FROM FIT TO FITTING:

A ROUTINE DYNAMICS PERSPECTIVE ON M&A SYNERGY REALIZATION

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Abstract

Many mergers and acquisitions (M&A) fail to achieve anticipated synergistic benefits. The combination of resources and processes is particularly difficult. This paper uses a routine dynamics perspective to study an acquisition in the consultancy sector where the strategy of combining two routines, designed to commercialize a new offer, failed. Zooming in on the micro dynamics of synergy realization, we show how the envisioned design was challenged only once the combined routine was enacted. The joint performance of the routine revealed incompatibilities at three levels: within the combined routine; with adjacent routines; and across the merging organizations. We identify two mechanisms that drive these incompatibilities: conflicting actors' intentions and conflicting organizational norms. We discuss how synergy realization requires both the converging of intentions and norms and the interweaving of actions, routines, and organizations. Our paper contributes to M&A research by challenging the notion of 'fit' as a prerequisite for success and by developing the notion of

'fitting' as an unfolding process, i.e., through a design-action loop in which sources of incompatibilities are revealed and adjusted. We elucidate the dynamic and iterative nature of synergy realization and argue for a rethinking of pre- and post-acquisition periods as fundamentally interlinked. We also contribute to research on routine dynamics by enhancing the understanding of routine interdependencies and the intentionality of routines in cross-organizational settings.

Keywords

mergers & acquisitions, synergy realization, fit, routines, dynamics, routine combination, process

INTRODUCTION

> *"The project was to sell a new offer by combining the headhunting process of [the acquirer] and the candidate assessment process of [the target]. The aim was to build on our complementarities to enhance the product portfolio and the service quality. It looked like a great project, but now, two years in, we had to completely reconsider this as it turned out not to work."* (partner, acquirer)

Synergy is the most important source of value creation in mergers and acquisitions (M&A) (Feldman & Hernandez, 2022). However, as the opening quote illustrates, realizing synergy through the combination of resources and processes is notoriously difficult (Zaheer, Castañer, & Souder, 2013). Focusing on what organizations can do to unlock synergistic value, prior research highlights the importance of fit—a notion referring to the exploitation of similarities and complementarities between firms (Bauer & Matzler, 2014; Larsson & Finkelstein, 1999). Indeed, spotting synergy potentials in the pre-acquisition phase and ensuring successful synergy realization during post-acquisition integration is considered key in pursuing the financial and strategic goals of M&As (Graebner, 2004; Haspeslagh & Jemison, 1991).

Traditionally rooted in a capabilities perspective (Teece, Pisano, & Shuen, 1997), M&A research looking at synergy focuses mostly on questions of design and the ability to combine resources and processes (i.e., organizational routines) across the merging organizations to understand what creates value and leads to differential performance (e.g., Zollo & Singh, 2004). However, this body of work remains on a macro level (Grant, 2018) and is mainly concerned with questions of antecedents and outcomes. Therefore, little is known on how synergy realization happens in practice (Bauer & Friesl, 2022) and, in particular, on the role of actors and actions therein (Friesl, Stensaker, & Colman, 2021; Graebner, Heimeriks, Huy, & Vaara, 2017; Mirc & Parker, 2020; Welch, Pavićević, Keil, & Laamanen, 2020).

As recently suggested by Wenzel et al. (2021), we employ a routine dynamics perspective (Feldman, Pentland, D'Adderio, & Lazaric, 2016) to develop a richer understanding of the micro processes at play in synergy realization. Conceptualizing routines as dynamic enables scholars to study how seemingly small and mundane actions are consequential for organizational processes and outcomes (Feldman & Pentland, 2003). We build on work that has studied how routines are being replicated (Blanche & Cohendet, 2019; Boe-Lillegraven, 2019; D'Adderio, 2014), adopted from the outside (Bertels, Howard-Grenville, & Pek, 2016), recombined (Cohendet & Simon, 2016), or adapted internally (Rerup & Feldman, 2011). Acknowledging that "any phenomenon (object, idea, event, action) depends on the connections in which it is embedded" (Feldman et al., 2016: 507) and that 'good design' is no guarantee for successful enactment (Pentland & Feldman, 2008), we attempt to elucidate how the combination of routines shape the process of synergy realization in action.

Empirically, we draw on a longitudinal study of an acquisition in the French recruitment consultancy sector. The case is particularly interesting because—to the surprise of both managers and consultants—the envisioned routine combination broke down once performed. Our analysis shows how incompatibilities on three levels emerged as the combined routine was jointly enacted: within the combined routine; with adjacent routines; and across the merging organizations. These incompatibilities were grounded in two mechanisms: conflicting actors' intentions and conflicting organizational norms. Building on these insights, we develop a process model of synergy realization and develop the notion of 'fitting', i.e., an iterative design-action loop through which synergy realization is enacted in practice.

Our study makes two important contributions to M&A research. First, by reconceptualizing synergy realization as a process, we challenge the static view on fit (Bauer

& Friesl, 2022; Dattée, Arrègle, Barbieri, Lawton, & Angwin, 2022; Welch et al., 2020) and develop the dynamic view of 'fitting' to capture how synergy is enacted through interweaving actions, routines and organizations and converging intentions and norms. Second, we contrast with the linear design-realization view and add to the understanding of interlinkages between pre- and post-acquisition phases (Angwin & Vaara, 2005; Friesl et al., 2021; Gomes, Angwin, Weber, & Yedidia Tarba, 2013) by highlighting the iterative nature of synergy realization that relies on continuous adjustments between synergy design and enactment. We also contribute to routine dynamics research as we study routine combination through a multi-level approach (Salvato & Rerup, 2011). In particular, we enhance the understanding of interdependencies between routines (Rosa, Kremser, & Bulgacov, 2021; Sele & Grand, 2016) and the role of intentionality in routines (Dittrich & Seidl, 2018) in cross-organizational settings.

THEORETICAL BACKGROUND

Synergy Realization in M&A: A Matter of Fit and Design

Every acquisition yields a roster of potential synergies (Chatterjee, 2007) conceptualized as "the ability of two or more units or companies to generate greater value working together than they could working apart" (Goold & Campbell, 1998: 133). Synergy potential is determined by similarities and complementarities between organizations (Zaheer et al., 2013) and gets generally addressed under the notion of fit (Bauer & Matzler, 2014; Larsson & Finkelstein, 1999), referring to the general compatibility of merging organizations on most salient dimensions. These include cultural or organizational features that ensure the compatibility of organizational systems and practices, directives and values, and leadership styles (Stahl, Chua,

& Pablo, 2012; Teerikangas & Very, 2006) and of strategic orientations and assets (Schildt & Laamanen, 2006).

