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Cultural Change Following International Acquisitions: Cohabiting the Tension Between Espoused and Practiced Cultures

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Abstract This paper explores post-acquisition cultural change following international acquisitions. Despite the acknowledged complexity of the cultural encounter in acquisitions, less is known about cultural change following acquisitions by global organizations where a tension between espoused vs. practiced cultures co-exists. Our study leads us to identify the drivers, outcomes and directions of post-acquisition cultural change amid such contexts. In contrast to a seemingly singular, monolithical perspective, we present post-acquisition cultural change as a dyadic, bipolar process, whereby acquired firms cohabit the space between espoused and practiced values. Reflecting the acquirer's cultural regime, targets align with either the acquirer's espoused or practiced culture. Further, whereas previous research parallels cultural change with explicit initiatives, we find that cultural change results from all post-acquisition integration activity. Given the power of practiced over espoused culture, the findings call for recognition that in global organizations leveraging culture goes beyond leveraging values only. The findings are based on a large-scale qualitative research program, wherein eight international acquisitions conducted by four Finnish, globally-operating industrial acquirers were studied, totalling 166 interviews.

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1 Introduction

Cross-border mergers and acquisitions (M&As) are primary vehicles for foreign
direct investment and firm internationalization. The topic is a central area of
scholarly inquiry in international business research (Buckley 2002; Zander and
Zander 2010). Despite practical appeal, the post-transaction phase is worthy of
challenge (Haspeslagh and Jemison 1991; Larsson and Finkelstein 1999), particu-
larly with regard to culture (Björkman et al. 2007; Brock 2005; Reus and Lamont
2009; Sarala and Vaara 2010).

Seminal work on culture in mergers and acquisitions (M&As) appeared in the
1980s. The focus was on work-related values at the national level, assuming that
organizations and nations consist in single, unified cultures. From this seeming
mono-cultural and realist approach, recent advances posit the diverse, multi-level
(Teerikangas and Véry 2006) and fragmented (Riad 2005; Risberg 1997) cultural
reality in M&A. Numerous cultural allegiances (Riad 2007) and interpretations
(Pioch 2007) cohabit the organization, as employees make sense of the new era
(Gertsen et al. 1998; Söderberg and Vaara 2003; Vaara 2003). Calls have been made
for in-depth appreciations of the complexity of the cultural encounter(s) following
international acquisitions (Irrmann 2005; Stahl and Voigt 2008; Teerikangas and
Véry 2006, 2012). In particular, there is a need to move beyond values to appreciate
culture as also encompassing practices and beliefs (Björkman et al. 2007).

Taking a critical stance, we argue that this research has been confined to M&A as
the unit of analysis, assuming transactions occur in silo without regard to the
acquirer's (organizational) cultural context. All the while, multinationals have been
urged to develop strong cultures to enhance innovativeness and performance (Lee
and Yu 2004; Ouchi 1981; Peters and Waterman 1982; Sackmann 2011). Despite
such aspirations, the cultural reality of many firms is not unitary though, instead
portraying fragmentation, differentiation (Martin 1992; Parker 2000; Sackmann
1997) and a multiplicity of cultures (Alvesson 2002; Raelin 1986; Trice 1993; Van
Maanen and Barley 1984). In particular, the reality of cultural divides with respect
to espoused vs. practiced cultures is acknowledged (Anthony 1994; Brown 1995;
Kilmann et al. 1986; Ogbonna 1993; Ogbonna and Harris 1998, 2002; Schein 1989).
If only discursive strategies are relied upon, attempts at 'managing' organizational
culture have been found to resemble 'fantasy' more than 'reality' (Ogbonna 1993;
Ogbonna and Harris 1998, 2002). This cultural divide has, to our knowledge, gone
virtually unnoticed in the M&A literature, where organizational culture has been
discussed without consideration to the distinction between its practiced and
espoused dimensions. Acknowledging the presence of this cultural divide and
exploring its impact on post-acquisition cultural change following international
acquisitions by global organizations is the central quest underlying this paper. In
this respect, we respond to calls for richer appreciations of cultural dynamics in

international acquisitions (Björkman et al. 2007; Riad 2005; Stahl and Voigt 2008; Teerikangas and Véry 2006).

In order to contribute to this knowledge gap, we embarked on a research program to appreciate the dynamics of cultural change in acquisitions conducted by global acquirers. The research questions guiding our work were: (1) 'What does post-acquisition cultural change by global acquiring firms consist of?', and (2) 'How does post-acquisition cultural change occur?' We undertook a large-scale, inductive research approach, following eight international acquisitions, totalling 166 interviews.

Following recent calls in international management, beyond a focus on values only, we defined culture in broader terms (Björkman et al. 2007; d'Iribarne 2003, 2009; Irrmann 2010, 2013; Leung et al. 2005; Sackmann and Phillips 2004; Söderberg and Holden 2002), adopting the integrative view provided by Kappos and Rivard (2008, p. 602): "Researchers generally agree that culture consists of patterns of meaning underlying a variety of manifestations (Martin 1992, 2001; Pettigrew 1979; Schein 2004). Some manifestations are visible; they include artefacts such as physical arrangements, clothing, stories, and rituals (Martin 1992, 2001; Schein 2004) as well as practices such as structure, technology, and procedures (Martin 1992, 2001; Sackmann 1992). Other manifestations are ideational; they are the values, beliefs, and assumptions held by the members of a collective (Martin 2001; Sackmann 1992; Schein 1989). Students of culture are […] interested in […] the interpretations that the members of a collective make of these manifestations, and in the resulting meanings that the members give these manifestations." This leads us to define cultural change as a change in manifestations that are given meaning by organizational members. These manifestations stem from visible (e.g., artefacts, practices, procedures, structures) and ideational (e.g., values, beliefs, assumptions) cultural domains.

By focusing on the complex reality of post-acquisition cultural change, our work contributes to the debate on cultural dynamics in international acquisitions (Björkman et al. 2007; Reus and Lamont 2009; Sarala and Vaara 2010). In particular, our findings lead us to posit post-acquisition cultural change as bearing more nuances and complexity than previous research has suggested. In contrast to portrayal in a seemingly singular, monolithical light and a focus on values only, our exploration of cultural change at both visible (i.e., practices, artefacts) and ideational (i.e., beliefs, values) levels allows us to present post-acquisition cultural change as a dyadic, bipolar process, whereby participating firms cohabit the tension between espoused and practiced values. Reflecting the acquirer's cultural regime, targets become aligned with the acquirer's espoused or practiced culture. This is our main theoretical contribution. Our further contributions highlight how post-acquisition cultural change is inextricably linked to all post-acquisition integration activity and all forms of post-acquisition change. Whereas previous research parallels cultural change with explicit initiatives, we find that cultural change results from all post-acquisition integration activity, whether cultural change is sought or not. Thus, both active and passive integration efforts affect the progress of cultural change.

