used metaphor for organisations in academic writings is the pyramid. Here the organisation is the principle object, and the pyramid is the modifier and the metaphor is the organisation seen as a pyramid.



#### 2.10.2 Cultural Identity Building as a Metaphoric Process

It is described by Vaara, Tienari & Säntti (2003) what is meant to view organisational cultural identity building as a metaphoric process and that it often result in building symbolic categories of in-groups and out-groups in terms of Us vs. Them. The metaphoric approach highlights that this categorisation is a process where different meanings are connected to each other to create or recreate organisational cultural understanding in the form of archetypes and stereotypes. Vaara, Tienari & Säntti (2003) refer to Alvesson and Schön when describing that through metaphoric expressions, the often hidden conceptions come to the surface.

Mergers often result in dramatic changes within organisations and create, according to Vaara, Tienari & Säntti (2003) a need to individually and collectively make sense of the new situation. To know what it means to be part of that "new" organisation, and what are the changes concerning one's own membership and role within that organisation are questions that will need answers. Sense making is basically identity construction and the identity building processes are therefore crucial in terms of understanding how the people involved respond to the planned changes, Vaara, Tienari & Säntti (2003) claim. Identity building is likely to involve two specifically important processes and these are construction of images of "Us and Them" and construction of images of the "Common Future."

Metaphors can help both to understand the construction of existing organisational cultural representations and identities of members of an organisation and serve as means to construct new identities for membership in an organisation and Vaara, Tienari & Säntti (2003) also claim that identity processes expressed by metaphors involve complex cognitive, emotional and political processes.

#### 2.10.3 Construction of Images of Us and Them

When seen as a metaphoric process, it is possible, according to Vaara, Tienari & Säntti (2003) to focus on the rich images around the self-categorisations and to highlight the possibilities for interpretation and reinterpretation. Metaphors also can point to a "Big Brother- Little Brother" relationship where self-descriptions often tend to be associated with "normality", which is a typical characteristic in the construction of "colonising" positions, according to Vaara, Tienari & Säntti (2003). But on the other hand describing the merging partner metaphors can consist of clearly patronising attitude.

#### 2.10.4 Construction of Images of Common Future

Constructing a common future identity can be seen as another key identity building process in the merger context and Vaara, Tienari & Säntti (2003) claim that images constructed of "Us and Them" can also be interpreted through a need for new identity. Examples of images trying to describe that the involved organisations are on their way to a "Common Future" can be described as "ships on the way" or that they attempt to break free of internal organisational and national division and juxtaposition by using the metaphors "family" and "house."

#### 2.10.5 Revealing Aspects of Metaphoric Cultural Identity-Building Processes

Vaara, Tienari & Säntti (2003) argue that the metaphors of "Us and Them" seem to be vehicles for the nationalist ideology within organisations, and those cultural identity-building processes recreate nations "as imagined communities." The metaphors created for the new "Common Future" represent "a break" with previous conceptions and "frame reconstruction." It is further argued by Vaara, Tienari & Säntti (2003) that many of the metaphors constructed



for the "Common Future" actually represented, and even recreated, the image of internal confrontation, and they could be seen as intermediary stages focusing attention on internal concurrence and confrontation before the next ideal state of integration and consistency. Vaara, Tienari & Säntti (2003) show that emotional aspects were clearly visible in metaphors that were linked with openly nationalist framings. It is also showed, how precisely the images of the past tend to have power over people coping with contemporary organisational challenges.

What is most important for understanding the cultural identity-building processes, Vaara, Tienari & Säntti (2003) claim, is the metaphoric perspective that exposes the nature of constructed identities. More traditional approaches tend to focus on the cognitive aspects of these processes, but the metaphor perspective also shows the emotional and political elements. Moreover Vaara, Tienari & Säntti (2003) describe that metaphors of "Us and Them" may reflect, and even create increasing organisational cultural awareness and understanding, and many of the metaphors seem to be able to formulate key cultural characteristics in illustrative ways.

#### 2.10.6 The Use of Metaphors

Vaara, Tienari & Säntti (2003) maintain that the identity-building processes are crucial for understanding how the people involved respond cognitively and emotionally to planned and anticipated "changes." This helps to understand rising forces, resulted from identity processes within the organisations, forces that on the surface appear as enthusiasm, commitment, non-compliance or resistance. Vaara, Tienari & Säntti (2003) argue for context-singularity cultural identities, but also claim that it has relevance for research on organisational and national identities in general as bringing in metaphors, have provided one alternative view of looking at identity construction.

Further Vaara, Tienari & Säntti (2003) claim that metaphors are particularly useful devices to bring in cognitions and emotions that otherwise could be very difficult to "capture" and it also shows that metaphors are challenging ethnographic material for organisational researchers. A negative side is, according to Vaara, Tienari & Säntti (2003), that metaphors are "messy" constructs because of the constant possibility for reinterpretation and they are therefore controversial tools for use in intentional organisational identity-building and "slippery" objects for empirical analysis.



# 3 Method

This chapter describes the research methodology by describing the research background, research method, research procedure and the research credibility.

# 3.1 Research Background

The STOCKHOLM Group, with its headquarter located in Sweden, bought in year 1996 the company BERLIN in Germany. In year 2004 STOCKHOLM AB and BERLIN started a project that demanded a greater integration and cooperation between the two firms' development departments. Therefore the project team was set up to include the both companies' development departments. The project leader of the project requested a project evaluation in order to evaluate how the project has been experienced and what was the general opinion of the outcome.

The purpose of the research is to evaluate the project's outcome and management from a culture perspective. More specific, the evaluation aims to evaluate what went right and what can be done better in the company's next coming multicultural project, by using the cultural perspective to explain obstacles, similarities and results throughout the project duration.

The starting point in this research is the, by Alvesson (2002) described, root-metaphor of organisational culture as a fundamental dimension, which permeates various subsystems. The culture and areas of communication, leadership and integration will affect these subsystems, and they will, by this view, depend on the organisational culture. The question of how well the project has been managed from a team member perspective, as well as from a top management perspective is investigated. Issues of leadership concerning the project manager and the steering group is analysed together with analyses of the communication with other departments, and the integration of the German company BERLIN into the project. Furthermore the research analyses the differences in the two companies organisational cultures that, according to Alvesson (2002), influences all what goes on behind the walls of a company.

The initial stage of the research was to get a hold on what the project concerned, and the project leader at STOCKHOLM AB delivered that information in the first contact with STOCKHOLM AB. Different ways of gathering research data was discussed during the first information meeting with the project leader, and the decision to use a qualitative type of research by undertaking interviews was taken.

### 3.2 Qualitative Research in the Technical Development Project

According to Rudenstam & Newton (1992), qualitative research implies that the data are in the form of words as opposed to quantitative research that implies numbers. Whereas quantitative data are generally evaluated using descriptive and inferential statistics, qualitative data are usually reduced to themes or categories and evaluated subjectively. Qualitative research is defined by Alwood (2004) as gathering of data that represents quality in some


way, to a great extent in the shape of linguistics entities, and the data is examined, mainly through linguistic describing and categorisation. Qualitative research is, according to Flick (2002), of specific relevance to the study of social relations. Alvesson (2002) describes that culture is not primarily inside people's heads, but somewhere between the heads of a group of people where symbols and meanings are publicly expressed, in work group interactions, in board meetings but also in material objects. It is further argued by Alvesson (2002) that all management takes place within culture, and this includes organisational culture but also societal-level, industrial and suborganisation-level culture. What Alvesson (2002) clearly describes about culture is that culture occurs within social relations. Qualitative research is, according to Flick (2002), oriented towards analysing concrete cases in their temporal and local individuality, and starting from people's expressions and activities in their local contexts. According to Winroth (1999), a researcher, trying to understand people's assumptions in a new environment does not, differ from how people are interested in others in other usual situations. What a researcher in ethnography search for is not how the fact looks like, more how the "natives" gives the fact a meaning. As many researchers in the area of organisational culture use qualitative research in order to get a better picture of the studied object there were no realistic discussions about using any other research method in this particular study. As the starting point in this research is the, by Alvesson (2002) described, root-metaphor of organisational culture as a fundamental dimension, it is also natural to choose the qualitative research approach in this study.

Alvesson (2000) uses qualitative research method in his study about a consult firm, and Winroth (1999) undertakes qualitative research in her study when interviewing employees within a solicitor firm, and one reason for their choice of research method could be described by Schostak (2006). According to Schostak (2006), an interview is not a tool but an encounter, an event. Each encounter involves negotiations, calculations and interpretations. And Schostak (2006) claims that the more people get interviewed, the many voices of many views are drawn out in the interview. It is the existence of the multiplicity that generates effects. Along with the previous described view of Alvesson (2002) that describes that culture is not primarily inside people's heads, but somewhere between the heads of a group of people where symbols and meanings are publicly expressed gives the qualitative research method a motivated usage in the study performed at the company STOCKHOLM. The aim of the study at STOCKHOLM is to get a view that reflects the reality and in order to reach that goal it is important in the research to interview as many involved persons as possible. The intention was to interview all involved persons in the study at STOCKHOLM and this ambition was almost reached as 96 % of the involved persons were interviewed in the study. When discussing the particular usage of the interview method in this study, Flick (2002) claims that semi-structured interviews are defined by having a characteristic that more or less open questions are brought to the interview situation in the form an interview guide. It is further hoped that the interviewee will answer these questions freely. The interview procedure is described in chapter 3.3.

# 3.3 Research Procedure

The project leader set up a list of all members of the project and interviews with all on the list was booked. The project here studied, consisted of a steering group, project group and two working groups, in total 23 persons. During the concentration of two weeks all interviews was



carried out, and all involved persons except one have been interviewed. The German team member that did not participated in the interview was on vacation during the two days the interviews were held in Germany.

#### 3.3.1 Interviews

The interviews were semi-structured, lasted between one and two hours and included eight areas:

- Purpose
- Development Process
- Competence
- Information
- Collaboration Sweden/Germany
- Cooperation with Customers
- Cooperation with Suppliers
- Evaluate/Improve

Here, a more developed description of the eight interview areas is presented:

1. Purpose	People always critically examine others' statements and that is why the leader has to communicate in a way that is understood by all who are to be influenced. Therefore it is interesting to evaluate how the management has communicated the purpose of the project, as well as how it has been interpreted.
2. Development Process	The questions regard the relation between the both organisation and the development between them.
3. Competence	The questions asked concern the both organisations' view on education and formal competency of their employees, along with the general view on co-workers that have been in the organisation for a long time.
4. Information	How the information within the project and the company group is performed, as well as how the process of communication has worked out, is in these questions examined.
5. Collaboration Sweden/Germany	These questions concern the relation and the direct collaboration between the Swedish and the German organisation, this in order to examine the both organisations' differences in working procedures before and after the project, as well as what is gained from the collaboration.



6. Cooperation with Customers	The amount of cooperation the both organisations have with its customers can give a view of how much they listen to the customers' needs, wants and demands.
7. Cooperation with Suppliers	The amount of cooperation the both organisations have with its suppliers can give a view of how much they work with their input to the company in terms of material and components.
8. Evaluate/Improve	The last chapter of the interviews tries to examine the both organisations' willingness to learn from the other part in this project. Have the organisations been evaluating and improving their way of working etc. after being working close together with each other?

The interview questions that are included in the described areas above are to be found in the Appendix I, II, and III.