The identification of sources of fit plays a critical role in strategic pre-acquisition decision-making and, thus, orients the design of the synergistic project (Bauer & Friesl, 2022; Zaheer et al., 2013). While a prominent stance within M&A research is that synergy realization depends on the quality of the initial synergy design which is based on the upfront assessment of sources of fit (Larsson & Finkelstein, 1999), other studies have highlighted the importance of the post-acquisition phase during which the synergy design is implemented (Haspeslagh & Jemison, 1991). In this latter view, synergy realization is contingent upon the merging organizations' capacity to exploit the combinatory potential as they are integrated (Friesl et al., 2021; Zollo & Singh, 2004).

While the above studies address fit and design as a prerequisite for overcoming integration difficulties, they are mainly rooted in a capabilities perspective (Teece et al., 1997). Accordingly, resources and processes (i.e., organizational routines) are treated as 'Lego bricks' which can be disassembled and reassembled in a relatively unproblematic fashion as long as their combination is carefully planned and executed (Pentland & Feldman, 2008). Several authors point to limitations in this logic and argue for a micro perspective that pays attention to actors and actions in such processes (e.g., Angwin & Urs, 2014; Graebner et al., 2017; Mirc & Parker, 2020; Rouzies, Colman, & Angwin, 2019). Following this line, we turn to routine dynamics research as a means to study the role that routines, commonly defined as "repetitive patterns of interdependent organizational actions carried out by multiple participants" (Feldman & Pentland, 2003: 95), play in synergy realization.

A 'Routine Dynamics' Perspective: Unpacking Synergy Realization

Since Feldman and Pentland's (2003) reconceptualization of routines as dynamic, the way organizational scholars see routines has fundamentally changed. Routine dynamics research zooms in on actors and actions and focuses on how the situative performance of routines impacts a wide variety of organizational processes (see Feldman, Pentland, D'Adderio, Dittrich, Rerup, & Seidl, 2021). Moving away from the idea that routines are mere building blocks of capabilities and thus movable within and across firms (Parmigiani & Howard-Grenville, 2011; Wenzel, Danner-Schröder, & Spee, 2021), this perspective offers important and novel insights for a better understanding of synergy realization by reconceptualizing it as an unfolding process.

Routine dynamics rejects the idea that successful implementation primarily relies on how well routines have been designed, or that it is mainly a matter of convincing routine participants of the projected benefits with the intention of avoiding resistance (Breslin, 2021; Wegener & Glaser, 2021). As Pentland and Feldman (2008: 245) found in their study of a failed software implementation process, designing routines while hoping for actions is often grounded in a "naïve top-downism [that] assumes that good artifacts will result in good performance." In their conclusions, they urge organizational actors tasked with the design of routines not to treat them "like a piece of furniture" (ibid: 248) that can be moved and put up wherever needed, but instead to consider them as endogenously dynamic (Feldman & Pentland, 2003), potentially ambiguous (Yamauchi & Hiramoto, 2016), and part of a larger network of actors and actions (see Rosa et al., 2021).

Based on these assumptions, several scholars have addressed questions of how routines are being moved from one location to another. D'Adderio's (2014) work on routine transfer shows how the idea of exact replication (Winter & Szulanski, 2001) is flawed, as it assumes

that routines can be easily reproduced in another context (Blanche & Cohendet, 2019; Boe-Lillegraven, 2019) and neglects actors' individual interpretations (Howard-Grenville, 2005). More recently, D'Adderio & Pollock (2020: 1) identify repairing and distributing as practices used by actors to either eliminate dissimilarities or to embrace and distribute differences and show "how routines are enacted into being the same".

Focusing on the 'work' needed to implement new routines or adjust existing routines to new contexts suggests that the existence of fit is neither a sufficient condition nor necessarily a good proxy for synergy realization. For example, Bertels et al. (2016) show how an oil company successfully adopted a compliance routine which was an obvious cultural misfit. Acknowledging the misfit from the start through a process the responsible manager called 'cultural molding', outright rejection could be avoided. Indeed, as the compliance routine was performed, cultural shielding (i.e., protecting workarounds) and shoring (i.e., protecting the routine's integrity) enabled its integration into the network of routines. In other studies, we see how emerging intentionality may lead to changes in routines over time (Dittrich & Seidl, 2018) or how actors choose different means (Rerup & Feldman, 2011) or use existing means differently (D'Adderio, 2014) to achieve the goals of the routine and to avoid breakdowns.

Building on these insights from routine dynamics research, we propose a reconceptualization of synergy realization by shifting from the notion of fit—something that merging organizations *have*—to the notion of fitting—something that merging organizations *do*. Approaching routines as "process[es] through which connecting happens and connections are achieved" (Sele, 2021: 77), we ask the research question: *How does the situative combining of routines shape the process of synergy realization? And what mechanisms influence fitting?*

METHOD

Research Setting

Our analysis is based on a single case study (Yin, 2003) of a horizontal acquisition within the French recruitment consultancy sector. Following the acquisition, both entities remained separate, maintaining their brands and offices, but with an explicit intention to develop strong operational ties to allow for synergy realization. The acquisition's post-integration strategy can thus be described as symbiotic (Haspeslagh & Jemison, 1991)—an approach that aims to build high interdependencies between complementary firms (Zaheer et al., 2013). As part of this focus on complementarities, the two firms intended to create a joint routine that would integrate the *headhunting routine* of the acquirer with the *candidate assessment routine* of the target.

Our case may be best characterized as revelatory (Pettigrew, 1990) as it enables us to study a routine combination process in action. The acquirer saw the acquisition as an opportunity to extend its commercial offerings and expand its geographical reach. The combination of their focal routines was a major motive for the takeover. The idea was to design an integrated service offer for clients based on the joint performance of the combined routine. The starting conditions seemed ideal as the two firms had been present in the same market for approximately ten years but were highly complementary in terms of service offer and positioning as summarized in Table 1.

<center>INSERT TABLE 1 ABOUT HERE</center>

Data Collection

We collected longitudinal qualitative data to study the combination of the two routines following the actual acquisition decision. Starting from the moment of the acquisition and thus tracing actors' forward-looking actions and perceptions, the first author studied the post-

acquisition integration process over an 18-months period. Our main data source are interviews complemented by documents and occasional observations.