2 Literature Review

2.1 Culture in M&A

In the 1980s, culture emerged as a focus of attention in the scholarly research on M&A (Cartwright and Schoenberg 2006). Beyond positing the 'culture shock' following mergers of hitherto separate organizations (Buono et al. 1985; Buono and Bowditch 1989; Styhre et al. 2006), processes of acculturation in domestic and cross-border contexts have been explored (Larsson and Lubatkin 2001; Nahavandi and Malekzhadeh 1988; Sarala 2010). The question of whether cultural differences affect M&A performance has raised considerable interest (Stahl and Voigt 2008; Teerikangas and Véry 2006, 2012), whilst reported results remain mixed (Chakrabarti et al. 2009; Gubbi et al. 2010; Reus and Lamont 2009). Zander and Lerpold (2002) call for attention on the types of cultural differences instead of a focus on the quantity of differences.

Paralleling post-acquisition integration, acquirers opt for varying degrees of cultural integration (Buono and Bowditch 1989; Cartwright and Cooper 1992; Forstmann 1998). The dynamics of cultural change have been explored following domestic (Buono et al. 1985; Cartwright and Cooper 1992; Nahavandi and Malekzhadeh 1988) and cross-border transactions (Bijlsma-Frankema 2001; Pioch 2007; Styhre et al. 2006; Teerikangas and Laamanen 2014). Phases of cultural change (Sales and Mirvis 1984) and implementation tips have been brought forward, including attitudes (Bijlsma-Frankema 2001; Morosini 1998; Napier et al. 1993) staff rotation, interaction (Buono and Bowditch 1989; Cartwright and Cooper 1992; Schweiger et al. 1994), the removal of deviants (Buono and Bowditch 1989) and change management (Sales and Mirvis 1984; Schweiger et al. 1994).

Despite considerable advances, a critical analysis posits this literature as having largely equated organizational culture to a homogeneous concept (Irrmann 2005; Riad 2005, 2007; Teerikangas and Véry 2006; Vaara 1999), paying less attention to the cultural nuances and fragmentation within organizations (Martin 1992; Sackmann 1997). All the while, in the study of organizational culture, it is acknowledged that organizations hold espoused and practiced cultures (Anthony 1994; Brown 1995; Kilmann et al. 1986; Ogbonna 1993; Ogbonna and Harris 1998, 2002; Schein 1989). Whilst this cultural divide holds significance when seeking to manage or change cultures in organizations (Ogbonna 1993; Ogbonna and Harris 1998, 2002), it has, to our knowledge, gone virtually unnoticed in the M&A literature. In particular, there is little that we know about the process of post-acquisition cultural change following acquisitions by global organizations, wherein a tension between espoused vs. practiced cultures co-exists. This is the central quest underlying this paper.

2.2 Integration Management in M&A

The role of integration management with regard to value creation is another central concern in M&A research (Birkinshaw et al. 2000; Faulkner et al. 2012; Haspeslagh

and Jemison 1991; Larsson and Finkelstein 1999). In this respect, attention has been devoted to integration strategies (Puranam and Srikanth 2007; Puranam et al. 2009; Zaheer et al. 2013), integration management practices (Greenwood et al. 1994; Olie 1994; Ranft and Lord 2002), and managerial roles (Angwin and Meadows 2009; Graebner 2004; Teerikangas et al. 2011). A distinction between administrative, technical and cultural change processes is identified (Shrivastava 1986; Håkansson 1995). Notions of 'task', 'operational', 'social', and 'sociocultural' integration have been put forward (Birkinshaw et al. 2000; Björkman et al. 2007; Stahl and Voigt 2008), reflecting integration mechanisms and seeking a shared identity following acquisitions (Teerikangas et al. 2013).

Explicit connections to national cultures have been established in cross-border contexts. In particular, depending on their cultural background, acquirers adopt differing evaluation and integration approaches (Angwin 2000; Calori et al. 1994; Child et al. 2001; Teerikangas 2006). Furthermore, the degree of integration mediates the relationship between cultural differences and acquisition performance (Bresman et al. 1999; Slangen 2006). In particular, interactions have been found to mitigate the negative effect of cultural differences on post-acquisition integration (Brannen and Peterson 2009; Bresman et al. 1999; Björkman et al. 2007). Despite these advances, extant theorizing treats post-acquisition integration and cultural change as parallel processes (for a review, see Teerikangas and Laamanen 2014). Recent evidence shows that post-acquisition cultural and structural change progress iteratively, the one affecting the other over time (ibidem). More research on how post-acquisition integration affects cultural change is needed.

3 Method

3.1 Research Setting and Sample

The findings draw from a research program in which integration dynamics following international acquisitions were studied. Given the recognized need for more theory-building on M&A processes (King et al. 2004; Larsson and Finkelstein 1999), the grounded theory method (Glaser and Strauss 1967; Glaser 2001) was adopted.

The selection of firms was guided by theoretical sampling (Eisenhardt 1989; Glaser and Strauss 1967). As access to acquirers was negotiated, the research came to be based on eight acquisitions conducted by four Finnish industrial multinational firms. Following practical and methodological choices, one to three acquisitions were studied per acquirer. Research began with interviews of technology acquisitions in Denmark, the United Kingdom (UK) and Germany by Acquirer A. The Danish and German units had been divested off by competing firms; both were used to multinational ownership. The UK unit was sold off by its entrepreneurial founder after a decade of high-flying growth. This was followed by the analysis of the acquisition of a medium-sized privately-owned German–US firm purchased by Acquirer B, and that of a multi-site French firm that had grown domestically via mergers and acquisitions, now purchased by Acquirer C. In the final stage, three

acquisitions by Acquirer D were studied. These concerned the purchase of parts of a major US multi-site firm including its French manufacturing site, and a Finnish entrepreneurial firm's acquisition (see Table 1). From an organizational culture perspective, this sample consists on the one hand of entrepreneurial-minded cultures characterized with action orientation coupled with low formality and, on the other hand, of multinational firms or units used to operating within such firms—these targets bore more acquisition and international experience and were more formal and bureaucratic in structure (see Table 2).

Acquirers opt for varying degrees of integration. Haspeslagh and Jemison (1991) consider that integration strategies define the degree of inter-firm interdependence and target firm autonomy. We sought to study acquisitions with medium to high degrees of integration. In practice, this translated into a sample of acquisitions with a symbiotic integration strategy (Haspeslagh and Jemison 1991), i.e., the acquirer seeking integration and mutual learning. All the while, in terms of cultural integration, the acquirers officially sought an absorptive approach, seeking to align targets with the acquirer's cultural regime. This highlights a seeming dichotomy, as strategically and operationally the acquirers were willing to learn from the targets, whereas culturally they sought to absorb them.

3.2 Data Collection and Analysis

The main means of data gathering consisted in interviews conducted by the first author. Interviewees represented acquirers and targets at top, middle management, and engineer levels. Informants were nominated by involved senior executives on both sides based on their involvement in the acquisitions. One hundred and forty-one informants were interviewed, some two to three times, this totalling 166 interviews. The research project span 5 years. Owing to the first author being trilingual, interviews were conducted in Finnish with Finnish interviewees, in French with French interviewees and in English with English, American, Danish and German interviewees. To reduce interviewee bias, interviewees on both acquirer and target sides were interviewed, at several levels of hierarchy, and across the affected functional areas (i.e., sales and marketing, manufacturing, research and development, human resources, finance, strategy and business development). This resulted in an average of 10–30 interviews per acquisition case. Interviews lasted between 1–3 h. A thematic outline for the interviews was used, yet the flow of discussion varied per informant. Themes addressed related to the firms' history, culture, pre- and post-deal eras, employee reactions, and particular issues and successes. To reflect the evolving nature of the research, questions and themes matured as the research moved on. Secondary information, including news items, company annual and internal reports, and acquisition related internal material was also used.