As the discussion about interviews in Kvale (1997), the interviews in the research started with information about the purpose of the interview, how the result was going to be used and the interviewed was also questioned if recording of the interview was acceptable. The interviewee was also informed that the answers were going to be anonymous and that the sum of all interviewees' answers together are the most interesting for the research, and one interviewee will never going to be mentioned in the research result in a way that could be traced back to a specific individual except from the company's top management and the project leader. During the interviewes the only present individuals were the researcher and the interviewee, in some cases there were two interviewees as described further on. The interviews ended by asking if the interviewed individual wanted to add something that could be of interest, that not had been discussed during the interview. Some of the interviewees added information, but the most part did not.

The project leader scheduled all interviewees, both the workers and the top management for the interviews. This resulted in a very tight schedule for the interviews and was very effective. It also gave the study an important status that maybe not had been the case if the researcher should have scheduled the interviews. The ones that were interviewed in this research were all involved members of this specific project, and employees not involved in the project were not interviewed.

In order to get away from they team members' regular working environment with disturbing telephone calls etc., and to let the interviews be more neutral, the interviews was mainly not held in the team members' offices. According to Widerberg (2002) it is also recommended to choose a neutral place for the interviews in order to provide more privacy for the interviewed member. The interviews in the research were carried out in a conference room at STOCKHOLM and BERLIN in order to create a neutral and comfortable feeling for the interviewed. All German members of the project were interviewed in a conference room in BERLIN's headquarter in Germany, during a two day visit at the company. The rest of the



project members were interviewed at STOCKHOLM in Sweden and the Danish representative travelled from the Danish department to STOCKHOLM in order to be interviewed.

When interviewing Swedes and the co-worker from Denmark the interview language was Swedish. The Germans were interviewed in English but they were encouraged to answer in their native language if they felt it was too difficult to respond in English, and some of them did. Two of the interviews in Germany were held with two members of the staff at the same time because of their low skills in the English language. The other member translated the questions into German to the other person when needed in these cases. All other interviews, both in Sweden and Germany were carried out by interviewing one member of the staff at the time, in order to get fully anonymity in the given answers.

#### 3.3.2 Observing

Along with the interviews, observing was a part of the research that was carried out by just "being around" in daily situations in both the companies.

During the first day at BERLIN in Germany, the opportunity to observe the development department and the production was excellent as the main part of the interviews was planned to day number two of the visit. Even in Sweden and STOCKHOLM the possibility to observe the involved persons in their regular jobs besides the project was good. Just to observe people's interaction with each other at lunch or coffee breaks gives a lot of information. The company management at STOCKHOLM arranges an information meeting every three months that informs the personnel about the currant and coming financial situation of the company group. During the time for the research one of this information meeting was held, and a perfect opportunity to observe was given, which gave useful information about the management's interaction with its employees, and the other way around. During the visit in Germany notes were written after every day at the company about the working situation and people's interaction with superiors and colleges, both from their company and from STOCKHOLM. The time for observation at STOCKHOLM was better and notes were therefore only taken when something interesting for the study occurred, but the working situation and people's interaction with superiors and colleges were as interesting observation topics as in Germany.

#### 3.3.3 Analysis

The interviews were digital recorded, and full transcriptions were prepared for later analysis. The transcriptions were later summarised into a document for each question, including all given answers, in order to get an overview of the 22 persons' answers to every question. By this technique it is easily shown if the given answers in one special area differ from the others,' or if all 22 persons' answers are similar. The length of the given answers could also give a hint about the team members' interest in answering a specific question. If there are short, few, or no answers to a question it can signal that the interviewed have no answers to the given question, or do not want to answer due to some reason. Further the result from the interviews, and the observations, is presented under the previous described eight areas. The analysis of this result discusses the similarities and differences with the theoretical framework.



# 3.4 Research Credibility

The credibility of the research and how the quality of it can be evaluated as well as how it can be valuated, are questions important to discuss. Winroth (1999) claims that a research cannot only be questioned if it is right or wrong. Questions about the study's usefulness and if it is informative are just as significant. The credibility of this research will be, as in Winroth (1999), the ability to show for the reader, how the team members reason by presenting the material from the interviews and observations, and how the research's material is related to what is said and to the occurred situations. The aim of the research is to reflex the interviewees' own understanding, as well as trying to reflex the researcher's understanding of the interviewees.



# 4 Result

In this chapter, the result of the 22 performed interviews is presented. The result is a summarised picture of all 22 different answers. To make the presentation of the result as clear as possible, it is divided into the eight areas included in the interviews. These areas are as previous described; Purpose, Development Process, Competence, Information, Collaboration Sweden/Germany, Cooperation with Customers, Cooperation with Suppliers, Evaluate/Improve.

# 4.1 Purpose

The purpose of the project and how it has been communicated to all involved persons was questioned in this first area of the interviews. People always critically examine others' statements and that is why the leader has to communicate in a way that is understood by all who are to be influenced. Therefore it is interesting to evaluate how the management has communicated the purpose of the project, as well as how it has been interpreted.

#### 4.1.1 The Purpose of the Project

When questioning about how the purpose of the project has been delivered it is obvious, that it has been clarified to all 22 interviewed persons. From the both organisations, the team members answer alike when asked, but the answers differ very much in "language" depending on the person's position in the company. The answers also differ in depth and length, and when studying the answers it is obvious that members in the project group, as well as members of the steering group, answer to more than what is asked for. These persons all discuss some of the problems that have occurred during the project.

Even if the "language" differs in the given answers, the answers are similar and here are some examples from the both organisations:

"... The purpose of the project is to use more of the same parts in all products and by that increase volumes and reduce prices..."

"... The main reason for the project is; to reduce the costs and to use synergy effects within the group, to bring the production closer together, and to use similar components within the different products is also a part of this project..."

"... The main purpose was to standardise and modularise..."

"... The purpose was to create a shared component base in the coupling program in order to increase the volumes of used components to gain economies of scale..."

"... The purpose was to minimise the amount of details and to keep the weight low..."



It is very obvious that the purpose of the project is very clear both in the Swedish organisation as well as in the German one. Many express that the management has been very clear describing the aims of the project and that the purpose has been totally clear during the project process. When asking about the opinions about the project's purpose everyone asked is positive and many also add that this project was needed in order to combine the both companies more, as well as, making the company more competitive on the market.

#### 4.1.2 Problems With the Purpose Delivery

Along with the positive reactions of the project and the purpose of it, voices are raised pointing at problems in the beginning of the project with the purpose delivery. Interviewed persons not involved in the market division mention that the market division did not accepted the aims of the project from the beginning. The reason for that has been explained to be the risk for loosing the individuality of the two companies' different products, as many components now are being shared. Another reason mentioned is that the German organisation has felt threatened by the project and what it could bring in the future with possible changes in production and amount of employees etc.

Everyone interviewed has been able to express the purpose of the project, but still it has been obvious problems on the way. It should be mentioned that all the interviewees from the German organisation do not mention any problems that this project could cause in the future, or any problems with the aim of the project for that matter, it is only the Swedish organisation's top management that has been describing the occurred problems. Her is one example of reaction to the question on purpose:

"... Problems with understanding the purpose could be a reaction to bad communication in the beginning of the project..."

## **4.2 Development Process**

The Development Process is the area in the interviews that includes most questions. The questions regard the relation between the both organisations and the development between them. Some of the questions are directed to one of the organisations in order to get their view on the other organisation, but these questions are equally asked the both organisations.

#### 4.2.1 The General Impression of the Organisation in Germany

Almost every Swedish interviewee states that this project has given them an increased understanding of the German organisation, and insight in the different departments. The project is also said to create better relations and forced greater cooperation between the two organisations.

When it comes to describing the German organisation some are describing the personnel as very competent and loyal and that they are goal-oriented in their work. The German organisation is also described to have a history of being technical driven and that the engineers have developed the new products without cooperation with other departments. This way of working has, according to many interviewees, lead to that the Germans are unaccustomed to participate in projects. It is also mentioned that the view on, and the definition of projects differs between the both organisations.



One interviewee describes the German difference in way of working in these terms:

"... They work in a way with very little cooperation with other departments within the company, and they are building walls around themselves..."

It is also said in the interviews, that in the beginning of the project, and to some extent during the project, the market department in the German organisation has tried to stop the project by undermining it. In order to change this attitude the positive sides of the project had to be proved to them at several times. When describing the attitudes in the German organisation some mention that the common German way of thinking is more of "what good can this project bring…" compared with the Swedish way of thinking that is more of "what possibilities can this project bring…" The Germans and the organisation in Germany has been much more sceptical to the project compared with the Swedish organisation, many Swedish interviewees claim.

The most of the negative sides described by the interviewees concerns the beginning of the project, and it is mentioned in most cases that it has changed into positive sides later on. This change in resistance or negative attitude has been transformed later on by the increased understanding of the both organisations many of the interviewees claim, and it is also spontaneously added that it depends on "cultural" differences. What "cultural" is in these answers is not defined, but the interviewees use it when describing national and organisational cultural differences.

The transformation to a greater understanding has not been an easy journey, and one interviewee says that the communication with the German organisation now is much greater than before the project started due to the forced interaction by the two organisations.

#### 4.2.2 The General Impression of the Organisation in Sweden

When asking the interviewees in the Swedish organisation about the German one, every interviewee had a lot to add. The opposite occurs when asking the same question about the Swedish organisation to the German interviewees. Still some of the interviewees had something to add.

Some are mentioning that the Swedish organisation is good, but that the culture is a little bit different than the German one. They experience the Swedish organisation to be different in the way of discussing things together with each other, and the Swedes are seen as being much more open for new things, compared to their German colleges.

#### 4.2.3 The Experienced Collaboration Within the Organisation

The interviewees from the German organisation mention that the project has brought a big change in the way of working. Many describe the new vault server were drawings and other information concerning the project are stored as a very useful and helpful tool. They now use the same parts in their products with STOCKHOLM and are working with the same drawings through this new server. There is also discussed that the German organisation experiences that they now "produces papers" in a project instead of developing their products by information given from their customers. Some of the members of the German team have also experienced very bad communication and information from project management. They argue that the information flow has to be much better in the next coming project in order to get everyone



involved informed and updated. In total, the involved German members now experience that the collaboration with STOCKHOLM is working well, and everyone tries to look at the big picture. But in the beginning of the project people was only looking at their specific area and did not see the companies' big picture.

When the interviewees at STOCKHOLM answer the same question, the increased cooperation with other functions in the organisation, along with the big focus from the top management on this specific project is mentioned as a very positive outcome of the project. Functions as the design and production departments have now strengthen their bounds to each other, and the production department has been forced to cooperate with their colleges in Germany in order to reach the project's objectives. In the project the construction department also has worked very close with the purchase department and the suppliers, resulting in that eventual problem can be approached in an earlier state.

In total, the Swedish interviewees argue that this project has bounded the Swedish organisation, as well as with the German one. It has brought the functions closer to each other. It is also mentioned that the project has had a great support from the top management, and the involved members have had a feeling that the management has been trying to change the organisation, by creating a greater cooperation between the functions and the both organisations. But the journey has not always been easy, also within Swedish organisation rivalry protectionism has been a reality between the different functions in the beginning of the project. According to the interviewees, the rivalry has faded away during the project, as the cooperation between the functions increased.

