A Work Project, presented as part of the requirements for the Award of a Master Degree in Finance from the NOVA – School of Business and Economics.

THE ANALYSIS OF THE INTEGRATION STRATEGIES IN M&A PROCESSES AND THE ROLE OF THE CULTURAL DIFFFERENCES: THE CASE OF TWO FINANCIAL COMPANIES

EISENHUTH PIERRE

25224

A Project carried out on the Master in Finance Program, under the supervision of:

EMANUEL GOMES

&

DOMINIQUE HELBOIS

29/05/2016

Abstract

The post-acquisition integration process is now extensively acknowledged by the M&A literature as an important source of value creation. To moderate the dilemma between high integration level and loss of autonomy, few researchers have come up with explanatory frameworks. In this study, we first give empirical support to the framework of Angwin and Meadows (2014) by analysing the integration approach adopted in the merger of two financial companies. These results using a single-case study research methodology suggest a more robust, fine-grained post-acquisition integration framework and allow managers to broaden the possibilities to find an adequate integration strategy. Secondly, we use the framework of Weber et al. (2009) to analyse the linkages between integration strategies and the management of cultural differences. These results did not allow to give empirical support to the framework of Weber et al. (2009). However, it underlines key limitations and suggests propositions for further research.

Keywords: Merger; Acquisition; Integration Strategies; National and Corporate Culture.

1. Introduction

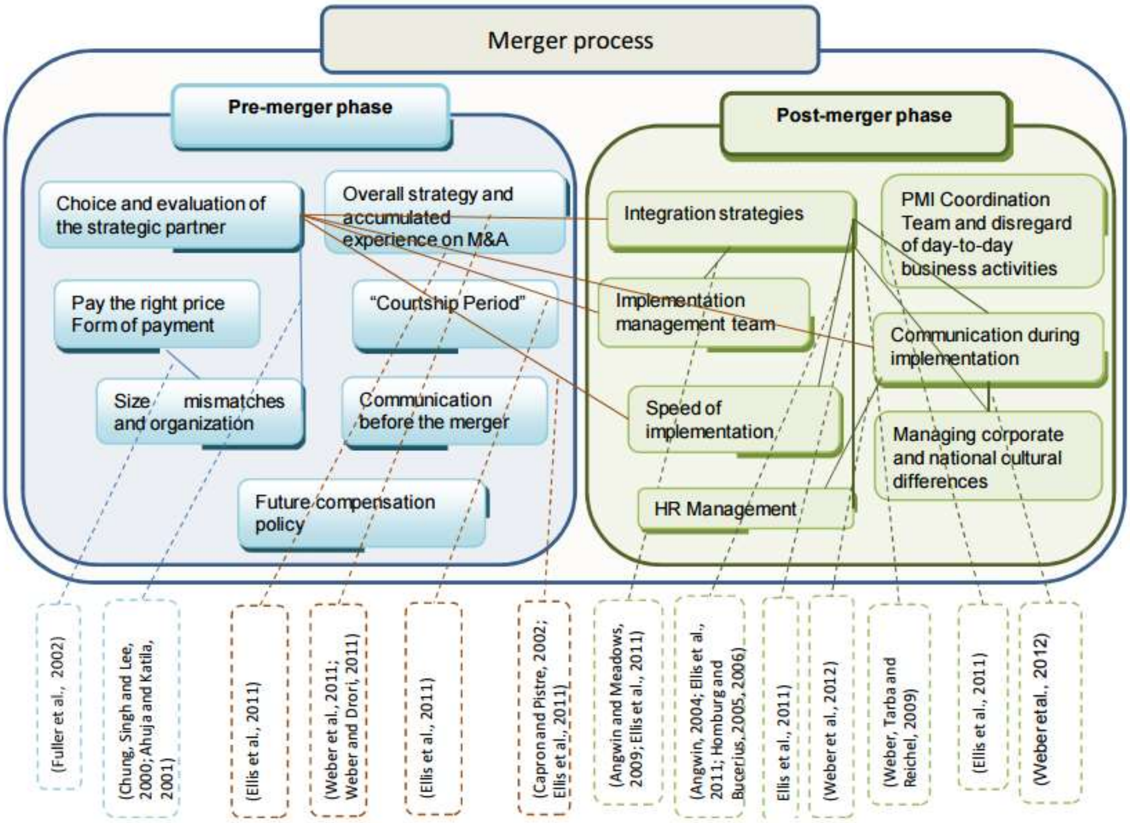
1.1. General Theme

Mergers and Acquisitions (M&A) has been the object of much research, and while the body of knowledge is increasing, the rate of success seems to remain disappointing (Cartwright and Schoenberg 2006). This high rate of failure has led researchers to investigate the shortcomings of the extent literature. For instance, it is argued that the body of knowledge is fragmented because of the globalization and popularity of the M&A process (Shimizu et al. 2004), because unidentified variables still exist that may be critical factors in the post-acquisition performance

(King et al. 2004), or because multiple levels of analysis are needed to link the macro with the micro (Angwin and Vaara 2005).

Gomes et al. (2013) have reflected the multidisciplinary nature of M&A highlighting the need for a pluralistic and holistic explanatory framework. In this paper, they listed different critical success factors for both the pre- and post-acquisition phases. More specifically, they underlined the need for further research to analyse links intra-phases (within the pre-acquisition phases or post-acquisition phases) and links inter-phases (between the pre-acquisition phases and post-acquisition phases). (See Figure 1)

Figure 1. Pre and Post-acquisition phase critical success factors and studies of inter-relationships



Source: Gomes et al. (2013)

The post-acquisition integration process is now extensively acknowledged by the M&A literature as an important source of value creation (Schweiger and Weber 1989; Haspeslagh and Jemison 1991; Weber and Schweiger 1992; Schweiger et al. 1993; Schweiger and Goulet 2005; Angwin and Meadows 2014). Given the repeated calls for a more pluralist approach, with integrative frameworks, few researchers have come up with contingency frameworks or typologies (Howell 1970; Nahavandi and Malekzadeh 1988; Schweiger and Weber 1989; Siehl and Smith, 1990; Haspeslagh and Jemison 1991; Mirvis and Marks, 1992; Weber and Schweiger 1992; Schweiger et al. 1993; Weber et al. 2009), as a way of offering potential integration strategies and synergy outcomes, which could moderate the dilemma between high integration level and loss of autonomy (Gomes et al. 2013). However, Angwin and Meadows (2014) advocated that these post-acquisition typologies suffer from a lack of comprehensiveness and/or inadequate empirical support.

In recent decades, cultural differences (i.e. national culture and organizational culture differences) have been widely recognized by M&A academics and practitioners as a key success factor in the post-acquisition integration process (Weber et al. 1996; Graebner 2004; Graebner and Eisenhardt 2004; Puranam et al. 2006; Cording et al. 2008; Stahl and Voight 2008; Ellis et al. 2009; Puranam et al. 2009; Reus and Lamont 2009; Sarala and Vaara 2009; Weber et al. 2009; 2011). However, as the relationship between cultural differences and post-acquisition performance is not clear (Calori et al. 1994; Lubatkin et al. 1998; Slangen 2006), Weber et al. (2009, 2011) came up with a framework and proposed that cultural distance should be taken into account in the choice of integration approach.