Interviews. As summarized in Table 2, the first author conducted 40 interviews with 13 respondents from the target and 13 respondents from the acquirer at two different points in time: at the time of acquisition (t_1) and 1.5 years after the acquisition (t_2). In addition, two interviews were conducted with one of the acquiring firm's founding partners two- and three-years post-acquisition. In both firms, interviewees had different functions and ranks, including junior consultants (jc), senior consultants (sc), assistants and managers. Interviews were semi-structured, lasted between 60 and 120 minutes, and were all transcribed, yielding approximately 400 pages of transcripts.

<center>INSERT TABLE 2 ABOUT HERE</center>

At t_1, no interactions between consultants of the two firms had yet taken place. The interviews primarily focused on current work processes and methods, work relations inside the pre-acquisition units, and individual expectations about the acquisition project and the synergies projected in the acquisition strategy. Interviews at t_2 covered similar topics but informants were in addition asked about formal or informal work relations that had or had not developed with their counterparts and on their experience with the combined routine. The interviews helped us to gain an in-depth understanding of the synergy realization process, covering different periods and focusing on the combination of the two routines.

Documents. We also gathered internal and publicly available documents including press releases, financial reports, and internal documents (meeting minutes, presentations). Of particular importance were reports produced by internal work groups (wg) around different topics related to the integration of the two organizations such as a conjoint branding strategy,

the integration of IT operations, or the development of joint client services and in particular the combined routine. These groups comprised three to four consultants from each consultancy joining on a voluntary basis. The different groups met several times between t_1 and t_2. The documents helped us in capturing how the two organizations conjointly envisioned the integration and addressed the difficulties encountered, complementing the reasoning provided by the interviewees.

Occasional Observations. The first author assisted in various events such as an integration day or the yearly Christmas party, where many members of both consultancies were present. In addition, she spent six days (three in t_1 and three in t_2) in each consultancy to conduct a survey.[1] At these occasions as well as before and after the formal interviews, she had the possibility to informally discuss the integration process and the difficulties encountered with different consultants. All of these encounters provided her the opportunity to ask questions on internal processes, shed light on how the acquisition was implemented and what challenges and opportunities emerged during the process, and get a glimpse of people's practices, workspaces, and working atmospheres.

Data Analysis

Our initial research was driven by the question of how the combination of routines unfolds in practice. In particular, we were interested in how people evaluate synergy potential upfront and what happens during post-acquisition integration. Following an inductive and open-ended research design, we oriented our search toward integration practices and processes. However, we quickly realized that neither a focus on integration capabilities (e.g., Zollo & Singh, 2004), nor on strong employee resistance to change (Haunschild, Moreland, & Murrell, 1994)—both

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[1] The results of these surveys are part of a larger research project but not used for this study.

widely discussed in existing M&A research—advanced our understanding of what happened with the newly designed routine. Iterating between the empirical material, our emerging observations, and existing literature (Locke, 2001), we turned to routine dynamics research (Feldman et al., 2016) as it offers a practice-based and thus an action-centered approach to study routine combination.

Our data analysis progressed in three stages as summarized in Table 3. We began by identifying the main routines, particularly the recruitment routines (i.e., headhunting and candidate assessment routine), within each organization and wrote detailed descriptions of them. To identify the patterns of actions of the two routines as they were performed pre-acquisition and of the designed combined routine, we relied on the methodology of narrative networks proposed by Pentland and Feldman (2007) asking ourselves who does what, when, how and why.

INSERT TABLE 3 ABOUT HERE

We then wrote an extensive case narrative building on the routine descriptions and going back to the raw data (Langley, 1999). We created a chronological story from the point at which the acquisition and, hence, the routine combination was envisioned, until it was being actually performed. Using a bracketing strategy, we identified four phases that characterize the relationship of the two companies over time as illustrated in Figure 1. Phase 1 is the time prior to the acquisition, during which the *envisioning* of the routine combination took place. Phase 2 started with the acquisition and included the roll-out of the symbiotic integration strategy. During this phase, the partners of each firm were involved in the actual *designing* of the combined routine. Phase 3 was characterized by the consultants jointly *performing* this routine. Our data revealed that while actors on both sides were following the prescribed actions very

closely, they ran into problems which jeopardized the goals of the routine (i.e., providing clients with a set of potential job candidates) and led several consultants to openly question the initial idea of combining the two routines. Phase 4 was an *abandoning* process that set in as the joint routine was failing and management decided not to further commercialize it.

INSERT FIGURE 1 ABOUT HERE

In the third stage of our analysis, we followed Nicolini (2009) and zoomed in on the problems observed in phase 3 to identify what triggered them and how they were addressed. For that, we dissected the interviewees' ex-post reasoning about the (non)-functioning of the routine. A major aspect that our data revealed concerns the notion of incompatibility. We hence coded the data to identify ways in which actors described how the combined actions were incompatible. Going back to the raw interview data we found that difficulties were not only arising from the jointly performed routine and, thus from within the combined routine but also from its connection with adjacent routines and in relation to each organization's strategic positioning and cultural repertoire. Accordingly, we analyzed and compared the encountered difficulties at these three levels, identifying conflicting actors' intentions and conflicting organizational norms as two mechanisms driving the observed incompatibilities and the apparent inability to adjust the initial design in light of their existing patterns (Hansson, Hærem, & Pentland, 2021). In particular, we coded for the rationales provided by our informants as they described the issues.

COMBINING ROUTINES IN PRACTICE

From Envisioning to Abandoning—A Chronological Narrative

Phase 1—Envisioning. Before the acquisition, each firm relied on their own recruitment routine to help their clients find the optimal job candidates (see Appendix 1 for details on the different action steps and sequences). At the time of acquisition, managers at the acquirer envisioned creating a joint routine (#3) by integrating parts of the target's candidate assessment routine (#2) into their own headhunting routine (#1). Figure 2 illustrates the different actions in each routine and how actions 6 and 7 from the target's routine should be integrated into the acquirer's routine.

<div align="center">INSERT FIGURE 2 ABOUT HERE</div>

While at this point there was no concrete plan on how this combination could be turned into a commercial offer, the idea was that consultants of the acquirer and the target would each perform their parts of the new routine. This approach was strongly driven by the complementarities that managers saw between the services offered by both firms. The belief that complementary resources would enhance the quality of the services provided to clients came up both in interviews and informal discussions. Many informants underlined their curiosity and openness to explore these complementarities in future assignments. A senior target consultant explained:

> *"We chose the acquirer as we saw it as perfectly complementary in relation to our know-how. Them, a kind of glossy specialized recruitment consultancy with rather large accounts, no training, no assessment procedures, no generalist background, no advert. Us, recruiting through advert, generalist guidance, training and assessment. This complementarity was of importance to us since it meant that the acquirer wanted us for what we are. [...] It was a mathematical complement 1+1 would make 1+ and 1+ since it would create a positive dynamic for each firm."* (sc, target, t1)

The sentiment that there were important sources of complementarities regarding market positioning and key resources was shared on the acquirer side:

> *"We have two different types of clients. [The acquired firm] works with SMEs while our portfolio is mainly composed of large companies. In addition, the type of job positions we deal with also differs importantly so that there should be no overlap. It is very complementary."* (sc, acquirer, t_1)

The fact that both firms operated in the same sector and shared the same professional background, all being recruitment consultants, was seen as an important source for similarity on which synergistic potential could be built.