#### 4.2.4 The Germans' Perception of the Swedish Organisation

In general the Germans answer this question by discussing differences in different IT-systems the both organisations use. They are, to some extent, frustrated over the many hours the Swedes are putting into the change of drawings etc. Mentioned are also the different systems the market division uses, the differences in management systems and production systems. But they also discuss that the Swedish colleges seem to have a good relation with the company and with each other and that they are doing a good job.

The Swedes are more pointing at cultural differences, way of working, leadership issues and openness. It has been problems when trying to explain the differences in calculating the products' prices. The German organisation has had great problems with accepting higher prices of some of the components even though the total price of the product is lowered.

The Swedish interviewees also mention that the Germans are surprised over the Swedish openness with superiors and that many of the German colleges wish they could speak more open to its superiors. When comparing leadership the Germans are said to be more used to a leader on site. They are used to a leader that takes all decisions, more hierarchy. The German colleges are not, according to the Swedish interviewees, used to take decisions with others in a working group, they want the formal leader to take all decisions. The Swedish way of taking collective decisions, where every one are supposed come with their own suggestions, is not the way of taking decisions that the Germans are used to and the interviewees argue that this is national cultural differences.



### 4.2.5 The Swedes' Perception of the German Organisation

When in previous chapter the German organisation gave their view on the Swedish organisation, the Swedish interviewees also gave their thoughts about what surprised the Germans in their organisation. Here, when the opposite question occurs the Germans cannot answer anything about what possibly could be the Swedish view of the German organisation.

Nevertheless the Swedes describe in detail what surprise them in the German organisation. They see differences in the way of working, describing when the Germans work, they work hard and intensive and the production is running at 100%. But the Swedes experience that the Germans are very inflexible when it comes to work over time etc. compared to the Swedish workers.

At the leadership area the Swedish interviewees are surprised to see that the German colleges need very clear instructions, without that they do not dare to precede working. Taking own initiative is very seldom according to the Swedish interviewees, but it is also said that when the managers are away, the German engineers dare to take more own initiatives. The German organisation has no manger sitting physically in Germany, and that is seen as a huge problem by the German colleges. The Swedish interviewees cannot understand the frustration this causes as the working group should be able to take own decisions, but the tradition of always consulting with the manager before taking any decision is very well rooted. One interviewee describes it in these terms:

"...I do not understand the German view on hierarchy and department mentality, it does not bring the company forward in any way..."

"...In our organisation the engineers take the decisions, but in Germany the manager decides on a level of bolts and nuts, and I am not used to that..."

The respect for managers is very different from the Swedish organisation. Many express problems with understanding the German organisational culture, but it is also mentioned that some of the German colleges have felt a change in the way of working that would not existed with a German owner and that the German organisation is moving towards the Swedish one. It is also described that since STOCKHOLM bought BERLIN in 1997 the German organisation has become more "Swedish" and as an example of that, the German colleges only address each other by forename, and not as German tradition, by the surname.

When having the opportunity to observe the German organisation during the two-day long visit it is obvious that the workers want the superior to take even detail decisions. As an example, one engineer had to ask the technical manager about the position of an indication bulb for a switch, which was going to be used in the next coming fair. The engineer presented a suggestion for the bulb's position, and the technical manager accepted it. What not was accepted was the size of the bulb, the manager wanted a smaller bulb and therefore he corrected the engineer. The engineer wanted to have the manager's approval to proceed with the electrical construction, and obvious the manager also wanted to decide the small details.

#### 4.2.6 The Swedes' Possibility to Influence the German Organisation

The most specific area where the Swedes have had problems with influencing the German organisation is overcoming their suspiciousness against the project. It is argued that the



suspiciousness can be related to that the Germans have not trusted the information about the project that the company's top management has given, or that they are used to not being given all information. However the reason for the suspiciousness, the market division in the German organisation is said to have opposed the start up of the project. Some interviewees describe that the market division has been struggling trying to stop the project up to 1.5 year of the project duration, and in fact trying to sabotage it. It is here mentioned that the company's top management should have handled the situation and clarified the project's objectives in order to put an end to the struggle, instead of letting the project group defending the project. Furthermore the project leader describes an improvement in influencing the German technical department, as a result of being responsible for that department, along with the German hierarchical thinking.

#### 4.2.7 The Germans' Possibility to Influence the Swedish Organisation

When asking the Germans, the answer is that the cooperation with STOCKHOLM is working well, with good discussions. They prefer teamwork, and some of the interviewees feel they are listened to. On the other hand, the interviewees point out that the Swedish organisation needs to be better in trying to see the big picture. By that they mean that it is very important to understand the companies' different markets and the need of being flexible in the marketing of the different products.

When the Swedish interviewees answer the question, the opposite view is presented. Some interviewees describe that the German colleges feel that their Swedish colleges often reject their design suggestions. When now sharing components with STOCKHOLM problems with fitting components have occurred. Design suggestions from BERLIN have to be changed in order to fit the STOCKHOLM products, and when changing these suggestions, it sends signals to the German colleges that their suggestions are rejected.

The Swedish interviewees also admit that their German colleges have a long distance to the company's decision making due to the fact that the top management is situated in Sweden. But also some interviewees think that the Swedish organisation has been too much of a "big brother" and that such mentality could be a reason to some of the experienced problems.

#### 4.2.8 Important and Visible Routines

Most of the interviewees mention the new integrated IT-system as an important new way of working with CAD and sharing drawings with each other. They have seen a need to standardise way of doing calculations and presenting economic figures so it will be easier to compare figures between the two organisations. Overall many point out the structured leadership the project leader has used as very important visible way of working, as well as the project routine that gives all involved a structured frame of the work to be carried out. By working with the tool QFD, involved members from the marketing department had to specify, and agree on the project's objectives, which have been mentioned as an important new way of integrating everyone into the project from the beginning. Discussed in the interviews was also the overall aim to integrate the two different companies' organisational cultures, to work with quality assurance from suppliers and documenting all decisions and changes.

## 4.2.9 Descriptions and Routine Books

The Swedish interviewees describe that the working descriptions and routine books differ between the two organisations. The both organisations are TS-certified, but anyway the



descriptions, and the usage of them, differ a lot. The general opinion that many of the interviewees gave about the working descriptions is that it is a useful document when starting at a new job, but it could never illustrate a total picture of all included in a job. The descriptions are experienced to be illustrating a desirable situation, rather than the reality. It is also described to be more of a paper that satisfies the auditors, and many interviewees claim that they never use the descriptions at all.

On the other hand, the project leader and other interviewees in higher positions are using the project routine and see it as a helpful tool in order to clarify the working procedure. By other involved in the project it is mentioned that it is very helpful to be led by a structured procedure like the project routine, but that they do not use it in their own every day work. Nevertheless, the top management believes that all employees follow the quality system, and are following the working descriptions in their daily work.

When asking about the quality system some interviewees were surprisingly answering that the quality issues was not their main area, and forwarded the question to the quality department. Here are some examples about what was said:

"...I do not use the quality routine, and I cannot answer any questions about quality, I am not familiar with that area I afraid..."

"... Questions about the quality system is better to discuss with the quality manager, he is the one responsible for it..."

#### 4.2.10 The Experienced Hierarchy Within the Both Organisations

The general opinion about hierarchy is that in the German organisation it is more visual and formal, compared to the Swedish organisation. The German interviewees declare that they have an outspoken and formal hierarchy, and when observing them it does not seem to bother them. It do differ between the departments how much hierarchy they experience, but in the same time, it is obvious that there are hierarchy between the different departments. It is clearly outspoken by some of the German interviewees that they have a need for a manager on site for everyday decision making. It is declared to be very frustrating sometimes when a decision needs to be taken directly. One manager states a problem with everyone coming in and asking questions. The time for administration is not enough and to delegate work to others is very hard. When asking about the Swedish organisation the German interviewees have no preferences about the hierarchy situation, but they do declare that their manager has a very good cooperation with the project leader. The German interviewees do not see any informal leaders within their organisation, or within the project.

The Swedish interviewees declare that they experience hierarchy within their organisation, but express that the organisation only has an informal hierarchy, and many describe that hierarchy only exists on paper within the organisational schemes. However they have a lot to say about the German situation. Managers within the project describe how they are received differently in Germany compared to Sweden. As a manager, one is more listen to, and more respected in Germany, but in Sweden colleges have the courage to say their opinion. All managers within the Swedish organisation declare that they want to be seen as "team leaders" instead of just being "managers" and giving orders. Some interviewees have the feeling of a more mutual hierarchy within the German organisation, and that age and pride in work play a



bigger role for people in that organisation. Many of the Swedish interviewees do see some informal leaders within the project and in their organisation, and some argue that it is a natural reaction to the company's style in leadership. If the co-workers within an organisation are given the freedom to take own initiatives, the natural reaction will be a creation of informal leaders, some of the interviewees argue.

When observing the two organisations there is an obvious difference in hierarchy, and in the Swedish organisation it is very informal. No manager has any problems to talk with a college with a lower position in the organisation, and the same way around. In the German organisation, on the other hand, one gets a feeling of a more strict and formal working environment when it comes to hierarchy. Lower standing colleges seem to have a very high respect for higher ranked colleges.

#### 4.2.11 Ways of Decision Within the Organisations

The German interviewees do not have anything to add on this question, they do not see any problems with the ways of decision within the organisation. The few Swedes that answered this question declared that the decisions are taken in the ways they are supposed to be taken, but that sometimes decisions can be unclear. It is not described to be any unclearness in the decisions taken within the project, but some mention that the decision clearness can be improved when it comes to organisational decisions. Increased information about the company's decisions could be needed sometimes, along with improved information about who is taking the highest decisions within the organisation, as this today is expressed to be unclear in some cases.

## 4.2.12 Symbols for Position Within the Organisations

When discussing symbols for position with the interviewees, few admit they see specific symbols, but it is obvious that company cars and free mobile phones are in aid for some, and are seen as symbols for position. In the German organisation the office is a very visual symbol as managers have their own office while others work in shared offices, and the size of the offices differs a lot. In the Swedish organisation most employees has an own office and one interviewee describe the different situation with the German organisation like this:

"... The German managers have much bigger offices, and three of my colleges share an office 35 square meter big, and one of them smokes, there are clear differences..."

In the German organisation the employees have a salary system, and some Swedish interviewees declare that a possible symbol in the German organisation can be that colleges in higher positions are excluded from that salary tariff system. When comparing the both organisations, the Swedish one has more company cars and mobile phones. As these symbols are more "exclusive" in the German organisation, the Swedish interviewees argue that they are more obvious symbols in Germany. What Swedish managers point out as symbols are their different use of dress code. In Germany it is expected that a manager is dressed in a suit, but in Sweden, STOCKHOLM specifically, managers use more comfortable clothing. Some Swedish interviewees mention that a manager in Germany has to, in order to get respect from colleges, wear suit, where in the Swedish organisation people get respect for their knowledge, rather than clothing. To clarify, it is not pointed out that German employees do not respect



people without the right dress code, but it is expressed by the Swedish managers, that clothing is an important part in getting respect.

In general the Swedish interviewees claim that it is more common that people in the German organisation mark their position in different ways, compared to the Swedish one. It is also said that it often depends on the personality how a person wants to present its position. One Swedish interviewee here describes an interesting position symbol in the German organisation:

"...In Germany there is a toilet that only a few got the key for, all other toilets in that department are open to all..."