1.2. The Aim of the Work Project

The aim of this study is to give empirical support for well-known theories/typologies on post-acquisition integration strategies in M&A processes. More specifically, we will focus on the research questions "*How can amalgamating firms derive an adequate post-acquisition integration strategy? How can amalgamating firms take into account their cultural differences in their integration strategy?"* based on a case study research methodology. To meet this aim of responding to the need for empirical evidence and lack of comprehensiveness, we will first apply Angwin and Meadows (2014) model to a case study because of its more robust, fine-grained and extended post-acquisition typology. Finally, given the increasing importance of cultural distance in M&A performance and the calls to study the links intra-phases, we will try to link cultural differences and post-acquisition integration strategies via Weber et al. (2009) model.

1.3. Structure of the Project

The work project will be divided in four sections. First, the literature review will focus on the more acknowledged literature regarding the integration strategies and the national and corporate culture. More specifically, we will analyse the framework from Angwin and Meadows (2014) and the framework from Weber et al. (2009). Secondly, we will explain the reasoning that led us decide to use the single-case study as a research methodology. Thirdly, we will analyse the case study using both typologies (Angwin and Meadows, 2014; Weber et al., 2009) and explain the results. Fourthly, from these results we will highlight some concluding remarks, implications for theory and for managers, and the limitations.

2. Literature Review

2.1. Integration Strategies in M&A Processes

Integration is defined as the managerial actions taken to combine two previously separate firms (Haspeslagh and Jemison 1991) and has been found to be a key factor in acquisition performance (Larsson & Lubatkin, 2001; Almor, Tarba & Benjamini 2009). The strategic objective of this integration, and of many M&A, is to create synergy (i.e., a strategic and operational advantage that neither firm can create on its own). (Schweiger and Weber 1989). More specifically, they stipulated that for those synergies to be achieved, the differences due to the integration (i.e. different cultures, structures and management systems) need to be brought together and reconciled.

However, the level of integration needed has been widely discussed over the years and academics have put forward controversial arguments.

Puranam, Singh and Zollo (2003) argued that a high level of integration may be necessary to realize the potential benefits of an acquisition, but there is a trade-off as it generates short-term disruptive effects but long-term coordination benefits. In the short-term, it is likely to blur the link between target firm employees' efforts and rewards, to increase employees' turnover and to disturb the routine functioning of the acquired organization. However, in the long-term, it should allow for the development of a shared culture, improved methods of communication and a better coordination and flow of knowledge. In a case survey, Larsson and Finkelstein (1999) showed how the extent to which an M&A resulted in synergistic benefits was related to the similarity and complementarity of the two merging businesses (combination potential), the extent of interaction and coordination during the organizational integration process, and the lack of employee resistance to the combined entity.

While researchers have traditionally focused on strategic issues to further understand the key success factors in acquired or merging firms, several different field of inquiry have been investigated.

First, in terms of cultural differences, Nahavandi and Malekzadeh (1988) showed how important the congruence of the mode of acculturation between the acquirer and acquired organization was for a successful implementation of the merger. Björkman, Stahl and Vaara (2007) proposed that the use of social integration mechanisms and the degree of operational integration of the acquired unit moderate the effects of cultural differences. Birkinshaw, Bresman and Hakanson (2000) advocated that to encourage successful acquisitions, human integration and task integration need to interact. The former allows for a shared identity and mutual respect, while the latter allows for operational synergies.

Moving on to knowledge integration, acquiring a firm with a valuable knowledge-based resource does not ensure that the knowledge is successfully transferred to or combined with the resources of the acquirer during acquisition integration (Larsson & Finkelstein, 1999; Ranft

& Lord 2000, 2002). Ranft and Lord (2002) stressed the managerial dilemma between the need to preserve the valuable knowledge of the acquired organization and the need to integrate these resources. Ranft (2006) showed that autonomy is first needed to preserve the knowledge and capabilities of the target firm and facilitate learning, and then it could be transferred more easily to the acquirer. Additionally, she stipulated that rich communication and the retention of employees were key drivers to facilitate learning and the transfer of resources.

Even though structural integration is usually seen as a mechanism of coordination between the acquired and the acquiring firm, it may lead to disruption costs. (Puranam et al. 2009)

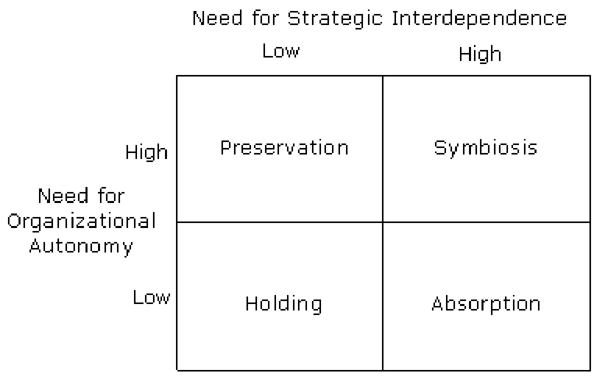
First, imposing a removal of autonomy from individuals due to a high level of integration may seriously weaken the buying firm's performance (Very et al. 1997). Secondly, 'irrational' tendencies may occur during post-acquisition decision-making and may affect organizational integration: inherent ambiguity, cultural confusion, organizational hypocrisy and issue politicization (Vaara 2003).Second, researchers have also found that causal ambiguity - lack of understanding of the link between resources or decisions and performance outcomes - makes integration more difficult and thus requires the commitment of managerial resources (Cording, Christmann and King 2008). For mergers across borders, Lubatkin et al. (1998), Calori et al. (1994) highlighted the difficulties encountered during the integration process due to each firm's administrative heritage. Finally, Paruchuri, Nerkar and Hambrick (2006) underlined that the level of integration in M&A may also impair the productivity of corporate scientists, especially those who have lost the most social status and centrality in the combined organization.

In conclusion, this sheds light on a key dilemma in post-acquisition integration between the need for high integration to achieve the desired synergies and the potential disruptive costs and destruction of knowledge-based resources through this integration (Gomes et al. 2013).

2.2. Angwin & Meadows (2014) Model

The best known and uncritical post-acquisition integration model (see figure 2) is by Haspeslagh and Jemison (1991) and suggests four different integration approaches: “Symbiotic”; “Preservation”; “Absorption”; and “Holding”. Indeed, their book “*Managing Acquisitions*”, which describes this model, has been cited 2115 times in Google Scholar (March 2016). However, to respond the issues of inadequate empirical support and lack of comprehensiveness, Angwin and Meadows (2014) proposed to review this model and presented a more robust, fine-grained and extended post-acquisition typology.

Figure 2. Post-Acquisition Integration Strategies



Source: Haspeslagh and Jemison (1991)

First of all, let us describe the matrix of Haspeslagh and Jemison (1991). The main objective of this typology is to answer “*How synergies may be realized through post-acquisition integration strategies*”. This framework focuses on two dimensions (i.e. “Strategic Interdependence”; and “Organizational Autonomy”), which will further determine the required integration strategy for the amalgamating firms to create value.

- **Strategic Interdependence** is defined as: “*a central concept in strategic fit that suggests how interdependent merging firms should be in terms of capability transfer and resource sharing.*” (Angwin and Meadows, 2014). The value can either be captured (i.e. ‘Value Capture’) by the acquiring firm from previous stakeholders or created (i.e.

'Value Creation'), which will require a transfer of capabilities between firms such as: resource sharing, functional skills transfer, or general management capability.