Phase 2—Designing. Several weeks after the takeover, when the acquirer was in full control of the target, they started to work on the details of the envisioned routine. As shown in Figure 2, the designed combination (#3) meant that step 6 (routine #1)—a 20-minute questionnaire to assess candidates—would be substituted by a 3-hour assessment developed by the target (steps 6 and 7, routine #2). It was decided that acquirer consultants would carry out the headhunting routine as usual and let their clients decide whether they wanted to opt for the fully-fledged assessment. If interested, target consultants would come on board to carry out the in-depth assessment, interpret the results, and provide feedback to the client focusing on the candidate's suitability for the job.

Beyond the apparent belief in the complementarity of the two firms' services, several rationales were driving the combination effort. Partners at the acquirer saw it as a way of having consultants collaborate across organizations without disrupting ongoing work processes. Keeping the two entities separate and preserving the respective company cultures was considered decisive for building trust between consultants of both firms and to ensure that

> *"[they] appreciate each other and want to work together. Integrating the candidate assessment into our heading process makes a lot of sense for*

> *proposing a more complete offer to our clients and is also a good and easy way*
> *of bringing consultants together.”* (partner, acquirer, t_1)

Acquirer consultants saw the designed routine *“as an opportunity for commercial development”* (jc, acquirer, t_1), and as a viable approach to foster consultants' performance by enhancing their client service and competitive advantage:

> *“[they] would not do the same job and that the competitor was going to offer*
> *the clients a much less reliable service than [the target] that specialized in pure*
> *assessment.”* (jc, acquirer, t_1)

While acquirer consultants acknowledged that this was something they were not able to do themselves, they felt that an in-depth psychological assessment would add a more professional and structured dimension to their services.

> *“They do assessments [...] lasting three to four hours, so quite long, [...] on*
> *the candidate, his potentials, his motivations, etc. We do not do that, we do not*
> *know how to do that.”* (sc, acquirer, t_1)

So, acquirer consultants saw potential in how the psychological profiling could help their clients in making decisions. Indeed, it was known that clients often struggled to choose and the *“assessment can help the client making the final choice”* (jc, acquirer, t_1) without significantly increasing the overall cost of the service offered. Therefore, the assessment was considered *“a good means for showing to [the] client that [the] candidate selection is founded”* that could help them in cases where they had difficulties in reaching an agreement. Another consultant recounted a situation where they *“had to recruit a group treasurer and in the end, they did [internally] not agree on the two finalists”* (jc, acquirer, t_1).

But it was not only the acquirer consultants who saw potential. Believing in the value of revealing a candidate's psychological and motivational profile, target consultants considered their services a powerful new string in the acquirer's bow.

> *"Frankly, it would be very difficult to recruit today without such an assessment. Because on the basis of an interview or even two interviews, you cannot have the same level of information."* (sc, target, t_1)

In their view, integrating the assessment into the headhunting routine could reveal aspects that were not available before and, thus, eventually increase placement success.

Last but not least, partners and consultants of both firms saw the joint routine as an excellent way to enhance financial margins. They agreed to charge clients *"€1,500-2,000 per assessed candidate; the acquirer's consultant would receive 20%, while the target's consultant would retain 80%"* (wg report, t_2).

Phase 3—Performing. After the combined routine was designed on paper, consultants started to perform it. The acquirer consultants pitched the extra assessment to clients at the beginning of an assignment and, contingent on the client's interest, they would bring in a target consultant to carry out the assessment. However, unanticipated problems emerged quickly. Acquirer consultants were confronted with contradictions between the candidates' psycho-sociological profile and the pre-selection made based on the job profile. In several instances, all pre-selected candidates were rejected by the assessment. As one interviewee put it: *"the use of combined processes has created conflicts. It actually turned out to be very complicated"* (sc, acquirer, t_2).

What made these conflicting outcomes particularly distressing was the rarity and, hence, the difficulty of finding good candidates for headhunted profiles. In addition, as candidates had been presented to clients as suitable before they took the assessment, their retrospective disqualification jeopardized the consultants' work quality and credibility.

> *"It is very irritating for the client relationship when candidates I recommended are afterwards rejected by the assessment process of [the target]. It strongly weakens my credibility."* (sc, acquirer, t_2)

Consequently, acquirer consultants felt as if they *"had worked for nothing and [needed] to find new candidates all over again"* (sc, acquirer, t₂). Target consultants, who were solely responsible for running the assessment, were equally puzzled. An interviewee reported how he had joined a recruitment process in which

> *"[a client] wanted to assess the candidates. And there, indeed, it was a bit difficult because [the acquirer consultant] recommended a candidate that I advised against. (…) And indeed, that blocks."* (sc, target, t₂)

While the combined offer and its underlying work process seemed promising to everyone at the time of the acquisition, this impression changed as both sides felt unable to continue putting the routine's design into practice. Consultants of both firms started to raise doubts about the feasibility of combining their routines. They no longer perceived added value compared to performing each routine separately. In action, the combined routine turned into a highly time-consuming and complicated process, leaving acquirer consultants to conclude that their own approach was *"more profitable, less time-consuming, more effective"* (sc, acquirer, t₂). One senior target consultant acknowledged that *"we can be considered as an obstacle to the achievement of their mission. Because they […] have always worked well without the assessment"* (sc, target, t₂).

Phase 4—Abandoning. Once acquirer consultants realized the *"risk of having to redo the selection process, of having to propose twice the number of candidates in the hope that it will work out"* (sc, acquirer, t₂), they became reluctant to offer the assessment to their clients. As they started to explicitly reject the combined routine, it was eventually given up. Two and a half years into the acquisition, management re-evaluated their initial stance toward complementarities and similarities and decided to change their initial integration strategy and moved toward a full integration.