## 4.3 Competence

In the area of competence the questions asked concern the both organisations' view on education and formal competency of their employees, along with the general view on co-workers that have been in the organisation for a long time.

#### 4.3.1 The Experienced View on Education and Formal Competence

Both organisations' employees declare that the view on education and formal competence is very positive. If one can feel a need for being further educated within a certain area the general view is that it is possible to get the education paid for by the company. What can oppose the willingness to further educate the personnel is the lack of time for education. Many interviewees point out that the time factor is a problem for them, and managers describe that the educational budget never has been emptied, there is always money left over.

The management discuss that they now try to put in educated personnel into the organisation and to let them develop within the organisation. In the development department they have tried to hire highly educated personnel in order raise the level of educated employees in the whole organisation.

#### 4.3.2 The View on Co-workers

The both organisations have very few employees that leave the company, and therefore the average age is quite high. By that it could be hard to examine if age differ in terms of influence and power. The most of the interviewees do not see that one employee that has been working for the company for a long time have more respect. Only within the production it is claimed to be a reality that age gives one respect, and some of the younger interviewees declare that they can run into resistance from the older colleges when it comes to new ideas. In total there is said, that age does not give you more respect within the organisation, it is other things that gives one respect. One interviewee in the German organisation answer the question like this:

"...It is not the time you have been here that gives you respect as everyone has been here for a long time, it is the position that gives you respect..."



# 4.4 Information

How the information within the project and the company group is performed, as well as how the process of communication has worked out, is here described.

## 4.4.1 The Process of Communication

The communication within the project every interviewee declares has been good. Many comments that the project leader has been very structured in project meetings and has lead the work excellent in terms of communication and information. But, from the higher managerial level as the steering group, some mention that it has been a lack in communication. From the German interviewees voices are raised that in the beginning of the project there was a problematic situation with the communication. The working group did not get any information about the project and point out that it has to be better in the next coming project. In general, the interviewees in the both organisations discuss the problem with having different languages, and point out that this can, in some cases be the reason for many misunderstandings and discussions that have occurred under the project duration. One interviewee mention:

"... We have English as the official language within the company, but a German employee does not speak better English just for that reason, and that has been a problem..."

An improvement in communication that has been made during the project is the videoconference equipment, which has shown to work very well. From the top management it is in the interviews said that there has been some lack in communication from the project in some cases. Some information is described to have reached the steering group in other communication channels then the one decided. Information must be communicated trough official channels not in the coffee breaks, in order to avoid rumours, one in the top management claims. In the future coming projects it is discussed to be solved by:

"...By improving the routines of communication in the future, we will avoid this kind of secret box that we sometimes have seen in this project..."

Within in the company as such, the communication works well the most interviewees admit, but also point out areas where it can be improved. Some mention that the documentation of decisions could be improved like it works within projects. It is also said that in the Swedish organisation it is very easy to have informal communication with the co-workers, as everyone has offices in the same building, and as a result of that, the communication with the German organisation suffers a lot. A solution could therefore be to increase the documentation of decisions, in order to reach out to the whole company.

## 4.4.2 The Information Within the Organisation/Project

Within the project meetings, FTP-server, email, telephone and videoconferences was the main techniques used to inform all involved in the project. The project leader has informed the project group as well as the steering group, but informing the working groups has been the function managers' responsibility. There have been approximately 12-14 project meetings, and there were some problems in the beginning trying to inform the market department what



to do. The project leader was surprised to have to write "to-do-lists" in order to inform what has to be done to the next meeting.

The top management arranges an information meeting held by the quarter. This meeting is held to all employees, both in the Swedish and the German organisation, and includes information about the whole company group as well as the individual companies. When observing one of these meetings in the Swedish organisation the both managers holding the meeting are very informal in their attitude to the employees. When discussing the Swedish company STOCKHOLM and the working situation in the production, the manager speaks in terms of "we" and says, "we in the top management have to look at different solutions…" It gives the listener a feeling of that the top management is taking responsibility for the company and the employees' situation. There was only one question from the employees after the almost one hour long presentation, and if that is a result of a very inclusive presentation, non interesting presentation, or if it took more than ten minutes of the employee's lunch time, is very hard to say. Besides that, all interviewees declare that it is an important thing to have these meetings.

#### 4.4.3 Communication due to the Organisation Scheme

In general all interviewees admit that the communication within the organisation follows the organisation scheme.

## 4.5 Collaboration Sweden/Germany

This chapter concerns the relation and the direct collaboration between the Swedish and the German organisation, in order to examine the both organisations' differences in working procedures, before and after the project, as well as what is gained from the collaboration.

#### 4.5.1 Reviewed Working Procedures

The main part discussed when it comes to reviewed working procedures is the "vault server" that was installed during the project in order to avoid the problem with sharing the latest updated files and information between Germany and Sweden. The increased field-testing and development of prototypes, along with greater quality assurance of suppliers, was working procedures mentioned to have had a greater influence and importance in this project, which have shown to be very useful. Besides the technical aspects, the respect for taken decisions has to be developed in the next project some interviewees declare, and the interviewed managers also hope that this report will come up with some ideas of improvements in the working procedures.

#### 4.5.2 The Experienced Team Feeling

All interviewees who participated in the project group describe the group as very good, as well as the team feeling. In the beginning of the project there was many different opinions about the project's objectives, but this has been dealt with and in the ending of the project the members have had a great relationship. Many describe the reason for the great team feeling has been the different personalities involved in the group and the project leader's good work. The project leader has been very structured, which gives the team members a good structure to work in, many interviewees express



The working groups have different opinions about how well it has worked out. The Swedish group have been working well and the team feeling is declared to have been ok. The group in Germany have had problems with the communication and problems with disputes between the different organisational functions. But the interviewees in this group describe the visits in Sweden and when the group from Sweden visited Germany as very social and positive. Some Swedish interviewees see the German organisation's need for a manager at site as one of the reasons for much of the problems that occurred in this working group.

## 4.5.3 The View on One's Own Initiative

Taking own initiatives are absolutely positive and sometimes almost presupposed in the Swedish organisation. All Swedish interviewees describe the importance of people taking own initiatives in order to build a creative company, but also point out the importance of communicating all ideas. Within the project, the members describe a very creative climate, and the project leader has been very open for changing already taken decisions if someone in the group found a better solution to a problem.

In the German organisation the situation is described differently. The German interviewees argue that they are allowed to take own initiatives, and describe that as coming up with new ideas, but still they always have to ask the manager to proceed in every step. The project leader that had to write "to-do-lists" to the German members in order to give these members orders to proceed also confirms this view.

#### 4.5.4 Managing Conflicts

The both organisations do not describe their own organisation as consisting of conflicts. It is obvious that the project not has included any major conflicts, besides the one described with the German market department. One reason for the project having almost no conflicts is described by one of the interviewees:

"... The project leader has not always been attentive to conflicts, he is more of a leader that leads the group by describing situations and saying how to proceed, and that may be one reason for the low occurrence of conflicts in this project..."

The opinions about how conflicts are handled today in the Swedish organisation vary. Some interviewees claim that the company has a history of not dealing with conflicts, they mean that the mentality has been not discussing problems, hoping they will disappear. Others do say that the company nowadays deal with conflicts in an active way, by discussing problems openly where all involved have the right to speak out their opinion. The management all claim they try to solve conflicts by discussions, and by clarifying decisions in order to motivate the solution. Some interviewees mention that sometimes the company's management solve conflicts by finding solutions that not deal with the real problem, which only fights the problem back for a while. After a period of time the problem comes back, resulting in disrespect for the management's decisions.

When observing the previous information meeting, the management underlined the importance of having a back door to the production line closed. This problem has been discussed before and was not anything new for the employees. When leaving the company that afternoon the door was wide open, confirming the employees' disrespect for the



management's decisions. The decision to have the door closed was motivated by the management to prevent non-allowed personnel to enter the building, which could result in putting company secrets, and in a longer perspective, employments at stake.

The German organisation point out that they do not have any major conflicts, but the opposite view is described by their Swedish colleges. It is described that there has been many conflicts between the different functions in the German organisation. However the German interviewees argue for the importance of having a manager at site, taking care of the conflicts.

#### 4.5.5 Organisational Conformation

All Swedish interviewees claim that BERLIN has adapted most during the project, but all German interviewees have the view that the adaptation has been nearly 50/50. The concept with module thinking comes from STOCKHOLM as well as the way of working by the project routine. The mechanism in the product comes in big parts from BERLIN and here it has been a sharing of technical solutions. It is by the Swedish interviewees clarified that BERLIN has been adapting the administrative way of working that STOCKHOLM uses, but in technical aspects the both organisations are more like each other. The Swedes describe that their organisation has adapted in order to get the Germans in the direction they wanted, and this was not foreseen. Some comments to that are:

"...BERLIN has adapted, but we have adapted our way of working in a typical Swedish way, in order to get them in the right direction without creating a conflict..."

"... The German organisation has developed a lot, if by developed is meant that they work as we agreed upon and follow the routines..."

"...We have also adapted when we realised that this was not as easy as we thought..."

## 4.6 Cooperation with Customers

The amount of cooperation the both organisations have with its customers can give a view of how much they listen to the customers' needs, wants and demands. In this area the interviewees' answers about their organisations' cooperation with customers are described.

#### 4.6.1 Customer Cooperation

The German organisation has a tradition of not involving customers when it comes to developing totally new products, they have more used the customer's input as developing existing products. The Swedish organisation has used customer's input when developing new products, but in this specific project the main contact with customers was during the field tests, and to some extent contacts with the big truck manufactures.



# 4.7 Cooperation with Suppliers

The amount of cooperation the both organisations have with its suppliers can give a view of how much they work with their input to the company in terms of material and components. . In this area the interviewees' answers about their organisations' cooperation with suppliers are described.

## 4.7.1 Supplier Cooperation

The German interviewees do not have any insight about the organisation's cooperation with suppliers more than some external production like coating etc.

The top management declare that the general view is that the Swedish organisation work more closely with the customers than the suppliers. The Swedish interviewees all declare that in this project it has been the opposite as the casting suppliers and suppliers of the forged components have been very involved in the development process with its know-how in casting and forging. The company has been given advises in construction and production in order to cut costs and to facilitate production.

## 4.8 Evaluate/Improve

The last chapter of the interviews tries to examine the both organisations' willingness to learn from the other part in this project. Have the organisations been evaluating and improving their way of working etc. after being working close together with each other?

#### 4.8.1 The Willingness to Learn

The German interviewees have not experienced any willingness from either organisation to learn, because everyone thinks its organisation is better. They do have felt an increased integration of the two organisations during the last five or six years, and now they feel they are much closer to the Swedish organisation. It is also described that many employees does not have any contact with their Swedish colleges in their daily work, which not promote integration and learning.

The Swedish interviewees declare, like their German colleges, that everyone thinks its organisation is better but that the two organisations now are much more close each other. They admit, they do not have learnt, or tried to learn much about the German organisation. It is obvious that the Swedish interviewees want their German colleges to adapt, learn and practice the Swedish way of working, but that it has not been an easy journey. Some declare that the project has changed a lot in the German way of working, but still it is much work left to do. The aim, claimed by some, is not to change the German organisation into a copy of the Swedish one, but to change it so that their way of working fits the Swedish project routines etc. However, the understanding of the German organisation has increased a lot during the project, which sometimes has lead to a need for the Swedish organisation to adapt and learn from the German one.