- **Organizational Autonomy** is defined as: "*a central concept of organizational fit that is concerned with the extent to which an organization's culture is maintained or dissolved.*"(Angwin and Meadows 2014). The level of autonomy required by the acquired firm may differ from one firm to another.

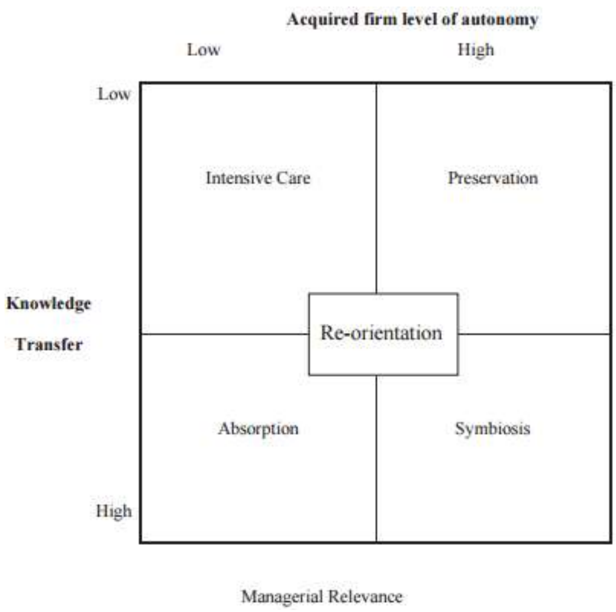
This 2x2 matrix suggest three post-acquisition integration strategies. First, the '*Preservation*' proposes to maintain the acquired firm's organization structures, functional activities, systems and culture in order to sustain their sources of benefit. Second, the '*Absorption*' suggests that the boundaries between the firms are dissolved and organization, operations and culture are integrated into the parent firm. Third, the '*Symbiotic*' considers a dissolution between both firm's boundaries, so that there is a constant co-existence and interaction.

Before reviewing the framework, Angwin and Meadows (2014) underlined some limitations. First, the model assumes that an acquisition is always based on a value creation (related acquisitions) purpose, while undermining the acquisitions only driven by a value capture (unrelated acquisitions) purpose (1). Second, the two axes, namely 'Organizational Autonomy' and 'Strategic Interdependence', may not be orthogonal (2). Third, the model does not consider the conditions of both firms pre-deal (e.g. poor financial health of the acquired firm) (3). Those conditions are likely to influence the post-acquisition integration strategy style chosen by the parent firm. Fourth, no empirical evidence was found to consolidate the fourth integration strategy, namely "Holding" (4). Finally, they stated that the current model of Haspeslagh and Jemison (1991) only considers "pure" play integration styles, while it might be pertinent to take into consideration to interplay integration approaches (i.e. different levels of integration according to the degree of familiarity) (5).

Since the framework of Haspeslagh and Jemison (1991), new theories and typologies have emerged, with the result that Angwin and Meadows (2014) sheds light on coherence and differences between different typologies. They concluded that the three integration strategies indicated in Haspeslagh and Jemison (1991) framework may find similarities in terms of content in other typologies (i.e. Haspeslagh and Jemison (1991); Nahavandi and Malekzadeh (1988); Siehl and Smith's (1990); Mirvis and Marks (1992, 2001)). However, researchers (Nahavandi and Malekzadeh (1988); Siehl and Smith (1990)) argued for the existence of a fourth integration strategy for a low level of autonomy and a low level of strategic interdependence, where acquired employees lose cultural and psychological contact with the acquired firm. It is also stated that there could be sub-styles within a category. For instance, Ellis and Lamont (2004) indicated a subset of the "Symbiotic" category, namely the "Transformation" style, aiming at reinventing the two firms.

In order to rely on more robust empirical ground, Angwin and Meadows (2014) tested Haspeslagh and Jemison's (1991) typology through different and more carefully controlled data. The results of their study is based on their new model illustrated in figure 3.

Figure 3. Five Post-Acquisition Integration Style



Source: Angwin and Meadows (2014)

First of all, their study confirms the existence of Haspeslagh and Jemison (1991) three main integration strategies, namely “Absorption”, “Preservation”, and “Symbiotic”.

Moving on to the solutions brought to solve the above-mentioned issues, we first observed that they replaced the dimension “Strategic Interdependence” by “Knowledge Transfer” to deal with the issue of orthogonality between the axes (2).

They then introduced a fourth category in the typology named “Intensive Care” which is defined as “*an integration strategy that shows active intervention of a turnaround nature, with strict financial controls imposed on the target company from the parent and immediate and very significant application of highly directive strategy setting from the centre, in order that the acquired company is rapidly restored to full health*.” The main characteristics of this integration strategy are summarized in table 1. Finally, we observe that it allows the issue of missing empirical evidence to be solved taking into consideration the fourth integration strategy in Haspeslagh and Jemison (1991) framework (4) and it also takes into account the conditions of the acquired firm pre-deal (3).

Finally, they found evidence of a fifth integration strategy type, named “Re-orientation” and defined as “*a specific type of acquisition integration approach, which is about acquiring good, financially healthy companies where the essence of the acquired business is sound, but where alignment to the new parent and a coherent outward face to financial and commercial markets are necessary. In essence, these acquisitions experience a stratified integration of coordinating administrative structures and outward facing functions, such as marketing and sales, and occasionally sourcing, in order to achieve exploitation gains. At the same time, business units such as operations, production and development functions remain independent, which may allow exploration gains over time.*” The main characteristics of this integration strategy are summarized in table 1. In terms of solving issues, we notice that this category takes into account the acquired firm’s pre-deal conditions (3), it gives consideration to the use of interplay integration strategies (5) and it allows for the co-existence of value creation and value capture during the post-acquisition integration (1).

Table 1. 'Intensive Care' & 'Re-orientation' Integration Strategies

	Intensive Care	**Re-orientation**
Knowledge Transfer	Low	Mixed
Acquired Firm Level of Autonomy	Low	Mixed
Acquired Firm Pre-deal Conditions	Poor Financial Health	Good Financial Health and Well Run
Characteristics	- Speed of action - Tight controls focusing on overheads and production costs - High levels of changes in terms of budget, senior management, restructuring divisions, rationalization of assets and cuts to expenditures in Marketing and R&D. - Strategic horizon collapsing from medium to short-term.	- Harmonize financial and accounting systems - Acquired employees enthusiastic about remaining - Quickly articulate a new vision, change the acquired company name and often use a new CEO (Mutual accommodation) - Rapidly improve marketing and stimulate sales - Merge administrative areas but often leave business units standing alone - Avoid changing the distinctive resources of the acquired firm
Underlying Issues Solved	√ Considers acquired firm pre-deal conditions (3) √ Considers the fourth integration style from Haspeslagh and Jemison (1991) framework (4)	√ Considers acquired firm pre-deal conditions (3) √ Considers interplay integration strategies styles (5) √ Considers co-existence of value creation and value capture (1)

Source: Angwin & Meadows (2014)

In conclusion, this new typology responds to the repeated calls from M&A researchers to have a more comprehensive and more robust post-acquisition integration strategy typology based on firmer empirical foundations. In terms of implications, it allows managers to have a greater range of legitimate choice for their integration strategies. For academics, it proposes a robust typology, whereby hypotheses can be developed and empirical studies conducted.

Thanks to this literature review, we were able to derive our first proposition.