"We had activities that were very different and at the same time others that were similar, recruiting in particular. We let these similar activities coexist. People did a bit of the same things but with different processes. What we learnt however with all that is that you should not stay at mid road with certain complementary activities, certain similar activities. We thus decided to create the same processes for everyone [...] at group level." (partner, acquirer, 3 years post-acquisition)

Emerging Incompatibilities

The above descriptions illustrate the problems that emerged in the performance of the combined routine. This raises the question of what led to such unanticipated difficulties. We present exemplary situations to show the surfacing of incompatibilities at three analytically separate but connected levels: (1) within the combined routine; (2) with adjacent routines; and (3) across the merging organizations, as illustrated in Figure 3.

INSERT FIGURE 3 ABOUT HERE

Incompatibilities within the combined routine. At both consultancies clients were an integral part of the recruitment routine as they played an important role in several actions—from discussing the assignment with the consultants to interviewing candidates to making the final job offer. However, two fundamental differences existed. First, acquirer consultants involved their clients only when they had identified up to three candidates and were ready to make a recommendation. Second, they had always walked a fine line when managing relationships with candidates whom they considered

"a strategic resource since the candidates we have in our database are very rare profiles and it is important for us that we can contact them for potential other job positions in the future should this one not turn out to work. Also very often these candidates become future clients." (sc, acquirer, t_2)

In other words, acquirer consultants relied heavily on positive interactions with their candidates as these constitute important social capital. Losing them during a recruitment process was seen

as a risk to both successfully finishing their current task and creating future business opportunities. Target consultants were keenly aware of the issue:

> *"Their focus and the main customers are their candidates. It's the network of candidates that they have, (...) to be able to pull out the right CVs. (...) They are seeking to seduce the candidate and they are part of the sale of the candidate to the company."* (sc, target, t_2)

As convincing suitable candidates to be interviewed is even more difficult than identifying them, this endeavor was very time sensitive. Accordingly, when the assessment created issues, the acquirer consultants were very clear that *"it is out of question that [we] have them come for three hours of assessing"*, all while recognizing the difference with the target's process where *"it is the candidate who applies [and where] they use the assessment to determine the most suitable persons among a large pool of applicants"* (jc, acquirer, t_2).

Integrating the assessment increased completion risk and put undesired stress on the consultant-client relationship as the acquirer consultants had to actively sell the assessment as extra. It did not help either that target consultants joined meetings with the client to deliver the assessment results. On the contrary, during those moments it became clear that the consultants held different assumptions about the assessment's function and utility in the recruitment process. For target consultants, the purpose of the assessment was to *"minimize risks but also to help the company understand its candidate and future employee"* (sc, target, t_1). In their routine, the assessment had a revealing function; i.e., it was used to narrow down a normally large pool of candidates—like a filter—by unraveling a candidate's profile. In the acquirer's routine, however, the assessment was meant to have a confirmatory function in explicitly formalizing the selection process and legitimizing the recommendation toward the client based on "*a rather extensive file on the candidate [...] that's pretty sophisticated*" (sc, acquirer, t_1).

Another issue was one of ownership. Target consultants had been using the assessment for many years. Their deep engagement with and knowledge about it prevented the involvement of acquirer consultants and hindered them from developing a feeling of ownership, describing it as *"their [the target's] assessment"* (sc, target, t$_2$). Whereas target consultants saw the value of the assessment within the routine, the added value remained unclear to acquirer consultants. Even over time, consultants of both firms were unable to reconcile their assumptions about the value of the assessment and fit it into their existing sequences of action. Instead, and as a target consultant aptly described it:

> *"They, on the other hand, have always worked well without the assessment. They manage to recruit without any future complaints from the client, so they don't see any added value for them in their job. If they had a problem with the results, maybe they would be more open to it, but today it works. So what's the point for them?"* (sc, target, t$_2$)

Incompatibilities with adjacent routines. The emergence of issues when performing the routine were not only evident at the level of the combined routine, and within its action patterns, but also in how it related to other routines in both organizations.

Examples of such adjacent routines are the 'billing' and the 'remuneration' routines. Because of the different status of headhunting vs mass recruiting, the acquirer billed assignments generally at higher rates than the target. When the assessment became part of the acquirer's routine, management decided not to change the fee for this service but stayed with the price set by the target. While the price was not considered very high by acquirer consultants, they strongly believed that their overall prices invoked high expectations of clients that they needed to meet. Therefore, all assignments needed to be handled within a very short time frame and in a very professional manner. When collaborating with target consultants they felt that their standards were not always met.

"They [target consultants] do not have the same notion of time. When they evaluate a candidate, it takes four hours. It takes a lot of time. We, on the other hand, work a lot under time pressure. Missions must be handled quickly." (sc, acquirer, t_2)

The different compensation schemes also created issues as outlined by a target consultant:

"Their [acquirer consultants'] pay system pushes them to get a mission done as quickly as possible because otherwise they get very little pay. We have no financial impact, [...]. Regarding the assessment, even if they believe in it deep down, they have no interest in integrating it into their process because it will slow them down [...], and therefore diminish their remuneration. If I were them, frankly I would do the same." (sc, target, t_2).

These incompatibilities further intensified as differences emerged on whether and how to collaborate on specific missions. The partners decided to continue using the acquirer's existing fee-sharing system: for each assessment, 80% of the fee went to the target consultant, while 20% remained with the acquirer consultant. The acquirer had originally designed this approach to share fees between seniors and juniors. It had been working well over the years and was seen as promoting collaborative practices between consultants. However, the system failed to incentivize target consultants to work closely with acquirer consultants as they could bill for the assessment irrespective of the outcome. Acquirer consultants, by contrast, could only bill clients once they found a suitable candidate. The difference in the fee-sharing system led to tensions as fulfilling an assignment meant different things to acquirer and target consultants. In cases where pre-selected candidates got rejected, target consultants got paid whereas acquirer consultants needed to spend additional time to find new candidates without additional pay. Thus, the conflicting objectives undermined collaborative efforts and impaired the ability to adopt each other's perspective. As a senior target consultant put it, *"I am delivering a service for which I am paid, but I am not committed to the success of the recruitment"* (sc, target, t_2). Another consultant added: *"I have no problem telling my client that I advise him to continue with his search. They [acquirer consultants] don't have any interest in that"* (sc, target, t_2).

Incompatibilities across merging organizations. A third level at which problems occurred was the intersection of the combined routine's enactment, particularly between the assessment logic and the larger organizational systems. Although both consultancies had operated in the field of recruitment for many years, their strategic positioning and cultural repertoire were quite different and less complementary than originally thought. Indeed, the acquirer's positioning had been based on high-end, customized headhunting of top managers for large enterprises and was reflected, among other things, by its office location on the Champs-Elysées, one of the most prestigious boulevards of Paris. In contrast, the target's client base had been mainly composed of SMEs seeking to fill job positions at employee or middle-management levels via job ads and were located in the suburbs of Paris until the acquisition when they had been moved to an adjacent street not far away from the acquirer.