The analysis of the empirical data proceeded in two rounds. The first round paralleled data gathering. The constant comparative method of analysis (Glaser and Strauss 1967) was used: interviews were coded line-by-line, incident by incident (Glaser and Strauss 1967). In so doing, gradually conceptual categories (e.g., integration manager, ownership change) emerged, and coding shifted to coding each

Table 1 Characteristics of the studied acquisitions

Characteristics of targets:	Acquirer A		Acquirer B		Acquirer C		Acquirer D	
	Danish technology acquisition	British entrepreneurial acquisition	German technology acquisition	German/US entrepreneurial acquisition	French multi-site acquisition	Finnish entrepreneurial acquisition	French site's acquisition	US multi-site acquisition
Type of firm	Small high-tech R&D unit	Small high-tech firm	Small high-tech R&D unit	Small high-tech firm	Multi-site firm formed by domestic M&A	Small local firm producing industrial products	Small local firm producing industrial products	Large multinational firm producing industrial products
Created in	1980s	1980s	1980s	1970s	19th–early 20th centuries	1990s	19th century	19th century
Staff numbers	<100	<200	<300	<200	<2,500	<10	<200	<3,000
Level of internationalization	High: experience of prior foreign parent firms	Medium: international sales & foreign factory	High: experience of prior foreign parent firms	Limited: largely a domestic firm	Medium: international sales network	None: domestic firm	High: 1) international sales, 2) working as part of foreign parent firms, 3) cross-border technological alliance	High: internationalization since 1950s through sales and acquisitions

Table 1 continued

Characteristics of targets:	Acquirer A			Acquirer B	Acquirer C	Acquirer D		
	Danish technology acquisition	British entrepreneurial acquisition	German technology acquisition	German/US entrepreneurial acquisition	French multi-site acquisition	Finnish entrepreneurial acquisition	French site's acquisition	US multi-site acquisition
Acquisitive experience (as target)	One previous foreign parent firm	None: founder-owned company until the present acquisition	Three parent firms (1 domestic and 2 foreign ones)	None: founder-owned company until the present acquisition	The firm is a result of a domestic merger of two firms consisting of acquired companies	Founder-owned company until the present acquisition	Two previous foreign parent firms	One previous domestic parent firm
Acquirer's degree of integration	High & symbiotic			High & symbiotic (German firm) Low (US firm)	High & symbiotic	Low (first two years), then high & symbiotic	High & symbiotic	
Acquirer's multinational firm strategy	Transnational approach aiming for a shared culture and worldwide ties between units							
Number of interviews conducted	18	15	20	19	22	19	13	40

Table 2 Open descriptions of targets' pre-deal organizational cultures

Targets' pre-deal organizational culture:	Acquirer A			Acquirer B		Acquirer C	Acquirer D		
	Danish technology acquisition	British entrepreneurial acquisition	German technology acquisition	German entrepreneurial acquisition	US entrepreneurial acquisition	French multi-site acquisition	Finnish entrepreneurial acquisition	French site's acquisition	US multi-site acquisition
Governance practices									
Ownership style	Part of a multinational firm	Entrepreneurial	Part of a multinational firm	Entrepreneurial	Family-owned firm: relatives occupy key positions	Background as a family-owned firm: social, caring, relational	Entrepreneurial	Background as family-owned firm, then experience with multinational firms as owners	Background as family-owned firm: management presence, caring, homey, ties to community, long-term employment.
Action orientation	YES: action oriented, practical, flexible	YES: driving things, team of fighters	YES: achieving, entrepreneurial, fast paced, ambitious	YES: flexible			YES: entrepreneurial, ambitious, hard-working, fast, obstinate		
Mindsets									
History of independence	YES (though different owners)	YES (though different owners)	YES (entrepreneurial firm)	YES (entrepreneurial firm)	YES (entrepreneurial firm)	YES (yet not in recent merger)	YES (entrepreneurial firm)	YES (though different owners)	YES (though different owners)
Learning mindset	YES	Lacking	YES	Lacking			YES	YES	
International mindset	YES	Lacking		Lacking	YES		Lacking		

Table 2 continued

	Acquirer A			Acquirer B		Acquirer C		Acquirer D	
	Danish technology acquisition	British entrepreneurial acquisition	German technology acquisition	German entrepreneurial acquisition	US entrepreneurial acquisition	French multi-site acquisition	Finnish entrepreneurial acquisition	French site's acquisition	US multi-site acquisition
Targets' pre-deal organizational culture:									
Relationship with change	Experience with change	Experience with change	Little experience with change	Little experience with change	Little experience with change	Negative experiences with change (previous M&A)	Little experience with change	Experience with change	Experience with change
Management practices									
Hierarchy	LOW: responsibility to the individual	HIGH: hierarchical culture	HIGH: autocratic founder-owner	HIGH: strong owner/manager, the 'god'	HIGH: founder-run firm, strong leader led	HIGH: historically, a family-owned firm	HIGH: founder/owner led – authoritative: "based on the whip"	HIGH: historically, a family-owned firm	HIGH: historically, a family-owned firm
Openness	YES			Lacking					

The table is based on the data as provided in interviews by informants

quote or incident to a category (Glaser and Strauss 1967). This resulted in within-case reports and analyses. In parallel, field notes were kept to take note of important insights during the research process (Glaser and Strauss 1967; Eisenhardt 1989). Over time, the researcher's understanding of post-acquisition dynamics increased. Data gathering was capped when the researcher considered that theoretical saturation had been reached—theoretical saturation refers to the researcher's qualitative judgement that little further insight can be gained from further data gathering (Glaser and Strauss 1967; Eisenhardt 1989). At this stage, a cross-case analysis was performed. The main contribution related to an integrative perspective to post-acquisition integration (see Teerikangas 2006, 2012), coupled with distinct thematic contributions, one of which related to cultural change, the focus of this article. This is when the second stage of the analysis began. The first author returned to the within case reports and original interview material to conduct further rounds of analysis on cultural change across the eight acquisitions. This enabled fine-tuning the findings on cultural change and mapping their contribution onto extant theorizing. It is through this three stage process (i.e., interviews, first stage analysis of the entire material, and second stage analysis of cultural change related material) that the findings as presented next, matured.

4 Drivers and Outcomes of Cultural Change

We found cultural change in targets to be driven by activities in the post-acquisition era as regards: (1) discursive practices, (2) spatial changes, (3) structural changes, (4) inter-firm interactions, and (5) target managerial proactiveness. We were surprised to observe how the nature and progress of cultural change often went unrecognized by acquirers. Acquirers tended to overvalue the role of formal discursive practices (driver 1), considered to be *the* enabler of cultural change. They rarely realized the extent of cultural change forged (unintentionally) via post-acquisition activities (drivers 2–5). In contrast, we observe that post-acquisition cultural change is enabled by the acquirer's official value discourse and post-acquisition integration activity. In the following, we proceed to an overview of these drivers and the resulting types of cultural change. Our analysis points out how each driver brings alignment with respect to a different level of culture, be it values, mindsets, practices, or artefacts.