Proposition 1: *Regarding their levels of 'Knowledge Sharing' and 'Organization Autonomy', two merging firms can find an adequate integration strategy.*

2.3. National & Corporate Cultural Differences in M&A Processes

King et al. (2004) pointed out that research has not clearly identified those variables that impact an acquiring firm's performance. Researchers have argued that one variable explaining the rate of failure is the combination of different cultures and workforces during the integration phase

(Björkman, Stahl and Vaara 2007), leading to a clash of organizational practices and values and a "us vs them" thinking between the employees of the amalgamating firms (Nahavandi and Malekzadeh 1988). As the term cultural differences is not clear, Gomes et al. (2013) stated that it may refer to several levels of analysis such as National, Regional, Industrial, Company and Professional levels.

First of all, many researchers have argued that poor cultural fit impairs the post-acquisition performance. Nahavandi and Malekzadeh (1988) showed how important the congruence of the mode of acculturation between the acquirer and acquired organization was for a successful implementation of the merger. In an exploratory study on both domestic and international mergers, Weber et al. (1996) differentiated national and corporate culture in M&A. The findings suggested that a lack of both national and corporate culture is likely to harm the potential synergy gains and/or add costs to the integration process. Furthermore, cultural differences lead to destructive effects on the effectiveness of the integration process (Weber, 1996) and on shareholder value (Chatterjee et al., 1992).

In terms of post-acquisition performance, researches shed light on various negatively correlated factors. First, Datta (1991) advocated that different management styles in acquisitions can result in conflicts, difficulties in achieving operational synergies, market share shrinkage and poor performance. Similarly, Very et al. (1997) stated that both cultural clashes in domestic mergers (i.e. Organizational culture clash) or in cross-borders mergers (i.e. National culture clash), leading to an autonomy removal, may impair the post-acquisition performance. Secondly, it is also believed that in international M&A cross-cultural inter-organizational relations may lead to work alienation (defined as a condition that can arise when an organization's power base is split between two distinct cultural groups that have different modal values (Zurcher et al., 1965)) and subsequently impair the post-acquisition performance (Brannen and Peterson 2009). Finally, Björkman, Stahl and Vaara (2007) proposed that cultural differences play a significant role in the post-acquisition capability transfer through their negative impact on social integration, potential absorptive capacity and capability complementarity. To moderate their impacts, they proposed the use of social integration mechanisms and the degree of operational integration of the acquired unit.

On the other hand, it is also believed that cultural differences may have a positive impact on post-acquisition performance. In the long run, cultural distance between firms in cross-borders mergers tends to increase performance because of higher synergies and organizational strengths (Chakrabarti et al. 2009). Additionally, by providing access to the target's and/or acquirer's set of routines and repertoires, Morosini et al. (1998) proved a positive relationship between national cultural distance and post-acquisition performance. In terms of differences in the top management's functional background, Krishnan, Miller and Judge (1997) showed that top management complementarity helps to decrease the target firm's top management turnover, and subsequently improves the post-acquisition performance. Finally, Weber, Shenkar and Raveh (1996) underlined key differences between international and domestic M&A. They advocated that in international M&A corporate cultural differences have a positive impact on post-merger performance, because people expect differences and changes related to those differences, and therefore are more likely to accept them.

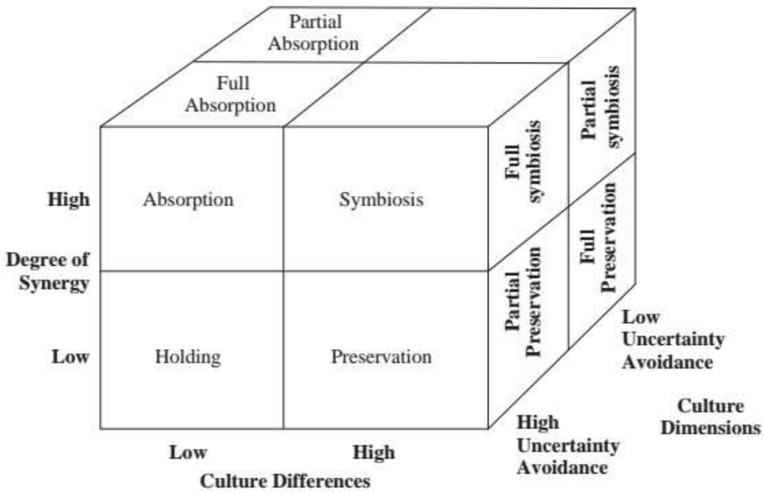
In conclusion, the theory on cultural differences in M&A has been stressed to a great degree by academics and practitioners and seems to be a key success factor in the integration strategies, however it is not clear whether it has a positive or negative impact on post-acquisition performance. Stahl & Voight (2008) carried out a meta-analysis of the current body of research and their findings concluded that the link between cultural differences and post-acquisition is complex, and that unidentified moderator variables may confuse the effects of cultural distance on M&A performance. Therefore, further theoretical and empirical work is needed.

2.4. Weber et al. (2009) Model

After many years of research, several academics concluded that organizational and national cultural differences and integration strategies were critical success factors in the post-acquisition process (Weber et al. 1996; Puranam et al. 2006; Cording et al. 2008; Stahl and Voight 2008; Puranam et al. 2009; Reus and Lamont 2009; Weber et al. 2009; 2011). Consequently, Weber et al. (2009; 2011) suggested that the two critical success factors in M&A processes investigated beforehand needed to be linked. They concluded that because cultural distance may be of critical importance to performance, it should be taken into account in the choice of integration approaches and proposed a framework for the choice of integration approach, which has received empirical support.

This comprehensive framework (see Figure 4) allows companies to find the appropriate integration approach based on its specific configurational fit, which is in line with the three characteristics of each M&A: Synergy Potential; Cultural Differences; and Cultural Dimensions. This chosen approach can subsequently lead the acquirer to higher performance.

Figure 4. Integration Approaches, Cultural Differences and Cultural Dimensions



Source: Weber et al. (2009)

The proposed framework uses Haspeslagh and Jemison's (1991) terminology to describe the different integration approaches. The difference lies in the two distinct dimensions (i.e. "Cultural Differences" and "Cultural Dimensions") used instead of the "Need of Autonomy". This change is due to the fact that "Cultural Differences" may be used to some extent as a proxy for the "Need of Autonomy" and because it reflects a wider spectrum of situations. These two dimensions will help the acquirer to choose a suitable integration approach, while the "Cultural Dimensions" will define the level of integration required. The "Cultural Dimensions" refer to national cultural dimensions and corporate cultural dimensions. For instance, variables such as 'Power Distance' and 'Uncertainty Avoidance' are correlated with different levels of integration.

In conclusion, this framework suggests that "*each acquirer should consider not only the synergy potential and the implementation difficulties due to cultural differences but also his preferences for the level of integration based on his cultural dimensions and traits, within the integration approach that was chosen for the M&A. By doing so, the managers of the acquirer will have the highest chance to do best what they prefer, and know, to do*." (Weber, Tarba and Reichel 2009).

In 2011, Weber, Tarba and Rozen Bachar produced empirical evidence that a congruent fit between the selected and the appropriate integration approach leads to integration effectiveness. More specifically, they stated that if the management of the acquiring company selects the appropriate integration approach, they can seize the synergy potential and mitigate the negative effects of cultural differences. Therefore, the management of the acquiring firm should pay as much attention to the issues of integration approach, as they do to the issues of strategic and organizational fit.