The two consultancies dealt with clients and candidates that differed in what sort of services they needed and valued. During a working group meeting, consultants agreed that the acquirer provided services focused on the recruitment of *"rare talents"* and dealt with the constant *"difficulty to motivate candidates because of the need for remaining confidential about the proposed job position"* and with very demanding clients, i.e., *"groups with structured HR department and operational departments seeking for specialized consultants [to provide with] particular market knowledge."* The target's clients, on the other hand, were having a *"strong need for accompanying"* as they often had a *"weak employer brand [... but also] no structured HR department."* Accordingly, the services provided comprised broader *"advice on operations and handling of the whole recruitment process"* which included screening many candidates and provide *"a reinforced assessment of behavioral aptitudes for commercial and management positions"* (wg report, t_2).

Differences in client needs were closely linked to how consultants perceived their role in the actual assessment of candidates. Target consultants saw themselves as *"HR Chaperons"* who in the absence of a structured HR department became close companions of SMEs *"where the human dimension is very important"* (sc, target, t_2) to deal with large candidate pools using psycho-analytical assessment. Acquirer consultants saw themselves as enablers of the candidates. For them, the psychological profile of a headhunted candidate was much less important than their expertise or managerial experience. Given the scarcity of available resources, acquirer consultants considered that as long as they could present talents to their clients, the person-organization fit with their new employer would not actually matter too much. The revealing aspect of the assessment, which was of high value to SMEs, was hence of little interest to acquirer consultants to fulfill their clients' needs. This difference was also recognized by target consultants.

> "*The aspects the assessment addresses are not important for the type of positions they deal with. [...] For a management controller, the evaluation of his personality does not have the same meaning as for a salesperson.*" (sc, target, t_2).

The performance of the routine also revealed differences regarding organizational cultures and how these related to the combined routine. At the acquirer, assignments were carried out in pairs and fees were shared between the consultants involved. They worked in open spaces to promote communication and to nurture the collaborative business model through both face-to-face interactions and a collective IT system. This collaborative model was in sharp contrast with the individualistic model pursued by the target firm where consultants worked alone in separate offices on assignments, for which they then cashed in 100% of the fees. Consultants started perceiving these differences as problematic when enacting the combined routine. Designed by the acquirer, the routine was built around collaboration and remained at

odds with the target's individual work practices. This situation surprised the founding partner who had initiated the acquisition.

> *"We have a strong collective spirit at [acquirer] which is rare in our profession. [...] We are very proud of these values, of this project. There is a community. We tried to sell these values at [the target], but here sharing is seen as a risk. And this is something, in terms of merger management, that I had not considered. That this skill of living together, and it is really a skill of knowing how to work in a team, of knowing how to share one's know-how, of knowing how to put yourself at risk for others, that they do not have it, not at all. I am dumbfounded."* (partner, acquirer, t₂)

The discrepancies were also felt by target consultants:

> *"What is worrying for the future is that one is confronted with different points of views regarding the profession as such. [...] I think that the purpose of our business model and of what we want to bring to our customer is not the same. [...] We have a different operating mode, responding to different needs."* (sc, target, t₂).

Latent Mechanisms Driving Incompatibilities

As visualized in Figure 4, our data points to two latent mechanisms—conflicting actors' intentions and conflicting organizational norms—which we identified as driving forces for the emerging incompatibilities and which, in our case, impeded synergy realization. While already present during the design phase, both mechanisms were latent and only really surfaced when the consultants started to jointly enact the combined routine. This in turn challenged the initial synergy design.

INSERT FIGURE 4 ABOUT HERE

Conflicting actors' intentions. A first mechanism our data shows is the presence of conflicting actors' intentions. Indeed, acquirer and target consultants put the combined routine to different uses and pursued different purposes, each operating based on their own ideas of what the routine should do and is meant for. Examples of the enactment of such multiple ostensive aspects include whether consultants ascribed the assessment a confirmatory or a

revealing function, whether they saw the relationship with their clients or with their candidates as more important, or whether they focused more on fee-sharing as a means for fee enhancement or for collaboration enhancement.

As intentions were not only different but conflicting, they generated incompatibilities between action sequences and with adjacent routines. For example, because candidates were recommended first by acquirer consultants and then by target consultants, the revealing intention of target consultants stood fundamentally at odds with the acquirer consultants' intended purpose of the assessment as a means to just confirm their selection and not to rule out candidates. Moreover, the fee-sharing system meant that only acquirer consultants bore a risk of not being remunerated if no candidate was found, whereas target consultants received their payment in any case. The integration of the combined routine with the existing fee-sharing routine of the acquirer thus led to a situation in which collaboration did not entail risk-sharing, but could lead to costs for one party while benefiting the other.

These findings point to the important role of agency in routine combination and, hence, in synergy realization. Whereas M&A research remains rather silent in this regard, routine dynamics research has stressed the important role actors' intentions play in routine design and enactment. Notably, Howard-Grenville (2005) and Rerup and Feldmann (2011) stress that various actor intentions, interpretations and orientations may coexist, implying that different people enact the same routine for different purposes. As routine combinations require the grouping of distinct, pre-existing routines, the persistence of multiple logics that are brought along is indeed very likely. What our data suggest though is that the coexistence of multiple intentions regarding the combined routine becomes problematic if these intentions are incompatible, or even conflicting. Performing actions in a sequential and independent way

reinforces such incompatibilities. In our case, where the enactment of the combined routine involved actors from both firms, the divergence in intentions prevented them from establishing a common ground to work toward aligning their actions.

Conflicting organizational norms. A second mechanism contributing to the observed incompatibilities are conflicting organizational norms. As actors performed the combined routine, they not only kept it closely connected to their own network of routines but equally to the schema driving the functioning of their organization. Examples of the enactment of differing organizational norms became visible as consultants voiced concerns about market positioning, perceived client and candidate needs, and professional identity. Similar to the conflicting intentions of actors, the organizational norms were conflictual to a degree where they impeded the performance of the combined routine. For example, how consultants viewed what it means to be "high-end professionals" influenced their notion of time for mission accomplishment. Whereas for acquirer consultant 'being quick' meant 'being professional', target consultants linked their professionalism to 'being thorough' and thus taking the time needed (e.g., spending time with the client or providing detailed reports on the assessment). Moreover, consultants had different notions of what it meant to be working together. Acquirer consultants were used to a collaborative environment and saw strength in close exchanges and co-work on client assignments. Target consultants, on the other hand, mainly operated on their own and attached importance to having an exclusive relationship with their clients.