4.1 Cultural Change Induced by the Official Culture Discourse

To begin with, acquirers engaged in deliberate attempts to align targets with their espoused values, their 'official' culture. In this endeavour, they largely relied on discursive practices. The effectiveness of this approach depended on the maturity of the acquirer's cultural regime.

Acquirers used discursive practices to align targets with their espoused values. Discourse is a powerful strategic resource (Hardy et al. 2000); it plays an important role in the politics and legitimization of post-merger integration (Vaara 2003; Vaara

and Monin 2010). When acquirers sought to deliberately impact the targets' culture, they reverted to narratives relevant to the (acquiring) firm's espoused values.

The first discursive driver consisted in formal value discourse. This was the more popular discursive driver, used across all acquisitions. A variety of means of disseminating espoused values were used: internal newspapers, intranet, corporate value surveys, and yearly performance discussions.

> "The parent firm's organization culture is disseminated e.g., through company internal journals, through a questionnaire which asks what we think about the company. Another means of promoting the company's values is through the yearly evaluation interviews, in which the company values are included as themes we discuss and go through." (Interviewee—acquired French unit #7).

The significance of training was highlighted; it was the most popular means of promoting organizational values. Acquirers seemed to believe that implementing espoused values equals training. Unless training was supported by the acquirer's aligning the organization with its espoused values though, the message was diluted, as employees were not seeing the advertised values in practice. In such instances, corporate value training became "just another HR thing":

> "At the last [corporate values] training session, our human resources (HR) manager promised that this time we would ensure that we keep to the promises made. But then came another reorganization, and all the things we had learnt at the training session were soon forgotten." (Interviewee—acquired American multi-site firm #8).

Another discursive driver is managerial discourse. The extent to which acquirers' espoused values were transferred to targets depended on whether acquiring managers practiced what they preached: were the official, espoused values genuinely in practice? Did managers 'walk the talk'? The role of acquiring managers was crucial; as formal representatives of the parent firm, they are endowed with a symbolic position of authority. Yet, managerial discourse was used in only half the acquisitions. Interviewees emphasized the importance of top and middle managers abiding by espoused values:

> "Ultimately, cultural change and the implementation of corporate values should start with our leaders and managers. If they do not live by these values, how can the rest of the organization be expected to do so?" (Interviewee— acquiring firm D).

Acquiring firm integration managers also have a central role as cultural change agents. In the US-German acquisition, the German unit received managerial attention, whereas the US unit was left adrift. Consequently, the German unit progressed toward the acquirer's espoused values, whereas little change was observed in the US unit. This illustrates how espoused values do not, per se, secure cultural change in targets. They need to be reflected in the practiced culture, managerial behaviours and the daily enacted decisions. A similar approach was observed in the Danish and German acquisitions undertaken by Acquiring firm A:

"As Finns working at the acquired unit, we helped the integration a lot, e.g., understanding our firm's organizational culture and ways of working." (Interviewee—acquiring firm A).

Interviewees emphasized that alignment with an acquirer's espoused values needs to be nurtured and enforced. This occurred in only three acquisitions. Interviewees noted the effectiveness of certain approaches to reinforcing values. Coaching and open discussions were appreciated, whereas their lack resulted in targets remaining perplexed about the acquirer's espoused values. Open discussions provided a setting wherein values could be explained and gradually understood:

"We had nights of talks with the Finnish managers … We talked about management behaviour, common goals, cultural behaviour, all these things that you care about when you work in a company, you discuss about your problems and they are listening, they try to help, they give you advice." (German interviewee—German–US acquired firm #4).

Where such discussions were not held, interviewees complained of the slow progress of cultural alignment. Employees were not provided an arena for learning about the sought corporate culture. Ultimately, they never fully understood the essence of the acquirer's culture and could not embark on their cultural alignment journey:

"The unit would have needed a coach from our culture who integrates cultures through his actions, i.e., a change agent that takes our culture there in a believable way." (Interviewee—acquiring firm A interviewed on the UK acquired firm #3).

Acquirers differed in their strategy toward inducing cultural change. In contrast to M&A literature portraying a seemingly neat image of cultural change strategies (Buono et al. 1985; Cartwright and Cooper 1992; Forstmann 1998; Styhre et al. 2006; Pioch 2007), we found their practice to have ambiguity. Acquirers differed as to the extent to which they sought to align targets with their espoused values.

For one, this depended on the degree of maturity of their official culture; whether espoused values were embedded in enacted practices. We identified acquirers whose espoused values were reflected in their practices; this was the case of acquirers A and B:

"The philosophy of the parent firm is established in daily work, which is different from if it were communicated through a lecture. But a lecture can make it easier to join a culture. Then, you have to learn and adapt to the culture." (Interviewee—German acquired unit #2).

In most cases, though, the acquirer had an 'official' culture communicated through espoused values, slogans and guidebooks. Yet, when asked to describe their culture, interviewees in acquirer C and D identified a gap between the practiced and espoused values—"the preached values don't live, really":

"Today, we are not one company. We have progressed on the road, but the process is not on a satisfactory level. We could be further down the road. We

have tried and continue building one company, but it is slow. People love their own ideas, and that's it." (Interviewee—buying firm D).

For another, this was reflected in the clarity of the cultural integration strategy. The Danish acquisition was the only case where a clear strategy for cultural integration existed:

"Our goal was that the German unit, being the new product centre for the 'XY' product of our firm, would operate to some degree like we do, i.e., that they would share the same organizational culture and values, the same ways of working." (Interviewee—buying firm B).

In other acquisitions, interviewees either admitted the lack of strategy for cultural integration or their views on its contents differed:

"The aim of cultural integration was never stated in an explicit, conscious manner, nor was it ever discussed officially. We knew that we needed to keep our own identity and culture if we are to survive. We need to keep in mind that the new parent firm is an industrial firm, where technology and products are important, thus it does not easily talk of cultural issues." (Interviewee—acquired French unit #7).

Acquirers further differed as to how they accounted for national cultures. Whereas some acquirers, e.g., firm A, acted as though they did not exist (first quote below), failing to support targets in their cultural alignment, others were cautious of the extent to which espoused values can be globally aligned (second quote below). They considered it important to leave space for local interpretation of corporate values:

"[The acquiring firm] is not taking too much care in studying cultures; it is not imposing itself strongly enough compared to the needs of local culture. The management culture should be changed to suit local culture's needs to get the most out of that local culture. [At present] nothing is done to reach the expectations of the acquiring firm." (Interviewee—acquired British entrepreneurial firm).

"We can question to what extent we can bring our Finnish cultural model across the world. At some point, we are bound to hit the wall, and not go further. It is unrealistic to expect that we could make everyone look the same or find enough people who are like us." (Interviewee—buying firm D).

4.2 Cultural Change Induced by Spatial Changes

Physical artefacts, e.g., physical spaces, are a powerful manifestation of culture (Schein 1989; Taylor and Spicer 2007). We found that artefact-level changes to the targets' outlook sparked cultural change. For one, changes to the target's office layout signal a new era. In the German–US acquisition, the layout of the German unit reflected the former owner's era. Following the change in ownership, the old-fashioned, leader-centred layout was changed to reflect the new parent firm's

espoused values, including customer-focus, international outlook, and team building. This helped to mark the new era, signalling the forthcoming cultural regime:

> "Changing the office layout and eliminating the corner room [the founder-owner's office] marked the start of a new era. It was important to make major, visible, changes fast." (Interviewee—buying firm B).