Based on this literature review, we were able to derive proposition 2.

Proposition 2: *To derive an adequate Integration Strategy, acquirers should consider the 'Synergy Potential', 'Cultural Differences', but also their 'Cultural Dimensions'.*

3. Research Methodology

3.1. Choice of the Methodology

For the following multiple reasons, we decided to use the case study as a research method based on the book by Yin (2009): 'Case Study Research: Design and Methods'. The first step was to identify which method was best to use in our case. Given the thorough literature review and the identification of the gaps in the theory and calls for further research, we were able to define our research question as: "*How can amalgamating firms derive an adequate post-acquisition integration strategy? How can they take into account their cultural differences in their integration strategy?"* Secondly, we explored the 'extent of control over behavioural events' and the 'degree of focus on contemporary as opposed to historical events'. The case of a merger or an acquisition is a contemporary event, where the relevant behaviours cannot be manipulated. Given these characteristics, the case study research methodology was relevant.

3.2. Design of the Case Study

Nachmias and Nachmias (1992) defined a research design as: "*a plan that guides the investigator in the process of collecting, analysing, and interpreting observations. It is a logical model of proof that allows the researcher to draw inferences concerning causal relations among the variables under investigation*". In a more practical way to address research design, the complete research design will provide an important guidance in determining what data to collect and the strategies for analysing the data.

- *Study Questions:*

On the basis of the literature review and the underlined needs for further research we were able to define the research questions as: "*How can amalgamating firms derive an adequate post-*

acquisition integration strategy? How can they take into account their cultural differences in their integration strategy?"

These research questions defined the type of the case study as being 'Explanatory'.

- *Study Propositions:*

Using the literature review and the research questions as guidance, each proposition underlines an aspect within the scope of the case study that should be examined. Propositions are a key element of the case study methodology as they help the researcher to move in the right direction by telling where to look for relevant evidence. Those are stated at the end of the relevant literature review.

- *Units of Analysis:*

Before defining the case and the units of analysis, we studied which case study design was optimal regarding our primary research questions and theoretical background. As the well-formulated theory has determined a clear set of propositions and the circumstances under which the propositions are believed to be true, the single-case study seemed to be relevant for our study. Therefore, the purpose of this case study will be to confirm, challenge or extend the theory.

Regarding this single-case design, we decided to opt for an embedded approach. We are studying the case of a merger of two entities as a whole. However, each single entity can be seen as subunits and are of critical importance as we will analyse key characteristics of the firms before the merger (as two individual entities) and after the merger (as one global entity).

The case study will focus on the acquisition that occurred in 2014 between OVO Lux S.A. and PURIFAR Lux S.A.

PURIFAR has over 50 years of experience in wealth structuring, financial investments as well as in financial transactions. Specialized in the implementation of Financial Engineering projects, they assist their clients in the creation, the organization and the central administration of legal structures in Luxembourg.

Created in October 1997, OVO is a leading player in the fields of accounting, tax, legal, social, but also in recruitment and human resources management. They have over 50 employees and assist as many companies and entrepreneurs in Belgium and Luxembourg - with particular expertise in cross-border technical aspects.

In 2013, Purifar, which was a subsidiary of the bank BNP Paribas, was sold by the bank. However, the bank decided to ask the managing director of Purifar, Mr. Eidier, to find an acquirer on the basis of his vision and strategy of the company. For all these reasons, Mr Eidier focused on finding an acquirer that could guarantee the preservation of Purifar's activities, as well as the entire group of people.

On the other hand, OVO was a small company forming part of a SOPARFI (type of holding company), named FivePoints. OVO had a strong desire to grow relatively quickly and through acquisitions, and therefore found a deal with Purifar. In 2014, FivePoints acquired Purifar and created a brand named 'Flate Group', which consisted of OVO and Purifar. This brand was created because of the complementarity of their activities and because of the advantages they could enjoy from each other. They organised a tremendous amount of communication through events, folders and catalogues in order to make sure that every client, supplier and partner knew the missions of the group.

In terms of economic reasons, this acquisition led them to become larger and therefore to enjoy a bigger market share. By gaining size and increasing their reputation, they were able to deal with larger clients and obtain greater market power. For instance, we can point to the advantage that OVO was mainly locally focused, while Purifar was more internationally focused. This variety of clients helped each company to reach a new part of the market.

Finally, they minimized the risk of this acquisition because they had a common past, each company knew each other. Indeed, OVO had worked for Purifar for years. This allowed OVO to know the internal competences they had, to know the clients they dealt with and to know the management of Purifar.

- *Linking Data to Propositions*

The analytic technique that we decided to use to link the data to propositions is pattern matching, which will be further explained in the 'Analysis and Results' part.

- *Criteria for Interpreting a Study's findings*

This strategy will be further explained in the data analysis phase, however it was essential to state that we opted to rely on theoretical propositions as a general strategy.

3.3. Theory Development

After the five stages of the design phase being covered, the theory development is crucial for an adequate realisation of a case study research methodology. In this sense, the five steps of the research design embody a theory of what is being studied. The purpose of this theory development is to have a simple blueprint for the case study research, and subsequently to benefit from a stronger design and a better ability to interpret the data.

In our case, the statement could be the following:

- *The case study will explain how an integration strategy between two merging firms can be derived from their levels of 'Knowledge Sharing' and 'Organization Autonomy'. Then, the case study will also explain how the integration strategies can take into account the cultural differences.*

3.4. Generalizing from Case Study to Theory

The theory development is not only a key step in facilitating the data collection stage, but also in emphasising the level at which the generalization of the case study results will occur. In the case study research methodology, the generalization is not statistical but analytical and can be defined as: "*a generalization, in which a previously developed theory is used as a template with which to compare the empirical results of the case study*" (Gomm, Hammersley, and Foster 2000).

3.5. Criteria for Judging the Quality of Research Designs

As research design represents a logical set of statements, it is essential to establish the quality of the design by using certain logical tests commonly used in empirical social research. The table 2 below summarizes the four logical tests, the adequate case study tactics for dealing with the tests, as well as the phase in which tactics occur.

Table 2. Case Study Tactics for Four Design Tests

TESTS	Case Study Tactic	Phase of research in which tactic occurs
Construct validity	• use multiple sources of evidence	data collection
	• establish chain of evidence	data collection
	• have key informants review draft case study report	composition
Internal validity	• do pattern matching	data analysis
	• do explanation building	data analysis
	• address rival explanations	data analysis
	• use logic models	data analysis
External validity	• use theory in single-case studies	research design
	• use replication logic in multiple-case studies	research design
Reliability	• use case study protocol	data collection
	• develop case study database	data collection

Source: Yin (2009)

Due to the various phases of research in which tactics occur, we will specifically explain how we used these tactics in the section devoted to the actual phase.

3.6. Collecting Case Study Evidence

In order to deal with the issues of construct validity and reliability, we decided to base our data collection on three principles: a) using multiple sources of evidence; b) creating a case study database; c) maintaining a chain of evidence.