#### 4.8.2 Differences/Similarities in the Willingness to Learn

The German interviewees do not have anything to add in terms of differences/similarities in the willingness to learn between management, experts, technicians, and economics. Some



Swedish interviewees argue that the willingness to learn ought to be higher, the higher in the organisation one studies, as employees in the production etc. do not have the opportunity in their jobs to see and learn from the other organisation as much as the top management for instance has. It is also pointed out that the top management's aim should be to integrate the both organisations in order to gain synergy effects, and integration will demand to learn from each other's organisations. Therefore, the top management's willingness for the organisations to learn from each other ought to be higher than the average in the both organisations.



# **5 Discussion and Conclusions**

This chapter discusses the result more deeply and with reflections to the theoretical framework. The chapter also present the study's conclusions and present some suggestions for further research.

The development of a new product program with high modularisation needed more cooperation between the both organisations, and therefore the company's top management launched the project. The modularisation was needed in order to create synergy effects between the both organisations. Figure 3 shows the top management's intention to integrate the both organisations more, to get them work more close together. The project's purpose can thereby be said to have included more than the management's willingness to develop new products.



Figure 3. Showing a schematic picture of the both organisations' integration process, due to the launched development project and the top management's steering of the organisation through the project.

The last chapter in this study will discuss the result from the interviews and the observations, and try to examine and evaluate what the general opinion about the project has been. The chapter will be discussing the result concerning the both organisations, and further the now integrated team along with how the top management has affected the integration process. The disposition of the discussion will start from the beginning and discuss the organisations before, during, and after the project duration. It will then move on, and discuss the integrated project team and also look into management issues.

# 5.1 The German Organisation

The German organisation is described to have a history of being technical driven and that the engineers have developed the new products without cooperation with other departments. The organisation has also a tradition of not involving customers when it comes to developing totally new products, they have more used the customer's input as further developing existing



products. When it comes to the organisation's cooperation with suppliers the German interviewees do not have any insight about that, more than some external production. Cultures in organisations are according to Alvesson (2002) affected by the interaction with suppliers, customers, authorities and others, and all this work against the deviation from the shared cultural understandings within a society or an organisational field that makes cooperation possible. As the German organisation has had a history of not involving customers and suppliers one can conclude that the organisational culture not has been affected much during the history. For the Germans in general, value is best sought-after in goods carefully manufactured and made to last, and this is reflected in their preference for manufacturing, engineering, and machinery industries, Angwin (2001) claims. By that statement it could be argued that the German workers have a pride in what is manufactured. Apfelthaler, Muller & Rehder (2002) describe that the German worker is a highly trained individual whose welldeveloped skill, establishes the worker's expertise and hierarchical position in the production process. Together with pride in work and the employees' expertise Apfelthaler, et al. (2002) argue that a working environment is established where compliance is usually preferred over consensus and employees show a strong respect to authority. The Swedish employees argue that their German colleges are unaccustomed to participate in projects, at least when discussing the Swedish definition of projects. A consequent of the described German expertise, Apfelthaler, et al. (2002) argue that Germans regard teams only as loosely knit groups of individuals with strong expertise and clearly defined roles that are respected. This view on teams can be in conflict with the Swedish way of defining teams, and by that have caused problems when working together in this project. The described walls around the different departments in the German organisation could also be linked back to the pride in work and expertise, where no one else should come with suggestions of doing the work in other ways, and therefore keep to them selves and avoid cooperation with other departments.

#### 5.1.1 Hierarchy

Hierarchy within the German organisation is very visual, strict and formal, lower ranked colleges seem to have a very high respect for higher ranked colleges. There is an outspoken and formal hierarchy, but when observing the organisation, it does not seem to bother the affected employees, they tend to be used to the hierarchy climate. Apfelthaler, et al. (2002) argue that German senior managers, engage in planning with mainly "top-down" decisions, information-sharing on a need-to-know-basis, and rather distant supervisor-subordinate relationships, and this kind of argument seems to be the reality of the German organisation in this study. When examine that argument, one can also more understand why the German interviewees are frustrated and declare a need for a manager on site for everyday decision making.

#### 5.1.2 Symbols

Alvesson (2002) describes organisational culture to be understood as being a system of common symbols and meanings, and it provides the shared rules governing cognitive and affective aspects of membership in an organisation, and the means whereby they are shaped and expressed. The German organisational culture consists of various symbols like; managers having big offices and special toilets, and employees can be in or outside the salary system. The dress code is also said to be a symbol, which managers express giving them their wanted respect. These different symbols, must be said to be very hierarchical in a Swedish point of view, but at the same time it correlates with what is described by Apfelthaler, et al. (2002) and Angwin (2001) about expertise, pride and hierarchy, to be typical for German organisations.



#### 5.1.3 Education and Respect

The German organisation has a quite high average age, but age does not give you more respect within the organisation, it is said. It is other things that give one respect, like position. The employees declare that the view on education and formal competency is very positive, but at the same time it is hard to climb within the organisation as the most employees stay within the organisation for many years.

## 5.1.4 The Organisational Situation During the Project

It is mentioned that the market department in the German organisation has tried to stop the project by undermining it, in fact trying to sabotage it, and the project leader had to prove the benefits of the project at several times. Angwin (2001) argues that German managers typically downplay financial calculations, asserting they are in business not banking, and prefer flexible payback techniques to elaborate discounted cash flow forecasts. Different people can perceive one situation different and the most important, according to Alvesson & Ydén (2000), is to be aware of how a certain situations will be perceived by people belonging to the same culture. In this specific situation, it is obvious that the two organisational cultures have not perceived the project equally positive. To take the role as a visionary leader and not follow the norms within the culture will not always result in followership. Instead the opposite can occur and response to the leadership can be indifferent or directly negative. Being a cultural-change-spokesman, Alvesson & Ydén (2000) argue, will not often lead to advancement, more certain being expelled. This statement clarifies the hard work that has been put down by the project leader and other trying to overcome the Germans' suspiciousness against the project.

The German employees need very clear instructions, without that they do not dare to precede working, which can explain the German's frustration over not having a manager on site. The Swedish interviewees cannot understand the frustration this causes as the working group should be able to take own decisions, but the tradition of always consulting with the manager before taking any decision seems to be very well rooted within the German organisation. When the project leader became responsible for the German and the Swedish technical department, an improvement in influencing the German organisation took place, which satisfied and visualised the German hierarchical organisational structure.

## 5.2 The Swedish Organisation

The Swedish organisation is described to have a history of developing new products by working in project teams. The development is done within cooperation with other departments and in order with the customers' need. The top management declare that the general view is that the Swedish organisation work more closely with the customers than the suppliers, but in this specific project the main contact with customers was during the field tests, and to some extent contacts with the big truck manufactures.

#### 5.2.1 Hierarchy

Swedish managers head the league in willingness to delegate authority and this leads to a very flat organisational hierarchy where information is widely distributed throughout the group, Angwin (2001) claims. The Swedish interviewees, who declare that they experience hierarchy within their organisation, but express that the organisation only has an informal hierarchy,



confirm this view and many describe that hierarchy only exists on paper within the organisational schemes. Even all managers within the Swedish organisation declare that they want to be seen as "team leaders" instead of just being "managers" and giving orders, and the employees have the courage to speak out their opinion. Angwin (2001) claims that problems should be solved by discussion leading to compromise and group values are promoted in Swedish organisations. Further it is described that foreigners have difficulties to detect that a decision has ever been made, although the Swedes appear to know that it has. The view on Swedish national culture presented by Angwin (2001) fits the description of the Swedish organisation in this study, and compared with the German organisation in this study there are obvious differences in hierarchy between them.

Many of the Swedish interviewees also see some informal leaders within the project and in their organisation, which could be a reaction to the non-hierarchical organisational culture within the Swedish organisation.

Although non-hierarchical climate decisions are taken in the ways they are supposed to be taken within the Swedish organisation, but sometimes the decisions can be unclear. It is expressed that there are some uncertainty about who is taking the highest decisions within the organisation. Vaara, Tienari & Säntti (2003) describe that the typical image of Swedish management style is participative and that the manager is one of a group or a collective, and this could explain why it is not always clarified who is in charge, and who is taking the highest decisions, as the management is a part of the collective.

#### 5.2.2 Symbols

The Swedish organisational culture does not consist of the same symbols like the German organisation does. All employees have an own office and the standard of it mostly depends on the building dates, not the employee's position. The dress code in the Swedish organisation is very casual and informal, there are few suits in sight. These different symbols, must be said to be non-hierarchical, which also correlates what Angwin (2001) claim is Swedish national culture. According to Angwin (2001), Swedish managers head the league in willingness to delegate authority and this leads to a very flat organisational hierarchy, and the flat hierarchy is here shown in the non-hierarchical symbols in the Swedish organisation.

#### 5.2.3 Education and Respect

The Swedish organisation has also a quite high average age, and even in this organisation age does not give you more respect, it is said. It is other things that give one respect, like position but also knowledge. The Swedish employees declare that the view on education and formal competency is very positive, and if one can feel a need for being further educated within a certain area, the general view is that it is possible to get the education paid for by the company. The only negative is the lack of time for education. Many interviewees point out that the time factor is a problem for them, and managers describe that the educational budget never has been emptied, there is always money left over. Along with lack of time for education own initiative is needed in order to be educated, and this is due to the non-hierarchical structure the Swedish organisation has got. There is no pressure from the management getting the employees educated, it is the employees willingness that decide if someone get educated, the management only provides the opportunity.



## 5.2.4 The Organisational Situation During the Project

The German interviewees experience the Swedish organisation to be different in the way of discussing things together with each other, and the Swedes are seen as being much more open for new things, compared to their German colleges. This German experience is shared by Angwin (2001), who describes that the need for consensus is an important indicator of the Swedish business. Further, problems should be solved by discussion, leading to compromise and group values are promoted. The Germans are also surprised over the Swedish openness with superiors. This is a typical difference between the both organisations, which indicates the less hierarchical organisation in Sweden. It is also mentioned that many of the German colleges wish they could speak more open to its superiors.

The German interviewees also point out that the Swedish organisation needs to be better in trying to see the big picture, or not just seeing their "own" organisation's benefits in the project. It is also expressed that the German colleges feel that their Swedish colleges often reject their design suggestions. When examine what cause these problems, the Swedish interviewees admit that their German colleges have a long distance to the company's decision making due to the fact that the top management is situated in Sweden. But some interviewees think that the Swedish organisation has been too much of a "Big Brother" and that such mentality could be a reason to some of the experienced problems. According to Vaara, Tienari & Säntti (2003) metaphors also can point to a "Big Brother- Little Brother" relationship where self-descriptions often tend to be associated with "normality", which is a typical characteristic in the construction of "colonising" positions. As it is obvious that the German organisation has experienced the Swedish organisation as a "Big Brother," and even that some of the Swedish interviewees see it in that way, gives the problems one clarified reason.

# 5.3 The Integrated Project Team

As seen in the result chapter, and also in the part of the discussion, the both organisations consist of noticeable differences, in terms of organisational culture issues. Trying to integrate these organisations more has been a hard work for all involved. Here will the integration of the both organisations be discussed.