All the while, moving to a new building acts as a morale booster, particularly when premises are dilapidated and uncomfortable. By reflecting the acquirer's espoused values, a new building supports cultural alignment, as in the Danish and US acquisitions:

> "There was a big difference between the old building and the new facility. The old facility was the metaphor of a decayed old company that had been badly managed, a poorly maintained building with its old ways, ghosts,… The unit changed culturally toward our firm's corporate culture with time, e.g., the new location helped a great deal with regard to the motivation of staff and their readiness to be part of our company." (Interviewee—buying firm D).

4.3 Cultural Change Induced by Post-Acquisition Structural Change

We further found post-acquisition cultural change to be driven by post-acquisition structural changes. Some of these structural changes were consequences of the transfer of ownership occurring through acquisitions. We term these 'passive' structural changes. Many structural changes reflected the acquirer's integration (Haspeslagh and Jemison 1991) and multinational strategies (Bartlett and Ghoshal 1998). We term these 'active' structural changes. We thus posit that post-acquisition cultural change occurs both when integration is and is *not* sought.

With regard to passive structural change, we refer to changes that targets incur regardless of acquirer action. These concern quasi-automatic changes introduced through the mere transaction and change in ownership. This includes changes to firm size, international reach, governance structures, and unit status. Although not actively pursued, these changes incurred cultural change in the targets' governance practices and mind-sets.

Change in firm size implied changes to the targets' post-acquisition cultural landscape with respect to governance practices. This occurred in the British, German and Finnish acquisitions, transferring from previously small-sized, entrepreneurial structures to larger multinationals. As the following quote exemplifies, this change was experienced as implying managerial distance with respect to the locus of decision-making:

> "From being used to having the President of our company making decisions and having authority, our staff had a difficult time in understanding, and still do, that we now get our orders from Helsinki. It was a big cultural change that they could no longer go to one person in the company for a decision." (American interviewee—German–US acquired firm #4).

An increased degree of formalism was also noted—whereas entrepreneurial firms hold aspirational, flexible and possibly reckless organizational cultures, multinationals represent greater formalism and bureaucracy:

> "We have lost flexibility. We might not get what we need, e.g., if we want a certain kind of a report, we need to ask the owner for it first. The owner then analyses the overall situation, we cannot go solo. We are only some tens of employees in the parent firm's thousands of staff. We need to comply with their rules." (Interviewee—acquired Finnish firm #6).

Another structural change typical to acquisitions of entrepreneurial firms related to the targets' international reach. Typically, this occurs when a domestic company is acquired by a firm boasting greater international reach (e.g., the acquired German–US and Finnish entrepreneurial firms). Such a change was experienced as resulting in a shift from a domestic towards a cosmopolitan mind-set:

> "Now, we need to see the company as a global company, thus our mindset has to change. Our market is no longer Germany, but the world. We have grown from being small to become a more important player. This requires a change of mindset…" (German interviewee—German–US acquired firm #4).

A characteristic of acquisitions concerns changes to the mode of ownership. This applies particularly to firms holding a history as family-owned firms shifting to public ownership, as in the US multi-site and both French acquisitions. This implied cultural changes to governance practices. Family owners were contrasted with the faceless multinational owner:

> "With the ownership changes, we have gradually experienced a decline in top management visibility. Now, on the negative side, there is little listening and the message from the CEO comes through intermediaries. We get the message, but not directly." (Interviewee—acquired French multi-site firm #5).

Changes to managerial orientation were also observed. Family-owned firms appear concerned with social, local issues, whereas publicly-owned firms present a fact-focused, uncaring approach. Family-owned firms were considered as having an industrial-minded professional ethos, in contrast to profit-minded publicly-owned firms:

> "After the acquisition by the Finnish parent firm, we moved from a culture of being a family company, with a love of your profession, to the culture of an international company with the development of profit-mindedness, the need to make money. There was an increasing pressure on the financial side." (Interviewee—acquired French multi-site firm #5).

Another structural change concerned the target's relative importance in the parent firm. This impacted governance practices with respect to managerial distance. Previously focal units, e.g., headquarters, found it difficult to relinquish decision-making power to the new parent organization; they lamented the decreased access to information, as in the US multi-site acquisition:

"Decision-making processes are different as today we are a satellite, not the centre of the company; thus more and more decisions reach us through the Intranet, out of the blue…" (Interviewee—acquired American multi-site firm #8).

With respect to active structural change, we refer to changes that result from the acquirer's deliberate action to integrate the target. These concern changes to the degree of global integration, organization structure and ways of working. Although not recognized, these changes incurred cultural change with respect to changes to mindsets and management practices.

Global firms differ as regards the degree of integration of their operations (Bartlett and Ghoshal 1998). The studied acquirers operated with a 'transnational' approach and they sought to integrate targets into this organizational design. For targets joining from entrepreneurial ownership granting independence or previous multinational ownership with a decentralized touch, this was a regime change. This occurred in all acquisitions. The resulting cultural change was reflected in changes to mindsets. There was a need to shift thinking from parts to systems, i.e., from subsidiary to corporate profitability. This was paralleled by a need to broaden one's ties to colleagues, as the new structure led to interactions in global projects:

"The more we work globally so that one location is in charge of a product globally, the more each site needs to consider the consequences of their work on others." (Interviewee—buying firm D).

Changes to organizational structure also had cultural consequences. For one, the move from a functional to a matrix structure, as in the British and German acquisitions, was reflected in changes to management practices. The locus of authority shifted from one to several supervisors:

"The change confused people, owing to a lack of clarity. A matrix organization is complex, as it has two dimensions, as compared with our former structure, where we had a clear sight of the boss, a clear line of commitment." (Interviewee—British acquired unit #3).

For another, moving from mechanistic to organic network structures, as in acquirer A's acquisitions, reflected changes to the locus of authority. From the clarity of one decision-maker, the new regime was based on individual decision-making, networking and relationships:

"The difficulty stemmed from there being many unexplained things in the buying firm's organization. There are no organization charts. This makes navigation in the organization difficult. It is difficult to understand this organization. The German cultural heritage is in a strong hierarchy, in structure, we are not that dynamic. The parent firm's representatives keep saying that their organization is a networked one without a structure, but beneath it all, a structure must exist! So why do not they state that this is today's chart but it is often changed owing to the dynamic nature of business. This would be especially helpful for acquired units, where a whole unit starts from zero." (Interviewee—German acquired unit #2).

A further change in organizational structures concerned changes to the orientation and organization of work. Acquirers sought to change targets from functional silos to interdisciplinary processes. This introduced a mindset shift in terms of multi-skilling (first quote below), paralleled with an increase in individual span of control (latter quote below), as experts became multi-skilled and autonomous workers. This was observed in most acquisitions:

> "We now work in teams of 2–3 persons, and we are taught to be multi-skilled instead of being specialists." (Interviewee—acquired American multi-site firm #8).