In terms of multiple sources of evidence, we used documentation and interviews. First, we were able to collect fruitful documentation through the websites of both companies, e-mail correspondence, and administrative documents that companies were willing to share. The principal use of documents is to corroborate and increase evidence from different sources. Furthermore, we believe the strengths of documentation (stable, unobtrusive, exact, and broad coverage) can overcome the weaknesses that might occur during interviews (response bias, inaccuracies, and reflexivity). Overall, the main objective is to triage the documentation by their apparent centrality to our research. Secondly, we used focused interviews (i.e. semi-structured interviews), which remained open-ended and assumed a conversational manner. We realised two different interview guides, one for the top management and one for the employees (See Outside Appendix 1 and 2). The purpose of interviews is to corroborate some facts that we think have already been established, or to corroborate the same thoughts in different interviews. The main strengths of interviews are that they focus directly on case study topics and provide perceived causal inferences and explanations. In conclusion, the most important advantage of multiple sources of evidence is to have converging lines of inquiry, which is a process of triangulation. The process of triangulation is to collect information from different sources, aiming to corroborate the same fact or phenomenon. This allowed us to address the potential problem of construct validity.

The second principle was to classify the data in a database consisting of the report of the investigator, the transcription of the interviews (See outside Appendix 3), and the documentation (See outside Appendix 4). As a result, a critical reader can inspect the raw data and review the evidence that led to our conclusions, and therefore increase the reliability of the entire case study.

Lastly, we focused on maintaining a chain of evidence in order to address the issue of determining construct validity, thereby improving the case study's quality. This chain of evidence is defined as: "*Allowing an external observer to follow the derivation of any evidence from initial research questions to ultimate case study conclusions. Moreover, this external observer should be able to trace the steps in either direction (from conclusions back to initial research questions or from questions to conclusions).*" (Yin, 2009)

3.7. Analysing Case Study Evidence

To treat the evidence fairly, produce compelling analytic conclusions, and rule out the alternatives interpretations, Yin (2009) suggested using one general strategy. Our general strategy for analysing case study evidence was to rely on our theoretical propositions stated beforehand. The objectives and the research design were derived from these propositions, and they shaped our research questions and data collection. As a result, relying on our theoretical propositions allowed us to guide our case study analysis and to focus attention on certain data and to ignore others (Yin, 2009).

The analytic technique we used is called 'Pattern Matching' and is defined as: "*A logic that compares an empirically based pattern with a predicted one (or with several alternative predictions). If the patterns coincide, the results can help case study to strengthen its internal validity.*" (Yin, 2009).

As we had a large amount of narrative text, due to the semi-structured interviews, we had to code and categorize it. We decided to use cards, referring to the main arguments in our analysis, where the different sources of evidence are placed from the different interviews or documentation. Thus, the purpose of those cards is to help the reader to better understand the main arguments of our analysis by allowing him access to relevant different sources of evidence. We also used quotes from the interviewees that we state inside the analysis.

The code is the following:

- Type: INT refers to Interviews; DOC refers to Documentation
- Firm: OVO refers to OVO Company; PUR refers to Purifar Company; IND refers to an independent associate from the board of executives of FivePoints.
- Person: Those are the initials of the interviewees that you can find in the appendices.

3.8. Ethical Principal and Issues

As Miles and Huberman (1994) stated, qualitative data analysis is more than a technical matter only driven by the quality of the knowledge that researchers are producing. They refer to ethical issues such as the rightness or wrongness of our actions that can affect the lives of the people we are studying or any other parties involved. To guide our ethical choices in this study, we decided to follow the core principles defined by Sieber (1992) in her practical guide as:

- Beneficence: maximizing good outcomes for science, humanity and the individual researcher participants while avoiding or minimizing unnecessary harm, risk, or wrong.
- Respect: protecting the autonomy of persons, with courtesy and respect for individuals as persons, including those who are not autonomous.
- Justice: ensuring reasonable, nonexploitative, and carefully considered procedures and their fair administration; fair distribution of costs and benefits among persons and groups (those who bear the risk of research should be those who benefit from it).

4. Analysis and Results

4.1. Testing Angwin and Meadows (2014) Model

Proposition 1: *Regarding their levels of 'Knowledge Sharing' and 'Organization Autonomy', two merging firms can find an adequate integration strategy.* (See table 3).

Table 3. Integration Strategies according to 'Knowledge Sharing' and 'Organization Autonomy'

	Dependent Variable	**Independent Variables**	
	Integration Strategy	*Knowledge Sharing*	*Organization Autonomy*
Predicted Values	Preservation	Low	High
	Absorption	High	Low
	Symbiotic	High	High
	Intensive Care	Low	Low
	Re-orientation	Mixed	Mixed

Source: Angwin and Meadows (2014)

In this section, we analysed the acquisition of Purifar by OVO through the independent variables 'Knowledge Transfer' and 'Acquired Firm Level of Autonomy' and determined which integration strategy they decided to adopt. By comparing the empirically—based pattern with the predicted one based on the theory, we were able to reject or not the causal link between the independent variables and the dependent variable, and therefore strengthen or not the internal validity of our Proposition 1.

- *Independent Variable - Knowledge Transfer*

Knowledge can be viewed as: "*an objective and transferable resource that can be acquired, transferred or integrated*" (Angwin & Meadow, 2014). In our case, one of the main motives that led to the acquisition is probably the complementarity of their activities (Card 1.1.1). Indeed, both companies highlighted a strong focus on keeping their autonomy in their services. As their proposed services were different, few overlaps occurred, and therefore all functions in both companies remained operational. Even though their activities were different, the so-called complementarity allowed them to extend their range of services in their field of expertise. This benefit is what Mr Holas called a "one stop shop", meaning that each company can refer its clients to realise the rest of the services they do not cover by its partner in Flate Group. For instance, most fiduciaries cannot deal with 'PSF' clients because this requires dealing with specific regulation and processes. OVO can now deal with them, by referring them to Purifar, thanks to the skills and capabilities of Purifar in this area of expertise. Purifar covers a range of services in the field of wealth structuring, while OVO is specialized in accounting, tax and legal services. This covers the full range of services in financial advising, except auditing. As their clients are looking for financial advice, they can easily direct them to the appropriate company according to their needs. This complementarity allowed them to enjoy subsequent benefits such as the network they can share, and each other's reputation.

Card 1.1.1. *Complementarity of their Services*

Explanation: The main reason of the acquisition was for the companies to extend their range of services to the clients and exploit the complementarity of their services.

1. Dependent Variable			Integration Strategies
1. Independent Variable			Knowledge Transfer
1. Topic			Complementarity of their Services
Type	Firm	Person	Statement
INT	OVO	S.U.	- So buying PURIFAR, it has complemented our activities. - The benefit to us is actually to have more complete activities to offer wider. - For us it was very interesting because at today's date, apart from the auditing part that we lack, we offer a range of more or less complete of services. For us it is very interesting to offer these services to our customers, and based on their needs, we can guide them to the adequate company. - It allows us to take a certain place in the Luxembourg actors. A certain size is acquired, and again with more services. We are becoming stronger and therefore it also allows us to be more competitive.
INT	PUR	N.E.	- But I saw the opportunity to present an atypical case in order to preserve the activities and people of PURIFAR - Keep DNA of Purifar - We kept all our autonomy
INT	IND	R.K.	- This is a rapprochement because there is a complementary business. - The aim was not to substitute one by the other. We want to continue while having some respect for local cultures, some autonomy
INT	OVO	S.Q.	- The goal is to have greater complementarity and to offer more services to our customers. They are distinct but complementary activities.
INT	OVO	VU	- As it was complementary to our business, that's how the transactions began. PURIFAR handles funds, financial engineering, small commercial companies. The goal is to increase its market share, to have more customers. We can send them customers and they can send them to us.
INT	OVO	C.H.	- They want to expand their range of services: One stop shop. Offer maximum services to our business.
DOC	"This opportunity will allow us to offer our customers complete solutions, including accounting and tax expertise, services and wealth structuring expertise, and all activities related to it," says Eric Holas, partner at OVO. "The two companies are perfectly complementary. This partnership should enable development and mutual reinforcement. " Source : http://paperjam.lu/news/vo-consulting-setoffe		

This means that each company understood that the other had specific skills and expertise and did not need to change their habits as they were already working properly (Card 1.1.2).