## 5.3.1 Integration Tools

A strong, and from the top management forced, postmerger integration process can, according to Epstein (2004), overcome some miscalculations or problems in the design of the merger, but most importantly, a weak postmerger integration can destroy an otherwise well conceived merger. Even if the both organisations not recently were brought together, this project has aimed for a merger, or integration of the organisations. The interviewees from the German organisation mention that the project has brought a big change in the way of working. Many describe the new "vault server," the new integrated IT-system as an important new way of working with CAD and sharing drawings and information with each other. The interviewees have also seen a need to standardise the way of doing calculations. The product development tool QFD was used in the beginning of the project, which involved and integrated members from the marketing department into the project team. Within the project meetings, FTP-server, email, telephone and videoconferences was the main techniques used to inform, and integrate all involved members in the project.



As described, the project has been given and used different tools in order to integrate the both organisations into a more performable project team, as well as company group. In order to further integrate the both organisations to each other they also worked with getting the suppliers quality assured. In the beginning of the project, the both organisations were given the opportunity to be well integrated by the top management's integration process, in terms of integration tools and by forcing the project objectives within the organisations.

## 5.3.2 The Integration Process

Almost every Swedish interviewee states that this project has given them an increased understanding of the German organisation, and insight in its different departments. The project is also said to create better relations and forced greater cooperation between the two organisations. The communication with the German organisation is now much greater than before the project started due to the forced interaction by the two organisations. This change in understanding and insights proves what Alvesson & Ydén (2000) argue is important to get an understanding how people in other cultures perceive a specific situations. After this project the both organisations have gained equal understanding of each others and the German colleges have felt a change in the way of working that would not existed with a German owner and that the German organisation is moving towards the Swedish one. German colleges now only address each other by forename, and not as German tradition, by the surname. But still the workers want the superior to take even detail decisions.

The importance of good leadership in order to gain organisational success is expressed in several leadership studies, but Alvesson & Ydén (2000) claim that the leader's effect on organisational success only is 10 to 20 percent, and that the followership is the real factor in the other 80 to 90 percent that makes for great success. The project group describe the group as very good, as well as the team feeling. The reason for the great team feeling has been the different personalities involved in the group and the project leader's good work. The project leader has been very structured, which gives the team members a good structure to work in, many interviewees express. The view on leadership that Alvesson & Ydén (2000) present seems to have been the case in this project, as it is expressed that the project leader has got the project members to work in a structured way and to create a good team feeling.

The Swedish interviewees argue that this project has bounded the Swedish organisation, as well as with the German one. It has brought the functions closer to each other. In the Swedish organisation rivalry protectionism has been a reality between the different functions in the beginning of the project. But it is mentioned that this rivalry has faded away during the project, as the cooperation between the functions increased. One reason for the positive outcome of the project has been argued to be the top management's priority of this project, and if so the management seems to have been influencing peoples' conceptions and made it possible to get people to act in certain ways, in order with what is argued by Alvesson & Ydén (2000).

#### 5.3.3 The Willingness to Learn

When it comes to the willingness to learn from the other organisation, the Swedish interviewees admit that they do not have learnt, or tried to learn much about the German organisation. And when discussing the project with the Swedish interviewees it is obvious that the Swedish interviewees want their German colleges to adapt, learn and practice the Swedish way of working, instead of being in the opposite situation. Further again a "Big



Brother- Little Brother" relationship, described by Vaara, Tienari & Säntti (2003), is shown to exist between the both organisations.

Although, the understanding of the German organisation has increased a lot during the project, which in some cases, has forced the Swedish organisation to adapt and learn from the German one. The German interviewees also admit a low interest from their organisation, trying to learn from the Swedish organisation, as everyone thinks its organisation is better. But they do have felt, an increased integration of the two organisations during the last five or six years, and now they feel they are much closer to the Swedish organisation. It is described by Vaara, Tienari & Säntti (2003) what is meant to view organisational cultural identity building as a metaphoric process and that it often result in building symbolic categories of ingroups and out-groups in terms of Us vs. Them. In this study one can see symbolic categories of Us vs. Them when it comes to the willingness to learn from the other organisation. Even if the involved people in this project not have been trying to learn from each other's organisations, it is also described by the German interviewees that many employees do not have any contacts with their Swedish colleges in their daily work, which not promote integration and learning. Images constructed of "Us and Them" can, according to Vaara, Tienari & Säntti (2003), also be interpreted through a need for new identity. Examples of images trying to describe that the involved organisations are on their way to a "Common Future," can be described as "ships on the way," or that they attempt to break free of internal organisational, national division and juxtaposition, by using the metaphors "family" and "house." The top management's aim to integrate the both organisations in order to gain synergy effects, will demand to learn from each other's organisations. Therefore, the top management's willingness for the organisations to learn from each other ought to be higher than the average in the both organisations. Even if the both organisations did not show any interest in learning from each other, one must conclude that the top management's willingness to try changing that attitude, by launching this project, is a serious attempt to create a common future, a "family."

## 5.4 Leadership in the Context of Organisational Culture

Alvesson (2002) describes that the relationship between leadership and culture is complex. Leadership deals with meanings, thinking and feelings more than it has a narrow behavioural focus, and it may even be defined as agents working through culture as the medium and target of action. Getting these both organisations, which hold various organisational cultures, integrated, is the task for the company's top management. The project's objectives have been set on a high level, and to accomplish these has been tough. Here will the management issues of the project be discussed.

## 5.4.1 The Purpose of the Project

Alvesson & Ydén (2000) define leadership to include influencing task objectives and strategies, influencing commitment and compliance in task behaviour to achieve these objectives, influencing group maintenance and identification, and influencing the culture of an organisation. When asking about the project's purpose, it is obvious very clear, both in the Swedish organisation as well as in the German one. It is expressed that the management has been very clear when describing the aims of the project. Therefore, one can conclude that the management has been able to influence the involved, and clarified the project's objectives, but



the real question will be if the followership has been as good as the understanding of the project's purpose.

It has been mentioned in the interviews that the market division did not bought the aims of the project from the beginning. The reason for that has been explained to be the risk for loosing the individuality of the two companies' different products, as many components now are being shared. The understanding of the project's purpose has been 100% due to the answers in the interviews, but here is evidence showed that the followership not has been 100% in the both organisations, and the reasons for that could be various. One explanation could be what Risberg (2001) claim to be ambiguities of the future. The German organisation understands the project's objectives, but still is unsure about what this project will bring in the future.

#### 5.4.2 The Managerial Situation During the Project

The structured leadership the project leader has used, has been described as a very important and visible way of working. Even the project routine has given all involved members a structured frame to work within. The project leader seems to have been able to influence the team members to follow and work in a structured way. Also the communication within the project has worked well. Many comments that the project leader has been very structured in project meetings and has lead the work excellent in terms of communication and information. Where it did not worked out, was the information to the German working group who did not get any information about the project. As one part of Alvesson & Ydén (2000) definition of leadership is to influence the culture of an organisation it is obvious that the project leader in this project was not able to influence the German organisational culture to work as the Swedish one, in terms of informing all involved members in the project. Apfelthaler, et al. (2002) describe German national culture and argue that senior managers, share information on a need-to-know-basis, and have rather distant supervisor-subordinate relationships. This knowledge about German national culture was not in the project leader's awareness in the beginning of the project and resulted in the described information problems.

It has been expressed that different languages can, in some cases be the reason for many misunderstandings and discussions that have occurred under the project duration. Alvesson & Ydén (2000) argue that communication is about the use of language, but also interpretation of what is expressed. Risberg (2001) argues that there is always a risk of misunderstandings if one or both parties are communicating in a foreign language. Moreover, Very & Schweiger (2001) argue that it is likely that interpretations of discussions occur in cross-border mergers, as differences in language and organisational culture is a reality. It is though expressed that all decisions and changes performed in the project were documented, and this is mentioned to be an important procedure, which could minimise the differences in interpretations. It is also said that the company group should use more of this technique in order to reach out to the whole company group, describing what is going on in the organisation. Maybe, could the documented information also improve the communication from the top management, which has been expressed to halt during the project. If all decisions and changes were documented it could be possible to avoid the occurrence of information flow trough non- official channels like coffee breaks, which have lead to rumours and uncertainties. But the most important, that also is expressed by the interviewees, is that the respect for taken decisions have to be improved in the next project.



#### **5.4.3 Working Descriptions**

The working descriptions and routine books differ between the two organisations, but many experience that the descriptions illustrate a desirable situation, rather than the reality. Although, the project leader and other interviewees in higher positions are using the project routine, and see it as a helpful tool in order to clarify the working procedure. When asking the top management, they believe that all employees follow the quality system, and are following the working descriptions in their daily work. But this is not the case in lower positions within the both organisations, it is described to be papers that satisfy the auditors, and many interviewees claim that they never use the descriptions at all. When asking about the quality system some interviewees were surprisingly answering that the quality issues was not their main area, and forwarded the question to the quality department. Alvesson & Ydén (2000) claim that the leader's effect on organisational success only is 10 to 20 percent and that the followership is the real factor in the other 80 to 90 percent that makes for great success. In this study it is shown that the top management's view on how routines are followed and are integrated within the organisation, not always fits the reality. It is obvious that the followership is not 100 percent

#### 5.4.4 Own Initiatives

Taking own initiatives is absolutely positive and sometimes almost presupposed in the Swedish organisation. It is also expressed that the project has had a very creative climate, and the project leader has been very open for new solutions. Team members have felt a positive attitude to come up with new ideas and felt free to take own initiatives. Angwin (2001) describes that Sweden is characterised by low power distance and having the lowest uncertainty avoidance. Low power distance allows participation and interaction. On the other hand the German interviewees describe that they are aloud to take own initiatives, and describe that as coming up with new ideas, but still they always have to ask the manager to proceed in every step. According to Angwin (2001), the Germans show quite high levels of uncertainty avoidance in studies of national business culture, and as Risberg (2001) argues there can also be ambiguities of power as there has been a situation without a physical manager on site. Obvious is though, that the German employees want to be more certain before proceed working, compared with their Swedish colleges, as an effect of having higher power distance and respect for management.

#### 5.4.5 Managing Conflicts

It is described that there has been many conflicts between the different functions in the German organisation. But the project as such, has not included any major conflicts, besides the one described with the German market department. However, it is mentioned that the Swedish organisation has a history of not dealing with conflicts. There is said that the mentality has been not discussing problems, hoping they will disappear. Nowadays, the Swedish organisation is said to deal with conflicts in a more active way, by discussing problems openly where all involved have the right to speak out their opinion. Alvesson (2000) claims that if the conception of a flat hierarchy is spread and supported in the collective awareness, this is an important part of the design and the functioning of the organisation. The formal organisational structures get its real consequences through the interpretations and meanings from what is supported by the collective awareness. If the collective awareness experiences a flat and non hierarchical organisation this means more to the real function of the organisation, then the real formal number of hierarchy levels. The flat organisation, can therefore, be given a more symbolic meaning, than a literal meaning. Alvesson (2000) also



argues that a flat organisation delivers a strive for getting the organisation's members together by creating fellowship, and it symbolises closeness, informality, and free communication. But along with what is claimed by Angwin (2001) that Swedish managers head the league in willingness to delegate authority, which leads to a very flat organisational hierarchy, one can wonder about how much of the authority has been delegated in the Swedish organisation. Has the Swedish organisation become too flat, and left its members in conflicts that no one will take responsibility for? The German interviewees argue for the importance of having a manager at site, taking care of the conflicts within their organisation. When discussing the conflict with the German market department, the Swedish interviewees argue that the top management should have put more pressure on them, in order to back up the project leader and to get the project back on track.