> "As a supervisor, I can be close to my staff; staff can think for themselves and can try out an idea even if they make a mistake. In contrast, before you had one job and one task to do. Now, we have broader job responsibilities that encompass more tasks. Before, you were not allowed to learn about your neighbour's way of doing, whereas now it is welcomed." (Interviewee—acquired American multi-site firm #8).

4.4 Cultural Change Induced by Inter-Firm Interactions

In addition to spatial and structural changes, daily interactions drove post-acquisition cultural change. The myriad of daily encounters in post-acquisition years brought target employees in contact with the acquirer. Interactions took the form of formal visits, meetings, personnel rotation, expatriate assignments, joint projects and informal socializing. Also, all forms of training were experienced as opportunities to interact with and get to know the acquirer. M&A research has acknowledged staff rotation and interaction as supporting cultural change (Buono and Bowditch 1989; Cartwright and Cooper 1992; Schweiger et al. 1994). Interactions as informal control mechanisms have been signalled as critical to post-deal integration (Calori et al. 1994; Larsson and Finkelstein 1999), despite detrimental impacts, e.g., rumination (Marmenout 2011). We found social interactions to bear two kinds of cultural implications.

For one, these interactions furthered the active structural changes that the acquirer pursued and its official culture discourse (if the latter was practiced by acquiring firm employees). This explains why interviewees considered that high degrees of integration supported cultural change, without specifying the type of change incurred. Thus, all inter-firm interactions were considered as influencing targets' cultural alignment, as they enabled experiencing the acquirer's practiced culture:

> "How cultural integration was brought forward: through joint project work, working together, lots of exchange, travelling, getting to know people." (Interviewee—British acquired unit #3).

The second cultural implication of inter-firm interactions related to changes in management practices. In all acquisitions, cultural change reflected a transfer from previously closed to a more open and transparent communication regime:

"We were in awe of the fact that the parent firm did not hesitate to tell us anything, they kept us well informed with regard to both positive and negative news, they told the truth, we got real information and were not lied to. They want to keep their staff informed, there are no boundaries between management and staff; managers are approachable and there is a nice work atmosphere. It is rare in the US to get such good treatment in a large company…" (Interviewee—acquired American multi-site firm #8).

In parallel, a transfer toward a culture of greater individual responsibility was highlighted by most interviewees:

"We can make more decisions ourselves. We have the freedom to go outside of guidelines. We are accountable ourselves, we make our own decision if needed, whereas before, specific guidelines were set and you did not and could not change certain things, i.e., some decisions were dictated (like a dictatorship), e.g., that you sell this product at this price." (Interviewee—acquired American multi-site firm #8).

We argue that these changes in management practices reflect the Finnish acquirers' cultural roots. The Finnish acquirers were characterized by a management style based on individual responsibility vs. a strict hierarchy (House et al. 2004) and transparent communications. Targets were mostly from higher power distance countries (Hofstede 2001; Table 2). As interactions are influenced by national cultures (Hofstede 2001; House et al. 2004), we argue that changes in management practices reflected the acquirer's national culture. This parallels findings on the impact of country of origin on acquirers' integration approaches (Calori et al. 1994; Child et al. 2001).

4.5 Target Firm Proactiveness Mediating the Progress of Cultural Change

Given their symbolic and representative role, employees seek moral guidance from managers during change (Kavanagh and Ashkanasy 2006). Following an acquisition, local management remains[1] the organization's only tie to the past, a source of stability. Upon comparison, the distinguishing factor with respect to the progress of cultural change between the acquisitions was target managerial proactiveness. This leads us to argue that it mediates the effectiveness of the other (four) drivers of cultural change.

Acquisitions where cultural change progressed slowly showcase how the decision to keep target managers has an impact on the progress of cultural alignment. This occurred in founder-managed entrepreneurial firms. As the firm's culture reflects the founder's personality, little cultural change occurred until the founder resigned. This was observed in the Finnish, English and US entrepreneurial acquisitions:

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[1] Top management retention is a major theme in the US-based literature on M&As, highlighting a trend toward replacing target firm management. In contrast, in the studied acquisitions by Finnish acquirers, the approach was often to keep target firm managers. It would appear that this strategy reflects acquirer's national backgrounds. Whereas empowerment characterizes Nordic management, hierarchy and a takeover mentality characterize Anglo-Saxon acquisitions.

"After the deal, no decision-makers were sent in at the start; all decisions travelled via Finland. This introduced an extra loop to decision-making. Owing to his legacy, the old CEO remained as a ghost, he was a sacred person, an institution. Although we had a Finnish integration manager, who was the de facto boss, behind the scenes the local management could play on its own much of the time!" (Interviewee—British acquired unit #3).

A similar pattern was observed with respect to salaried management. When they resisted the new era, little cultural change occurred. In the French multi-site acquisition, whilst local management was supportive, upper echelons resisted the new regime. In the British acquisition, local management counter-acted the new regime. In contrast, supportive target firm management becomes a lever and promoter of cultural change. If target managers prefer the new corporate regime, they can become its proactive supporters. This was observed in five of the studied non-entrepreneurial acquisitions:

"Who was key to the progress of integration: the site manager and project managers were the key culture carriers, they showed the example to others. They worked with the acquiring firm's integration manager, interacted with the acquiring firm, got to know the acquiring firm, and then transmitted this knowledge to the unit." (Interviewee—Danish acquired unit #1).

5 Two Cultural Change Processes: Emergent and Intentional

In summary, we found that post-acquisition cultural change is driven by discursive, spatial, structural, social, and managerial drivers. Over time, we observed that such activity led to cultural change in targets with respect to different layers of culture, ranging from changes to cultural artefacts, mindsets, management practices, governance practices, all the way through to changes in corporate values. Figure 1 provides a conceptual illustration of the findings; it portrays the drivers of cultural change and the layer of culture impacted by each. A closer look at these findings highlights that post-acquisition cultural change in targets unfolds in not one, but two parallel paths: intentional and emergent cultural change.