These findings point to the important role of context as organizations attempt to combine their routines and embed them within the merging organizations. Existing M&A research has studied the effect of cultural differences between merging organizations (Teerikangas & Very, 2006), and of cultural misfit on synergy realization (Bauer & Matzler,

2014). Routine dynamics research suggests a strong relationship between a routine's embeddedness in organizational norms or schemata, and individual actors' orientations toward routine performance (Howard-Grenville, 2005; Rerup & Feldman, 2011). Our empirical data underline this relationship and suggest that, when multiple norms are conflicting, adjustment becomes problematic. Viewed 'on paper', the different actors and their actions as well as the two organizations seemed interdependent. However, in practice, this meant that the 'connecting' of different actors and actions did not turn into a generative force that would have allowed the two organizations to become integrated and make necessary adjustments to the combined routine or to resolve conflicts with adjacent routines.

DISCUSSION

A Process Model of Synergy Realization: Toward the Notion of Fitting

Adopting a routine dynamics perspective, we reconceptualize synergy realization as an iterative process of 'fitting'. As portrayed in Figure 5, the logic of 'fitting' starkly contrasts with the traditional logic of fit in M&A research (Bauer & Matzler, 2014; Larsson & Finkelstein, 1999). In both logics, the strategic rationale underlying the acquisition is initially shaped by considerations of sources of fit, which then orient the design of the synergy project. However, in a logic of fit the focus lies on whether or not an organization possesses particular integration capabilities (Zollo & Singh, 2004) that enable a relatively smooth move from design to realization (or failure). In contrast, our logic of fitting sees synergy realization as a process which happens through an iterative cycle between synergy design and its enactment. It is notably during this enactment step where synergy design is put into practice that latent sources of misfit are revealed.

The fitting logic considers synergy realization as a process and an outcome. It shows how realizing synergy happens within an iterative design-action loop, which may or may not result in synergy realization depending on whether the enactment leads the merging organizations to enter a virtuous or a vicious circle. In a vicious circle, the intentions and norms of the merging organizations are conflictual to a degree that actions, routines and organizations are kept apart, thereby reinforcing the diverging of the intentions and norms at play. In such a situation, necessary connections are not built, and the intended synergy project fails to materialize. In a virtuous circle, on the other hand, intentions and norms are still different but reconcilable to a degree that facilitates an interweaving of actions and routines and, thus, the convergence of intentions and norms over time. The connectivity created thereupon allows for synergy to realize.

Our argument is that whether merging organizations enter a vicious or virtuous circle, or whether they can move from one circle to the other as they jointly enact routines, cannot be known a priori and is a matter of in-situ performances (Feldman, 2000; Latour, 2005). In our empirical case, we encountered a vicious circle wherein routine adjustment and recreation as described by Rerup and Feldman (2011) did not take place, but that this only unfolded once the combined routine was put into action. The degree of confliction within actors' intentions and organizational norms created then a situation of stalling that could not be overcome. The extent of misfit and the fact that misfit occurred at multiple, interrelated levels appeared to hinder any attempt for repairing action. The strong interdependence of the synergetic project with deeply rooted but conflicting organizational norms amplified the barriers for interweaving action. It was as the combined routine was enacted, that its embeddedness within the organizations'

ecology of routines (Sele & Grand, 2016) was revealed to impede the connectivity between existing norms (Angwin & Vaara, 2005); and as actors brought their norms into the routine combination, repairing (D'Adderio & Pollock, 2020) or cultural molding (Bertels et al., 2016) of the combined routine became subject to the same impediments. Therefore, the design-action loop ended quite abruptly, and the synergy project was abandoned.

Theoretical Contributions

Our findings about synergy realization as a process make three important contributions to the literature. First, our detailed study on the actual routine combination efforts within an acquisition shows how synergy realization or failure cannot be explained through flawed design or poor enactment alone (Pentland & Feldman, 2008). Instead, it relies on whether or not the merging organizations enter a virtuous design-action loop which requires converging intentions and norms that give ground to interweaving actions, routines, and ultimately organizations.

Most existing M&A studies adopt a macro-organizational perspective (Grant, 2018) to approach the combination of resources and processes in synergy realization (Zollo & Singh, 2004). Adopting a routine dynamics perspective (Feldman et al., 2016) instead, we are able to answer calls within M&A research to focus on actors and actions (Graebner et al., 2017; Welch et al., 2020) and to unpack the micro-processes that underlie synergy realization and the way routine combination unfolds as organizations aim to capitalize on their complementarities (Angwin & Urs, 2014). While existing research points to the impeding effects of poor strategic, organizational, or cultural fit (Bauer & Matzler, 2014), little is known about how "the complexities, interconnected processes and synchronized activities in organizations" (Angwin & Vaara, 2005: 1449) influence the exploitation of complementarity-based synergy. In-situ synergy enactment seems to have been overlooked. Previous studies may have omitted this

aspect because of their conception of fit as a prerequisite, which suggests an entity-based notion of routines (Wenzel et al., 2021). Our findings, however, demonstrate that the process of fitting is critical in and for synergy realization. As we shift our attention away from the traditional atomistic and aggregational view of integration, it becomes evident that the combination of routines is an unfolding process which requires work and happens only in action (Bertels et al., 2016; D'Adderio & Pollock, 2020; Friesl et al., 2021; Rerup & Feldman, 2011; Yamauchi & Hiramoto, 2016).

Our empirical case shows how, in the absence of interweaving and converging, merging organizations struggle to achieve the envisioned level of integration necessary to exploit anticipated synergistic benefits. This has important implications for M&A research as it posits that successful integration does not necessarily require alignment and harmonization of norms and practices as prominently put forth (Birkinshaw, Bresman, & Håkanson, 2000), but only their convergence toward a non-conflictual ground. Our findings also stress the significance of agency, i.e., actors' comprehension of and interests in the synergetic project, which has received little attention in M&A studies (Steigenberger & Mirc, 2020).