#### 5.4.6 Information

In order to inform the organisations' members the top management arranges an information meeting held by the quarter. When observing, it is noticeable that the top management is taking responsibility for the company and its employees' situation, and the attitude is towards the employees is very informal. During the meeting the management underlined the importance of having a back door to the production line closed. The decision to have the door closed was motivated by the management to prevent non-allowed personnel to enter the building, which could result in putting company secrets, and in a longer perspective, employments at stake. This problem has been discussed before and was not anything new for the employees, but when leaving the company that afternoon the door was wide open, confirming the employees' disrespect for the management's decisions. This confirm what some Swedish interviewees mention about how the company's management solve conflicts by finding solutions that not deal with the real problem and only fights the problem back for a while. After a period of time the problem comes back, resulting in disrespect for the management's decisions. An ambiguity perspective indicates, according to Risberg (2001), that situations that usually are explained as problematic might have occurred because of multiple interpretations, and if so, failures and perceived misunderstandings should no longer be blamed on only one party. Further Risberg (2001) argues that an ambiguity approach does not view communication as a solution to resolve ambiguity and misunderstandings. Instead, communication becomes an ongoing interactional process of interpretation and reinterpretation of meanings. In conclusion, when the top management take decisions without following up if they are followed, employees seem to interpret decisions as more of guidelines that are free to follow.

## 5.4.7 Organisational Conformation

All Swedish interviewees claim that BERLIN has adapted most during the project, but all German interviewees argue that the adaptation has been nearly 50/50. It is mentioned that BERLIN has been adapting the administrative way of working that STOCKHOLM uses, but in technical aspects the both organisations are more like each other. Again, a "Big Brother-Little Brother" relationship is shown to exist between the both organisations, but the Swedes describe that their organisation also has adapted, in order to get the Germans in the direction they wanted, and this was not foreseen.



# 5.5 Conclusions

The purpose of the research was to evaluate the project outcome and management from an organisational culture perspective. In the discussion part obstacles, similarities and results that were found in the research have been discussed. The review of the discussion and conclusion attempt to summarise the study, in terms of presenting the most important findings concerning the both organisations before the beginning of the project. Thereafter the review presents how the top management has affected the integration process.

## 5.5.1 The German and the Swedish Organisation

The German organisation consists of employees that have a long history in their company, which resulted in expertise and pride in work. The organisation has had a history of not being developing totally new products, more developing the ones they already have, which has been a success for the company during a long time. The development of the products has been the task for the technical department, where working in project groups not has been a reality. There has also not being any major changes in the organisational culture during the company's long history and the hierarchical structures within the organisation are very well rooted.

The Swedish organisation also consists of employees that have a long history in their company, and thereby have a lot of knowledge in the business. The organisation has a very long history of developing new products by working in project teams. The organisation is non-hierarchical and flat and employees have an informal attitude to superiors. But the non-hierarchical organisational structure sometimes causes the growth of informal leaders, which could cause problems with the company's top management. As the organisational structure is flat, the employees also has felt that it depends on their own initiatives if they get further educated or not.

## 5.5.2 The Organisational Culture Integration Process

There are obvious differences between the both organisations, in terms of organisational culture issues. When integrating these organisations within the project there occurred some culture clashes.

The understanding of the other organisation's culture has not been an easy task for the involved members, it has been a learning process for all. Getting everyone on the project's track has also been hard, and the Swedish interviewees did not understand that their German colleges needed very clear instructions in order to get along with their work in the project. When the project leader became responsible for the German technical department, it paid off in terms of being able to influence the sceptic German organisation more.

The German interviewees were very surprised over the Swedish way of being open with superiors and this is one of the typical hierarchical differences found during the project duration. The hierarchical structures were found to differ a lot, and in various places within the organisations. The German organisation has experienced the Swedish organisation as a "Big Brother" which can clarify some of the resistance problems that occurred during the project duration. Although, many German employees wish they could speak more open with their superiors, and thereby wish for a less hierarchical structure in some way.



### 5.5.3 Integration Process in the Context of Leadership Issues

In order to gain synergy effects and to integrate the both organisations, the management launched the project. Trying to get the both organisation integrated was going to be a more difficult journey than planned. The both organisations held different organisational cultures, and the hierarchical structures were the areas where the most visible differences showed off. Although, the top management were consistent in proceed with the project and clearly defined the project's purpose.

In the beginning of the project, the both organisations were given the opportunity to be well integrated by the top management's integration process, in terms of integration tools and by forcing the project objectives within the both organisations. One get the feeling of a top-down management was used during the upstart of the project, but also the priority of the project, from a top management perspective is very noticeable. When the project was launched, the responsibility was transferred to the project leader. The project leader got its team influenced and structured by he's way of working, but there was something that was going on in the German marketing department. The resistance to the project from the German organisation began to rise. When the resistance occurs, the project leader and its team is left alone, and the before hardly backed up project is now in an internal struggle without assistance from the top management.

#### Followership

The understanding of the project's purpose has been 100% due to the answers in the interviews, but the conflict with the German market department showed that the followership not has been 100% in the both organisations. When the conflict occurs it is obvious that the project leader not is able to influence the German organisational culture in the typical Swedish way of being a leader. The fact that the German organisation was without a physical manager this could occur, and the top management should have managed the problematic situation from the start, clarifying the project's objectives and get everyone to work in accordance with that.

#### German National Culture

The German national culture also resulted in that the working group in Germany did not get the information it needed, and the project leader in this project was not able to influence the German organisational culture to work as the Swedish one, in terms of informing all involved members in the project. The knowledge about German national culture was not in the project leader's awareness in the beginning of the project and resulted in the described information problems. Here the importance of not taking anything for granted, and checking backwards if all information that has been sent, has reached its supposed destination, becomes noticeable.

#### Documentation

Documentation is expressed to have been very important within the project and could also be a procedure, which could minimise the differences in interpretations. It is also said that the company group should use more of this technique in order to reach out to the whole company group, describing what is going on in the organisation. If all decisions and changes in the organisation were documented it could be possible to avoid the occurrence of information flow trough non-official channels like coffee breaks, which have lead to rumours and uncertainties.



#### **Respect for Managers**

Obvious is that the German employees want to be more certain before proceed working, compared with their Swedish colleges, as an effect of having higher power distance and respect for management. The improved understanding of this organisational culture issue makes it easier to manage these situations.

#### Conformation Forced by the Big Brother

The Swedish interviewees want their German colleges to adapt, learn and practice the Swedish way of working, instead of being in the opposite situation. All Swedish interviewees claim that BERLIN has adapted most during the project, but the Swedes describe that their organisation also has adapted, in order to get the Germans in the direction they wanted, and this was not foreseen. Noticeable is though that the Swedish organisation has been a "Big Brother" when it comes to the integration process within the project. The fact that this situation was a non-wanted situation from a Swedish perspective has not been found, but still it is interesting to see that the Swedish organisation sometimes had to adapt to the German organisation, in order to avoid conflicts.

#### 5.5.4 Summarised Voices from the Both Organisations

An equal understanding and insights have been achieved by the project, and the organisations are now much more close to each other, and are less suspicious. There were some big problems in the beginning of the project but in the termination of it, a different view of the both organisations is noticeable.

#### 5.5.5 Strengths vs. Weaknesses

In total, the project outcome can be seen as a success, both in terms of the gained synergy effects, and also the improved integration between the both organisations it resulted in. But the project has also shown some weaknesses.

#### Strengths

It is showed that the top management can force a start up of a project of this dignity and also be very clear when it comes to define the project's objectives. Even though all cultural differences between the both organisations were not known, one get a feeling of that the willingness to break down the old barriers between them, never were in jeopardy. In the beginning the project was managed by top-down decisions in order to get the project in the right direction from the start. This style seems to have been effective when looking at the interview results, were 100% of the interviewees knew the project's objectives. The top management delivered various integration tools to the project, which helped the project team to get further integrated, and by that influence that integration throughout their organisations. The usage of documentation were all decisions and changes during the project were documented was an important procedure, which limited differences in interpretations and spreading of rumours. Finally, the project and the integration process has created insights and an equal understanding between the organisations and they are now much more close to each other, and are less suspicious. From both organisations' perspective, differences in hierarchical, managerial and organisational issues are now less unknown. With knowledge about each other's organisational cultures, the integration process seems to have created a feeling of a common future.



#### Weaknesses

When the resistance to the project began to rise within the German marketing department, the project leader was left alone to prove the positive outcomes of the project. The back up from the top management was no longer as noticeable as in the introduction of the project. One gets the feeling of a common situation were the top management work hard to implement directions, rules and routines. When things are in motion as wanted, the top management often seems to back off, to let the rest of the organisation handle the situation. This is as previous described a very common managerial procedure in Swedish national culture. This kind of management is not desirable in the German organisation, which at several times made clear that they want a manager at site to handle difficult situations. But also in the Swedish organisation this has been proved to result in some problematic situations. The lack of strong leadership has resulted in that the top management's view of different situations not always relates to the reality. The problems that have occurred due to that the folowership not has been 100% in fully participate, and to follow the working descriptions, quality systems and in the project's objectives are examples of that the top management back off too soon or too much from their roll as leaders. From a organisational culture perspective this conclusion is interesting as the German interviewees cry out for a physical manager at site at the same time as the Swedish interviewees think that their German colleges are working in very hierarchical structures. In some areas the German organisation could need to be less hierarchical structured, but at the same time the Swedish organisation could need to be more hierarchical structured.

#### 5.5.6 Suggested Improvements for Future Projects

For future projects of this dignity, it would be suggested to bring the experiences and the knowledge about the different organisational cultures this project has resulted in. To be equal aware of the differences that still exists between the both organisations, gives a better start in the next coming project. It has showed that the company is able to manage this kind of project, and therefore it will be possible to go through again if needed, and should not have to include the same cultural awakening again. Pick out the positive outcomes of the project and increase the documentation within the whole organisation, and encourage the usage of integration tools over the department barriers in order to get everyone in the company to be involved in the project.

Do not forget the weaknesses in the project, use them to avoid making the same mistakes again. Take a look at the internal hierarchical structures and try to come up with a desirable level that fits the whole, now integrated, organisation. The company group is now much more integrated, and suggested would be to put up a plan in order to work further with these issues, as everyone involved have seen the benefits of the integration.

## 5.6 Reflections and Further Research

The fact that this research is made in the end of the project may have affected the answers in the interviews and therefore it would be interesting to study a project during its whole duration to see if the impressions various over time. What also could be a topic for further research is to find out if there are similar studies made that have the same basic conditions as this project had, and to compare the results between them. Also studying if this project and its outcome are typical for Swedish-German interactions or if this project is the only of its kind.



Not to stop there, it would also be interesting to see if other results are discovered with other countries of origin studied. Is it a typical European constellation or is it possible to see similar results in mergers in other parts of the world.

But the most interesting would be to study if this project, and the study of it, made a difference in the next coming projects within the company. Because, it has showed that a project like this can bring much more to an organisation than synergy effects within its production.