5.1 Intentional Cultural Change

The first driver of cultural change represents deliberate efforts to align targets with the acquirers' espoused values. We label this 'intentional cultural change'. We observed that the effectiveness of this approach depended on the maturity of the acquirer's cultural regime and the clarity of its cultural integration strategy. Unless espoused values were practiced by the acquirer, target alignment toward these values was not observed. In such cases, targets aligned, emergently, toward the acquirer's practiced culture, as articulated next.
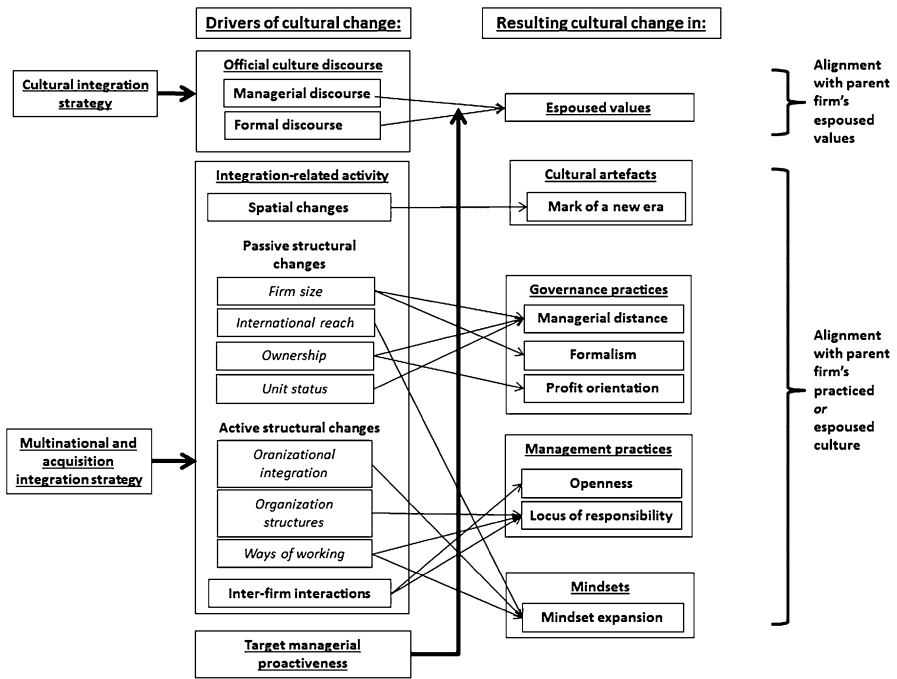
Fig. 1 Drivers and outcomes of post-acquisition cultural change

5.2 Emergent Cultural Change

Spatial, structural and social drives brought forth cultural change in targets. In particular, they mould the targets' cultural artefacts, mindsets, management practices, and governance practices. Through changes to these upper layers of culture, it can be expected that, over time, changes to deeper layers of culture, e.g., values, is induced. These drivers reflected the change in ownership occurring in acquisitions and the acquirer's integration activity. We observed that acquirers were not aware that these efforts supported the targets' cultural alignment. This leads us to label this form of cultural change 'emergent cultural change'. Moreover, as these changes and social interactions reflected the acquirer's practiced culture, these drivers supported in aligning the targets progressively with the acquirer's practiced culture.

5.3 Cohabiting the Tension between Espoused and Practiced Values

Our cases posit that the two cultural change processes proceed toward the same outcome, i.e., espoused values, only if the acquirer practiced its espoused values. In such cases, espoused values were reflected in the acquirer's structures, ways of working, interactions and management styles. In sum, its espoused values are embedded in the practiced culture. This leads to intentional and emergent cultural

change proceeding in tandem, toward the same outcome. This occurred in the Danish and German technology acquisitions and the German acquisition by acquirers A and B, as highlighted by Table 3.

A conflict arises if the direction of intentional and emergent cultural change is not aligned. Acquirers C and D had only begun the implementation of their espoused values. Their organizations' structures, ways of working and management styles reflected the firms' historical cultures, rather than the newer, espoused values. There was a visible difference between the practiced and the espoused cultures. In such transactions, post-acquisition cultural change followed a friction-filled path. A tension between the practiced culture, brought forward during integration, and the espoused culture, as officially communicated, emerged. Ultimately, we observed target alignment with the practiced organizational culture. The espoused values took a representative, symbolic role that was mimicked, yet it was not experienced as 'real', Table 3. This points to the power of the practiced over the espoused culture.

6 Discussion

In this paper, we set out to explore what cultural change in acquisitions conducted by globally-operating acquirers consists of and, further, how does cultural change in such acquisitions occur. Our work contributes to the debate on cultural dynamics in international acquisitions as follows.

6.1 The Dyadic Nature of Post-Acquisition Cultural Change

Our main theoretical contribution is exhibiting the duality of post-acquisition cultural change. In contrast to previously expressed neat, singular and monolithic views, we explored the progress of post-acquisition cultural change in the context of acquirers co-habiting the space between practiced vs. espoused cultures. Our work outlines the drivers, outcomes, and directions of post-acquisition cultural change under such circumstances.

We highlight the dyadic nature of post-acquisition change, driven by both the official value discourse and integration-related activity. Rather than a one-way process of alignment, we identified different paths of cultural change depending on the maturity of the acquirer's cultural regime—this leads to a target's alignment with either the acquirer's espoused or its practiced culture. The presence of both espoused and practiced acquirer cultures results in complexity in a target's cultural alignment journey. This complexity might partly explain the difficulty in tackling culture in M&As (Björkman et al. 2007; Irrmann 2005, 2010; Teerikangas and Véry 2006). The identification of a dyadic post-acquisition cultural change regime is, to our knowledge, the first time that the question of espoused vs. practiced cultures has been applied to the empirical context of M&A.

Beyond an appreciation of culture as values, our work extends Björkman et al. (2007) on the need to study culture at the levels of values, beliefs and practices. Our findings suggest that in order to appreciate the dynamics and direction of post-deal cultural change, these three components need to be further examined with respect to

Table 3 Outcomes of post-acquisition cultural change in targets

Outcomes of post-acquisition cultural change:	Acquirer A		Acquirer B			Acquirer C		Acquirer D	
	Danish technology acquisition	British entrepreneurial acquisition	German technology acquisition	German entrepreneurial acquisition	US entrepreneurial acquisition	French multi-site acquisition	Finnish entrepreneurial acquisition	French site's acquisition	US multi-site acquisition
(1) Emergent cultural change (driven by integration-related activity)									
Cultural artefacts									
Mark of a new era	x	x	0	x	0	x	0	0	x
Governance practices									
Managerial distance	0	xx	0	xx	x	x	xx	0	xx
Formalism	0	x	0	x	0	0	x	0	0
Profit orientation	0	0	0	0	0	x	0	0	x
Management practices									
Openness	x	x	x	x	0	x	0	x	x
Locus of responsibility	xxx	xxxx	xxxx	xx	0	x	x	x	xx
Mindsets									
Mindset expansion	xx	xx	xx	xxxx	x	x	xx	xx	xx
Outcome: Alignment with practiced culture	yes	very slowly	yes	yes	scant	yes	yes	yes	yes

Table 3 continued

	Acquirer A			Acquirer B		Acquirer C	Acquirer D		
Outcomes of post-acquisition cultural change:	Danish technology acquisition	British entrepreneurial acquisition	German technology acquisition	German entrepreneurial acquisition	US entrepreneurial acquisition	French multi-site acquisition	Finnish entrepreneurial acquisition	French site's acquisition	US multi-site acquisition
(2) Intentional cultural change (driven by official value discourse)									
Outcome: Alignment with espoused culture	yes	very slowly	gradually	yes	scant	scant	scant	scant	scant
(1&2) Resulting cultural change in targets									
	ALIGNED: converging cultural change, as emergent and intentional cultural change processes are aligned (note that this process is very slow in the British case)				LITTLE CHANGE: other than passive structural change driving changes to governance practices	NON-ALIGNED: dyadic process of cultural change, with emergent cultural change in the lead			

The number of 'x's denotes the frequency with which a category is observed in an acquisition. 0 denotes that a category is absent in an acquisition

their espoused vs. practiced dimensions. Unless the acquirer's espoused culture exists at the three levels of culture, cultural alignment in targets veers toward the practiced culture, where this tripartite definition of culture is enacted. This leads us to conclude that securing cultural alignment in acquisitions requires more than merely communicating espoused values.