Second, our research makes the case for considering pre- and post-deal phases as tightly interlinked instead of separable parts (Angwin & Vaara, 2005; Gomes et al., 2013). This implies a need for an iterative approach to synergistic design and practice and hints at the difficulty, if not impossibility, of conclusively assessing similarities and complementarities during the pre-deal phase. Here we see close connections to studies that advocate for an "intermediate goals" approach to break down the complex chain of integration decisions and acquisition performance into manageable pieces (Cording, Christmann, & King, 2008). However, only by shifting to the level of routines and considering them as dynamic and generative are we able to understand

that combining actions and routines across organizations is a continuous effort (Blanche & Cohendet, 2019; Boe-Lillegraven, 2019; D'Adderio, 2014). Our empirical results highlight that, to enhance our understanding of synergy realization, we need to move beyond the recognition of back-end organizational adjustments in the implementation of a synergetic project (Barkema & Schijven, 2008; Haspeslagh & Jemison, 1991) and focus on the iterative back-and-forth between what was intended and what emerged to capture how actors and actions influence outcomes. This insight challenges the common view (e.g., Sirower, 1997) that sound projection of synergy sources allows for anticipating their actual value even before any implementation effort takes place.

Although research has investigated organizational changes to unlock the synergy potential during the post-acquisition phase (Barkema & Schijven, 2008), these changes intend to implement an initial plan which is not put into question. As Bauer and Friesl (2022: 2) put it, M&A research departs from "the implicit assumption that predicted synergies are objectively assessed and thus, represent the true value potential of an acquisition that just needs to be realized during integration to deliver the desired outcome." Our case shows that such an 'objective' assessment of synergy might well prove impossible. It also suggests that managerial attention might have oriented the initial synergy design (Bauer & Friesl, 2022) on macro-organizational sources of complementarities (e.g., product portfolio, market positioning, etc.) while obscuring less visible sources of misfit that make complementarity-based value creation more complex (Zaheer et al., 2013).

Third, our findings are also relevant for routine dynamics research as we respond to calls for a stronger focus on the role that routines play for organizational outcomes (Parmigiani & Howard-Grenville, 2011). Engaging in a multi-level approach and studying synergy

realization as an unfolding process contributes to a better understanding of what happens at the level of routines and how their enactment influences higher-order phenomena (Salvato & Rerup, 2011). While existing research implicitly or explicitly assumes that a new strategy will influence an organization's routines and lead to their adaptation, how routines influence such high-order phenomena has attracted much less attention (Rerup & Feldman, 2011). Based on the notion of fitting and by showing how synergy realization happens through an iterative design-action loop, we propose that the situative performance of routines and synergy realization need to be seen as mutually constitutive.

Continuing this line of reasoning, our focus on the combination of routines across two previously independent organizations advances our understanding of how routines operate in a larger network of routines, not just within but between organizations as called for by Parmigiani and Howard-Grenville (2011). In recent years, we have seen a shift from studying single routines to focusing on how routines interrelate and how these interrelations affect organizing (Rosa et al., 2021). Our insights on actors' intentions and organizational norms are useful here because they provide a better understanding of what enables or impedes generative connecting between routines (Sele & Grand, 2016). In particular, we show that connections are not a given, but a matter of 'work' with emergent and, thus, unforeseeable outcomes.

Last but not least, we contribute to a better understanding of intentionality within routines. As recently shown by Dittrich & Seidl (2018), intentions emerge as organizations evolve. However, in our case we neither saw a revising of intentions as actors jointly performed the routine, nor did we observe repairing actions to avoid the breakdown of the combined routine (e.g., D'Adderio & Pollock, 2020). Studying a failed routine combination enables us to shed light on situations where actors were unable to embrace differences. In our case, it became

evident that the sheer accumulation of conflicting intentions and norms impacted not only the combined routine but spilled over to adjacent routines within each organization and affected strategic and cultural aspects, which then hindered actors from seeing opportunities for repairing. In this sense, our study suggests that the level of complexity amplifies in situations where routines are moved across organizational boundaries. This is new compared to existing studies which have mainly focused on cases with a certain level of understanding of the situation (e.g., Bertels et al., 2016; D'Adderio, 2014). Especially in an M&A setting, where actors often do not fully understand what happens in the organization they are merging with, design and enactment can be particularly estranged (Pentland & Feldman, 2008).

Practical Implications

If synergy realization is neither a matter of fit nor of design, what shall practitioners do when they are confronted with the task of making acquisition decisions and overseeing merger implementations? The notion of fit in M&A is traditionally static and follows the design-then-implement-logic; an aspect which is reinforced by the legal requirement of not being able to act upon the acquired company until ownership has changed as well as by a strong focus on financial and legal aspects in the deal preparation phase. However, M&A practitioners may benefit from recognizing the advantages of adjustment loops and that synergy realization is less about fit and more about fitting. This echoes Bauer and Friesl's (2022) insights regarding managerial limits to make conclusive assessments about fit. Obviously, managers need to consider fit for a successful synergetic project. However, in this process managers should become more aware of perception biases and the role these may play in making judgements about similarities and complementarities (Fiorentino & Garzella, 2015). Acknowledging biases and other factors influencing pre-deal perceptions will not necessarily result in better outcomes,

but it will prepare actors for encountering incompatibilities and potentially allow them to act upon them (Pentland & Feldman, 2008).

In a similar vein, Wegener and Glaser (2021) have recently called for a shift from 'reflection-on-action' to 'reflection-in-action'. We support this call and argue that without such a reflexive practice it is unlikely that synergy targets will be met as there will always be obstacles and barriers, while unexpected gains will not necessarily be recognized as such. Embracing a routine dynamics perspective that explicitly focuses on the consequentiality of routines and their in-situ performance may help M&A practitioners to recognize that routines are far from being atomistic items that can be shifted around at will. Whereas establishing in-depth knowledge about the actual routines (i.e., how they are seen and how they are performed) will always be challenging, being reflexive throughout synergy processes may help actors to engage in repairing and de-blocking actions (Feldman, 2000).

Limitations and Future Research

Our research is not without limitations. We studied routine combination in the context of a single case study that happened to be a failure case, lending itself to exploring the mechanisms that prevent routine combinations to unfold. Future research could explore how incompatibilities are worked out and how organizations enter a virtuous circle, either from the start or by moving out of a vicious circle. Our analysis focused on a horizontal acquisition where organizations and routines evolved around similar processes and practices. In vertical integrations, barriers to routine combination might take different forms. Analyzing larger value-chain integration processes through a routine-dynamics lens could therefore be a fruitful avenue for developing a fine-grained understanding of micro-processes involved in such complex settings. Finally, our empirical case relates to a symbiotic integration wherein organizations are

kept apart, yet interdependencies need to emerge. Future research could examine whether our

findings on the role of intentions and norms have similar effects in other integration processes—

notably absorption acquisitions—in which more substantive integration of larger organizational

processes may attenuate or stoke the disruptive effects of conflicting actions and routine.

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