Card 1.1.2. *Minor Changes in Employees' Habits*

Explanation: One of the key will that both companies wanted was to remain autonomous in their services, so that employees only experience minor changes in their work's habits.

1. Dependent Variable	Integration Strategies
1. Independent Variable	Knowledge Transfer
2. Topic	Minor changes in Employees' habits

Type	Firm	Person	Statement
INT	OVO	S.U.	- People here continue with what they have always known.
INT	PUR	N.E.	- Basically, things do not change much.
INT	IND	R.K.	- Operational functions, real businesses, yet each remain in silos, with little communication. There are exchanges between associates or management level, but not so much between teams. - At this stage, each firm keeps its own habits
INT	OVO	S.Q.	- Few changes in the work of employees. - In their daily lives as such, little has changed for all functions
INT	OVO	C.K.	- So same job, same customers, same functions.
INT	PUR	M&D	- Things have not really changed since we kept our customer base individually
INT	PUR	T.M.	- At PURIFAR, the job itself has remained almost identical for all the people.

Some minor transfer of knowledge happened in the departments where overlaps could occur though (Card 1.1.3.) For instance, Miss Qetit stated: "*As they had been outsourcing the taxation of their clients with us before the deal, when the deal happened, we organised trainings and tried to find synergies between our departments. In the accounting department, they both look for new regulations and norms, and try to understand how to integrate them. So, they interact a lot for that*".

Card 1.1.3. *Minor Transfer of Knowledge in Case of Overlaps*

Explanation: Few services in the business units tended to serve the same activities and therefore more interaction and transfer of knowledge was needed between the companies.

1. Dependent Variable			Integration Strategies
1. Independent Variable			Knowledge Transfer
3. Topic			Minor Transfer of Knowledge in Case of Overlaps
Type	Firm	Person	Statement
INT	OVO	S.U.	- Let's say we start to duplicate some procedures, some things in place here is duplicated at PURIFAR. But it is only the beginning because it's all a lot of work. It is to identify and understand the functions at PURIFAR, understand the market and identify where you might increase the performance and hence profitability. - Cedric RENSONNET, who is in charge of the accounting department here, has been there for several months to better understand the mode of operation, ... , as I said in order to develop a better system.
INT	PUR	R.K.	- Resources (tax accountants), for example, at one point, they had a complex tasks at PURIFAR. A lawyer at OVO was sent to work all the time there and we re-invoiced afterwards.
INT	OVO	S.Q.	- On some particular functions (tax), there is quite an interaction between the various companies. People from here, from the tax department will provide training at PURIFAR; we begin to put synergies and coordinate various functions, especially in terms of training - An in-house function was here (expert accounting department) that will search all the news on the Luxembourg map (new standards, how to integrate them, etc.). There may be an interaction with PURIFAR to analyse it.

<table>
<tr><td>INT</td><td>OVO</td><td>C.T.</td><td>- It's at the organizational level; we still operate differently in statements / advice. Now we try to organize and have a common procedure for the whole group because the practices were very different.
- On my personal work, it's a challenge to communicate with another entity that worked differently, to tackle more business cases, which we understand not as well as our previous tasks. But it is a positive challenge where you learn new ways to do; we will not impose only our way, we also take things from their organization.</td></tr>
<tr><td>INT</td><td>PUR</td><td>M&D</td><td>- In accounting terms, the system remained the same. We will try to harmonize accounting procedures, but we're only at the beginning. The accounting level, little change. The tax level, we work more with OVO; Coordination is more pronounced. The work has not fundamentally changed.
- In some cases, you can just guide them on what to do with respect to Luxembourg entities</td></tr>
<tr><td>INT</td><td>PUR</td><td>T.M.</td><td>- I think that in accounting, regarding some topics such as management control, management accounts, there has also been some exchanges and people were regularly in OVO to help us for the development of analytical accounts and monitoring coordination.</td></tr>
<tr><td>DOC</td><td colspan="3">
<table>
<tr><th colspan="4">Types of Services</th></tr>
<tr><th colspan="2">OVO</th><th colspan="2">Purifar</th></tr>
<tr><th>In Luxembourg</th><th>In Belgium</th><th>For Companies</th><th>For Funds</th></tr>
<tr><td>General Accounting & Management</td><td>General Accounting & Management</td><td>Incorporation</td><td>Registered Office</td></tr>
<tr><td>Tax Benefits & VAT</td><td>Tax Benefits & VAT</td><td>Registered Office</td><td>Transfer & Register Agent</td></tr>
<tr><td>Legal Services</td><td>Legal Services</td><td>Accounting Services</td><td>Administration Agent</td></tr>
<tr><td>Social Secretary</td><td>/</td><td>Tax Services</td><td>Accounting Agent</td></tr>
<tr><td>Human Resources</td><td>Human Resources</td><td>Administrative & Legal Follow-up</td><td>Tax Services</td></tr>
<tr><td></td><td></td><td>Study & Advisory</td><td>Structuring & Legal Obligations</td></tr>
<tr><td colspan="4">No Overlapping</td></tr>
<tr><td colspan="4">Possibility of Overlapping</td></tr>
</table>
Source: Internal Document
</td></tr>
</table>

On the other hand, the support functions were integrated and gave more opportunities to share knowledge. Purifar was a subsidiary of the group BNB Paribas, and was relying on their support functions. Once it had been sold, Purifar did not have any support functions and therefore, OVO proposed to integrate their support functions (i.e. 'Finance', 'IT', 'Human Resources', and 'General Services') into their structure. The employees working for these functions are mainly based in OVO, however they work as an independent structure for FivePoints, and thus need to interact with both OVO and Purifar (Card 1.1.4.) Firstly, the finance department is led by Miss Uhill in OVO. However, both companies have their internal organization and Miss Uhill has to supervise the teams and then consolidate both results for FivePoints. This required some communication and resource sharing as Miss Uhill stated: "*The idea is to make sure we have similar work methods, but to work independently. We share our dashboards, standards of working, or files. When they send us their work, I just check if I can send it to the board of executives*". Secondly, the Human Resources department led by Miss Qetit, has as main objective to draw common objectives for the entire community of employees of the Flate Group. Finding an adequate compromise for both parties is a mammoth task; and Miss Qetit has to deal with several aspects such as salary policy, administrative tasks, internal organization rules, and monitoring staff. Thirdly, the IT department led by Miss Blexandre, decided to keep two distinct information systems, for reasons of conformity with the CSFF legislation. However, they decided to use each system as a backup for the other. Fourthly, the general services department led by Miss Frognier also has some interaction with Purifar. They reviewed their entire purchase policies to obtain better terms thanks to economies of scale. For instance, they did a tremendous analysis of the different suppliers for basic purchases, such as paper, and renegotiate every contract to diminish the costs. Miss Uhiry also stated: "*Both companies are reviewing their insurance policy with new companies, and are negotiating to enjoy a group insurance*".