The findings have important implications on global organizations seeking to leverage culture worldwide. The duality between espoused and practiced cultures remains. The need to treat culture at three levels of analysis, instead of values only, is a reminder of the complexity of the cultural endeavour facing global organizations. As organizations expand via acquisitions, whilst seeking cultural alignment, these findings are a reminder of the futile nature of this endeavour unless the acquirer's espoused and practiced cultures are aligned. Our appreciation of culture needs to move beyond values to more integrative appreciations encompassing also artefacts, practices and beliefs.

6.2 Integration as a Driver of Post-Acquisition Cultural Change

Our second contribution is explicitly linking post-acquisition integration activity to the outcomes of cultural change. In contrast to a treatment of integration as seemingly distinct from post-acquisition cultural change, our findings posit integration activity as a(n) (unintended) driver of post-acquisition cultural change. Acquirers were largely unaware of this occurrence. We found that if some degree of integration is sought, cultural change occurs. This emergent nature of cultural change reflects Brannen and Salk's work (2000) on negotiated cultures in joint ventures, where organizational cultures emerge dynamically.

Whilst previous research has considered post-acquisition cultural change as the outcome of explicit change endeavours, this has confined cultural change to the cultural realm only. Post-acquisition cultural change has largely been considered as resulting from discursive practices (including training) that relate to firm history, espoused values and corporate strategy. Cultural learning interventions (Schweiger and Goulet 2005) are representative of such practices, with surface cultural learning described in terms of information about espoused values and beliefs, and deep cultural learning workshops including an extra level of meta-reflection about reciprocal perceptions of culture. By positing the combined impact of discursive activity and acquirer organizational integration on target cultural change, we argue for not confining post-acquisition cultural change to discursive practices only. Cultural change is not a stand-alone process. It is influenced by the surrounding integration activity more than intentional efforts to mould culture.

6.3 Ownership Change as a Driver of Post-Acquisition Cultural Change

Extant M&A research distinguishes between various integration regimes with respect to the degrees of integration and change sought in the post-acquisition era (Bower 2001; Howell 1970; Haspeslagh and Jemison 1991; Puranam et al. 2009). The underlying argument is that greater degrees of integration imply greater degrees of change.

Our findings counter this argument. We found that even in the presence of no integration, i.e., where the only post-transaction change consisted in a change of ownership, cultural change occurred in targets. Our third theoretical contribution thus posits the significance of passive post-acquisition structural change in enabling cultural change. We distinguished between passive and active structural change, the former referring to changes that occur regardless of the degree of integration, and the latter stemming from higher degrees of integration. This distinction shows that even when little integration is sought, the mere fact of changing ownership carries cultural implications. Thus, culture changes even when this is not sought in the transaction or through integration activity. To our knowledge, this is the first time in the study of M&A that cultural change has been shown to occur in the absence of overt integration activity.

6.4 Lacking Cultural Awareness in Acquiring Firms

Finally, we give attention to an apparent lack of cultural awareness among acquirers. Whereas much of the research on culture in M&As assumes that firms not only have cultures but, further, know their cultures and cultural integration strategies, the studied acquisitions pointed to greater naiveté and lacking cultural awareness than is suggested.

To begin with, our interview material pointed to acquirer representatives not sharing a view of the firm's official culture. Whereas their descriptions of the practiced cultures converged, views of the official culture were either absent or non-convergent. Moreover, many acquirer interviewees appeared at a loss when describing the firm's cultural integration strategy. There was a difference between the stated and observed strategy. Most interviewees disagreed as to the practiced cultural integration strategy. In other words, acquirers did not operate with intentional cultural integration strategies. The reality of (Finnish) acquirers appears to be one where a lack of a shared appreciation of the firm's culture and cultural integration strategy prevails. This contrasts extant research, where acquirers are assumed to hold explicit cultural integration strategies (Buono and Bowditch 1989; Cartwright and Cooper 1992; Forstmann 1998; Pioch 2007; Schweiger et al. 1993; Styhre et al. 2006). The question as to whether this finding holds for acquirers form other national backgrounds deserves further attention.

Acquirer representatives further questioned the degree to which cultural change can be induced across borders. The issue of where does cultural change end was raised. Whereas some acquirers operate under the assumption of a uniform global culture, others recognize the national roots of their organizational cultures. Although extant research has explored the links between national and organizational cultures in M&A contexts (Björkman et al. 2007; Quah and Young 2005; Sarala 2010; Sarala and Vaara 2010; Véry et al. 1996; Weber et al. 1996), it appears that this process of double-layered acculturation (Barkema and Bell 1996) has more nuances than is assumed. Going forward, we call for more caution in the study of culture, e.g., in M&A, and in the use of terminologies. There is need for research on acquirers' cultural integration practices, including the combined impact of national and organizational cultures.

6.5 Implications for Management Practice and Future Research

Whilst the divide between espoused and practiced cultures is well-acknowledged by executives, the present study explores its impact following international acquisitions. Instead of a linear, one-way process of post-acquisition cultural change, we unearthed a messier and more complex reality. The portrayed dyadic nature of post-acquisition cultural change might, in part, explain the difficulty of acquiring across borders. Whilst global organizations seek uniformity by leveraging values globally, this is a risky strategy, unless the espoused values resonate amidst the practiced organizational reality.

The findings remind executives to tread on culture carefully, recognizing the breadth and depth of its repercussions. Unlike stones that can be playfully whirled into the sea, cultures maintain an underlying, invisible yet powerful hold on organizations. Thus, apparently strategic renewal activities such as M&A, take surprising twists, regardless of executive intentionality. We remind executives to recognize culture; the alternative is to remain (unintentionally) on its leash.

Looking forward, intriguing research opportunities prevail. Although the present findings have explored the multifaceted nature of post-acquisition cultural change, more research is called for. Beyond the espoused vs. practiced culture divide, what other cultures impact cultural change? Beyond driving emergent cultural change, what further implications does post-acquisition integration have? Does the appreciation of cultural change depend on the level of hierarchy, profession or one's national background? Whilst extant research focuses on targets learning culturally from acquirers, under which circumstances does the opposite hold? What about the relationships between identity and culture? Looking beyond M&As, how could the study of M&A inform theorizing on organizational cultures at large? It is time that M&A research broke its silo.

7 Conclusion

In this paper, we explored cultural change following international acquisitions. We sought to appreciate how the acquiring firm's organizational cultural regime influences subsequent cultural integration in the acquired firm. Based on the study of eight international acquisitions conducted by four Finnish industrial acquirers, we observe that cultural change is enabled by discursive, spatial, structural, social and managerial drivers. Whilst discursive drivers enable intentional cultural change toward the acquirer's espoused values, other drivers enable emergent change toward the acquirer's practiced culture. Post-acquisition cultural change is a dyadic process, whereby acquired firms align with the acquiring firm's espoused or practiced values, depending on which one prevails in the acquiring firm. Whilst cultural change tends to be associated with explicit efforts, we find it to result from (a) the mere change of ownership even in the absence of integration, and/or (b) all post-acquisition integration activity. Going forward, we call for more attention to the divide between espoused vs. practiced values in today's global organizations. Consequently,

tackling organizational culture, notwithstanding post-acquisition cultural change, is easier said than done.

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