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# **Background Questions**

- 1. For how long have you worked in the organisation?
- 2. What is your function within the organisation?
- 3. What was your role in the project?
- 4. How good is your insight about how colleges in Sweden and Germany think?
- 5. From where have you got those insights? (Direct cooperation, indirect etc.)
- 6. Do you have previous experiences from other collaborations and cultural meetings?
- 7. Do you have experiences from using organisational culture as a tool or have you studied organisational culture?

# Questions

## Purpose

1. How has the purpose of the project been delivered?

## **Development Process**

- 1. What is your general impression of the organisation in Germany? (Before, during, after the project)
- 2. What is your general impression of the organisation in Sweden? (Before, during, after the project)
- 3. How will you describe how the collaboration is experienced within the organisation and which are the biggest changes as well as the advantages/disadvantages after the project?
- 4. Is there something that the Germans have hard to understand in the Swedish organisation and is there anything that surprises them?
- 5. Is there something that the Swedes have hard to understand in the German organisation and is there anything that surprises them?
- 6. Is there anything that the Swedes experience hard influence in the German organisation and why do they want to influence?
- 7. Is there anything that the Germans experience hard influence in the Swedish organisation and why do they want to influence?
- 8. Is there some routine or way of working that has been more important or made more visible after the project and why?
- 9. How do working descriptions and routine books look like and are they used?

## Appendix I - English Interview Questions

- 10. Do you experience any hierarchy within the organisation? Are there any informal leaders? Differences between white-collar workers/workers?
- 11. Is there any given ways of decision within the organisation?
- 12. What are the symbols for position within the organisation? (Size of office, official car etc.)

## Competence

- 1. How do you experience that the view on education and formal competency is within the organisation?
- 2. How do you experience that the view on co-workers that has been in the organisation for a long time is within the organisation?

## Information

1. How do you experience that the communication is carried out and how it works within the organisation?

Upward to management (on different levels) Downward from management (on different levels) Between departements Between Sweden and Germany

- 2. What is made to inform all co-workers within the organisation/project?
- 3. Does the communication work as the scheme shows? (Show the organisation plan)

## **Collaboration Sweden/Germany**

- 1. Is there anything that has been reviewed in the way of working after the project?
- 2. How do you experience that the feeling within the team has been?
- 3. How is the view on one's own initiative within the organisation? (From co-workers on different levels)
- 4. How is conflicts handled within the organisation?
- 5. Who has adapted most during the project?

## **Cooperation with Customers**

1. How is the cooperation with customers carried out within the organisation and the project?

## **Cooperation with Suppliers**

1. How is the cooperation with suppliers carried out within the organisation and the project?

## **Evaluate/Improve**

- 1. How do you experience that the willingness to learn from the other organisation has been from the Swedes and the Germans in relation to the project?
- 2. Do you find differences/similarities in the willingness to learn between management, experts, technicians, economics etc?

## Appendix II - German Interview Questions

# Hintergrundfragen

- 1. Nach wie haben sehnen Sie sich gearbeitet in der Organisation?
- 2. Was ist Ihre Funktion innerhalb der Organisation?
- 3. Was war Ihre Rolle im Projekt?
- 4. Ist Ihr Einblick wie gut über, wie Hochschulen in Schweden und in Deutschland denken?
- 5. Woher haben Sie jene Einblicke erhalten? (Direkte Mitarbeit, indirektes usw.)
- 6. Haben Sie vorhergehende Erfahrungen von anderen collaborations und von kulturellen Sitzungen?
- 7. Haben Sie Erfahrungen vom Verwenden der organisatorischen Kultur als Werkzeug, oder haben Sie organisatorische Kultur studiert?

# Fragen

## Zweck

1. Wie ist der Zweck des Projektes geliefert worden?

## **Entwicklung Prozeß**

- 1. Was ist Ihr allgemeiner Eindruck der Organisation in Deutschland? (vor, während, nach dem Projekt)
- 2. Was ist Ihr allgemeiner Eindruck der Organisation in Schweden? (vor, während, nach dem Projekt)
- 3. Wie beschreiben Sie, wie die Zusammenarbeit innerhalb der Organisation erfahren ist und die die größten Änderungen sind, sowie das advantages/disadvantages nach dem Projekt?
- 4. Gibt es etwas, daß die Deutschen stark, in der schwedischen Organisation zu verstehen haben und ist dort alles, das sie überrascht?
- 5. Gibt es etwas, daß die Schweden stark, in der deutschen Organisation zu verstehen haben und ist dort alles, das sie überrascht?
- 6. Gibt es alles, daß die Schweden harten Einfluß in der deutschen Organisation erfahren und warum sie beeinflussen möchten?
- 7. Gibt es alles, daß die Deutschen harten Einfluß in der schwedischen Organisation erfahren und warum sie beeinflussen möchten?

- 8. Gibt es irgendein Programm, oder Weise des Bearbeitens das ist wichtiger gewesen oder gebildet sichtbarer nach dem Projekt und warum?
- 9. Wie Arbeitsbeschreibungen und Programmbücher schauen Sie, wie und werden sie benutzt?
- 10. Erfahren Sie irgendeine Hierarchie innerhalb der Organisation? Gibt es irgendwelche formlosen Führer? Unterschiede zwischen weißem Stellring workers/workers?
- 11. Gibt es irgendwelche gegebenen Weisen der Entscheidung innerhalb der Organisation?
- 12. Was sind die Symbole für Position innerhalb der Organisation? (Größe des Büros, des amtlichen Autos usw..)

# Kompetenz

- 1. Wie erfahren Sie, daß die Ansicht über Ausbildung und formale Kompetenz innerhalb der Organisation ist?
- 2. Wie erfahren Sie, daß die Ansicht über Mitarbeiter, die in der Organisation für eine lange Zeit gewesen ist, innerhalb der Organisation ist?

## Informationen

1. Wie erfahren Sie, daß die Kommunikation durchgeführt wird und wie es innerhalb der Organisation funktioniert?

Aufwärts zum Management (auf unterschiedlichen Niveaus) Abwärts vom Management (auf unterschiedlichen Niveaus) Zwischen Departements Zwischen Schweden und Deutschland

- 2. Was wird gebildet, um alle Mitarbeiter innerhalb des organisation/project zu informieren?
- 3. Arbeitet die Kommunikation, während der Entwurf darstellt? (zeigen Sie den Organisation Plan)

## **Zusammenarbeit Schweden/Deutschland**

- 1. Gibt es alles, das in der Weise des Arbeitens nach dem Projekt wiederholt worden ist?
- 2. Wie erfahren Sie, daß das Gefühl innerhalb der Mannschaft gewesen ist?
- 3. Wie ist die Ansicht aus eigener Initiative innerhalb der Organisation? (von den Mitarbeitern auf unterschiedlichen Niveaus)
- 4. Wie wird Konflikte innerhalb der Organisation angefaßt?
- 5. Wer hat die meisten während des Projektes angepaßt?

## Mitarbeit mit Kunden

1. Wie wird die Mitarbeit mit Kunden innerhalb der Organisation und des Projektes durchgeführt?

## Mitarbeit mit Lieferanten

1. Wie wird die Mitarbeit mit Lieferanten innerhalb der Organisation und des Projektes durchgeführt?

## Werten Sie aus/Verbessern Sie

- 1. Wie erfahren Sie, daß die Bereitwilligkeit, von der anderen Organisation zu erlernen von den Schweden und von den Deutschen in Beziehung zu dem Projekt gewesen ist?
- 2. Finden Sie Unterschiede/Ähnlichkeiten in der Bereitwilligkeit, zwischen Management, Experten, Technikern, Volkswirtschaft usw. zu erlernen?

## **Appendix III** - Swedish Interview Questions

# Bakgrundsfrågor

- 1. Hur länge har du haft **insyn** i organisationen?
- 2. Vilken **funktion** har du i organisationen?
- 3. Vilken **roll** hade du i projektet?
- 4. Hur bra **insikt** tycker du att du har om hur medarbetarna tänker i Sverige respektive Tyskland.
- 5. Hur har du främst fått de insikterna (direkt samarbete, indirekt etc)
- 6. Har du tidigare erfarenheter från andra samarbeten och kulturmöten?
- 7. Har du **erfarenhet** av att använda organisationskultur som verktyg, eller studerat organisationskultur.

# Huvudfrågor

## Syftet

1. Hur har syftet med projektet förmedlats?

## Utvecklingsprocessen

1. Vad är ditt allmänna **intryck av organisationen** i Tyskland (Före, under, efter projektet)?

2. Vad är ditt allmänna **intryck av organisationen** i Sverige (Före, under, efter projektet)?

- 3. Hur tycker du att **samarbetet upplevs** i organisationen och vilka de största förändringarna samt fördelar/nackdelar efter projektet?
- 4. Finns det något som **tyskarna** har **svårt att förstå** i den **svenska** organisationen och finns det något som tyskarna förvånas över?
- 5. Finns det något som **svenskarna** har **svårt att förstå** i den **tyska** organisationen och finns det något som svenskarna förvånas över?
- 6. Finns det något som **svenskarna** upplever som särskilt **svårt att påverka** i den **tyska** organisationen och varför vill man påverka?
- 7. Finns det något som **tyskarna** upplever som särskilt **svårt att påverka** i den **svenska** organisationen och varför vill man påverka?
- 8. Finns det någon **rutin** eller något **arbetssätt** som blivit **viktigare** eller mer **synligtgjort** efter projektet och varför?
- 9. Hur ser arbetsbeskrivningar och rutinhandböcker ut och används dessa?

## Appendix III - Swedish Interview Questions

- 10. Upplever du att det finns **hierarki** inom organisationen? Finns det **informella ledare**? Skillnad tjänstemän /golvet?
- 11. Finns det givna beslutsvägar i organisationen?
- 12. Vilka symboler för position i organisationen finns? (Storlek på rum, tjänstebil)

## Kompetens

- 1. Hur upplever du att **synen på utbildning** och **formell kompetens** är inom organisationen?
- 2. Hur upplever du att **synen på medarbetare** som varit i **länge** i organisationen är inom organisationen?

## Information

- 1. Hur upplever du att kommunikationen bedrivs och fungerar i organisationen?
  - Uppåt till ledning (på olika nivåer)
  - Neråt från ledning (på olika nivåer)
  - Mellan avdelningar
  - Mellan Sverige och Tyskland
- 2. Hur gör ni för att informera alla inblandade i organisationen/projektet?
- 3. Fungerar kommunikationen såsom schemat ser ut? (Visa organisationsplanen)

## Samarbetet Sverige/Tyskland

- 1. Finns det något som man omprövat i sättet att arbeta efter projektet?
- 2. Hur upplever du att teamkänslan har varit i teamet?
- 3. Hur ser man på egna initiativ inom organisationen? (från medarbetare på olika nivåer)
- 4. Hur hanteras konflikter inom organisationen?
- 5. Vem har **anpassat** sig mest i projektet under resans gång?

## Appendix III - Swedish Interview Questions

## Samverkan med Kunder

1. Hur bedrivs samverkan med kunder inom organisationen och projektet?

## Samverkan med Leverantörer

1. Hur bedrivs samverkan med leverantörer inom organisationen och projektet?

## Utvärdera/Förbättra

- 1. Hur upplever du **viljan att lära** av det andra landets organisation varit hos **svenskarna** och **tyskarna** i samband med projektet?
- 2. Anser du att det finns det **skillnader/likheter i viljan att lära** mellan ledning, experter, tekniker, ekonomer etc.?