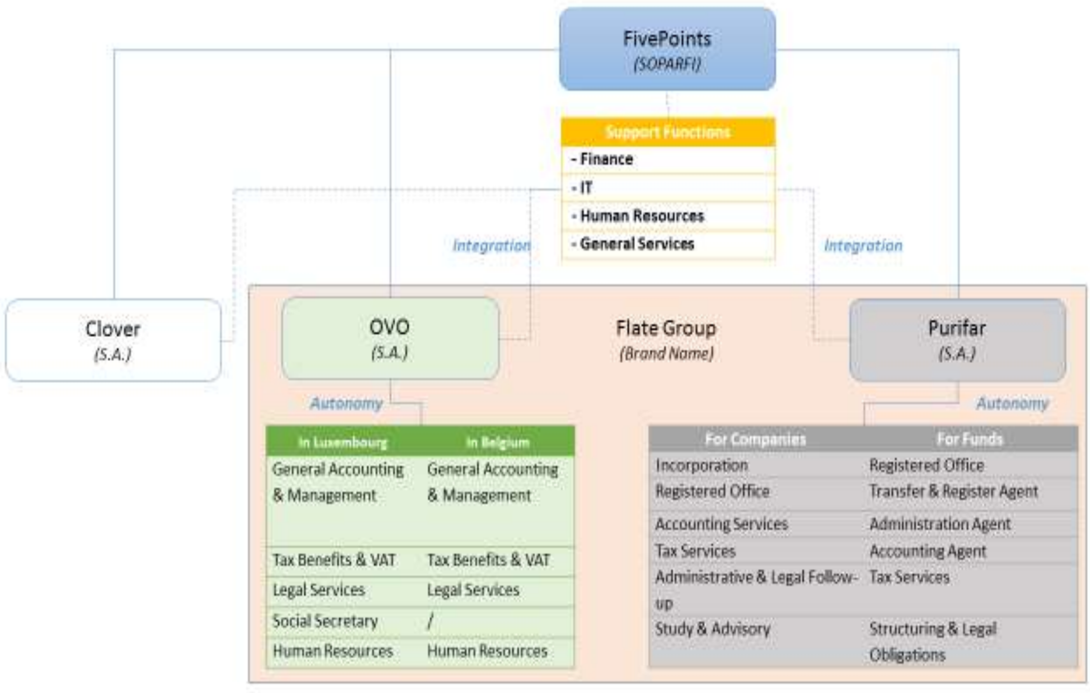
Card 1.1.4. *Small Interaction and Knowledge Transfer in Support Functions*

Explanation: The support functions were provided by FivePoints and therefore more interaction and transfer of knowledge was needed between the companies.

1. Dependent Variable			Integration Strategies
1. Independent Variable			Knowledge Transfer
4. Topic			Small Interaction and Knowledge Transfer in Support Functions
Type	Firm	Person	Statement
INT	OVO	S.U.	- We decided to create these support functions including human resources and finance to be more independent, and to report not for the partner in charge but for the board of FIVEPOINTS. - When we bought PURIFAR, we decided to share these support functions with PURIFAR, which is quite consistent and even more in the fact that these functions, today, they are part of the payroll of FIVEPOINTS - Support functions have now a group dimension - All administrative support was provided by BNP

INT	PUR	N.E.	- The first thing is HR, a central function. This is where we can improve efficiency and centralize information. So the objective is to pool functions and knowledge. - IT is less present because we have two different systems for reasons of compliance with the CSSF regulations. Finance function is minor; we have a monthly reporting and data collection we have to send. We are developing a cost accounting. The purchase policy was also reviewed in the General Services function. The person responsible for the purchase function has listed all suppliers he had the habit of using.
INT	IND	R.K.	- For the support functions (not for businesses), we created 4 new entities which operate fully: finance (with Virginie permanently consolidating the results of the two companies), HR (Séverine Petit: similar objectives for the whole group of employees at Flate Group), IT (Séverine Alexandre) and Purchasing (Justine Frognier).
INT	OVO	S.Q.	- These functions took a turn far more important than simply at OVO and must work with PURIFAR. - We try to communicate regarding the skills of each other so that there is an interaction.
INT	OVO	V.U.	- The idea is to supervise, verify, to make sure we have similar working methods but to do everything at home. We have dashboards, monthly consolidations. Increasingly, I send them my files as I want it to be prepared, they prepare internally, they send them back to me, I check and I transfer the information to the Board

DOC



Source: Internal Document

In conclusion, we observed a scope drastically different in terms of knowledge sharing. On the one hand, the business units represent their sources of distinctiveness and offer a different range of services for the clients. Consequently, these functions remained independent and the knowledge sharing is extremely limited, except maybe for the departments that could overlap (e.g. 'Tax System', Accounting'). On the other hand, the support functions, even though they are mainly based in OVO, of both companies still need to interact a lot and share knowledge. Because of these two contrasting reasons, we decided to evaluate the level of knowledge sharing as "Mixed".

- *Independent Variable - Acquired Firm level of Autonomy*

As stated beforehand, the high level of autonomy was one of the conditions that led to the acquisition. First of all, in terms of location no physical integration occurred, and both companies remained in their own buildings. Secondly, the managing partner of Purifar, Mr Eidier, was in charge of finding an acquirer and the main criteria to select it was: "*Preserving the activities and people of Purifar*". On the other hand, OVO was a small fiduciary, which had a strong desire to grow through acquisition, but understood the differentiation and complementarity of their activities. Miss Uhiry stated: "*We knew the acquired company needed an acquirer with strong human values, willing to continue with the existing team. OVO was a goof fit*". Thus, both companies remained autonomous in terms of their proposed services. An illustration of this is that no lay-off occurred, and the turnover since the acquisition is very low (Card 1.2.1).

Card 1.2.1. *No-Layoff – Small Turnover*

Explanation: The acquisition led to have a very small amount of departures.

1. Dependent Variable			Integration Strategies
2. Independent Variable			Acquired Firm level of Autonomy
1. Topic			No Layoff – Small Turnover
Type	Firm	Person	Statement
INT	OVO	S.U.	- We had one layoff but ultimately it was someone, if I remember correctly, who was hired after the acquisition. - But until now, we had two or three departures, but especially people who wanted to stick with the bank. Overall we think it did not go too badly
INT	PUR	N.E.	- There is a minimum risk of shrinking payrolls
INT	IND	R.K.	- When we acquired PURIFAR, we could not change the teams for two years
INT	OVO	S.Q.	- No, in terms of duplication, the merger did not result in layoffs.
INT	PUR	T.M.	- We cannot speak of turnover as such but otherwise there has been some resignations but nothing dramatic... The first year we had two resignations. This year we had two or three.

Moving to the support functions, namely ‘Finance’, ‘IT’, ‘Human Resources’, and ‘General Services’, the case was utterly different. At first glance, we could believe a complete removal of autonomy had occurred as there was a complete integration of the support functions of OVO inside the organization of Purifar. However, since Purifar was entirely dependent on the support functions of BNP Paribas, they had none of them operating after the separation. Therefore, OVO offered Purifar to use these functions that were already in place. These support functions worked independently and needed to deliver results for the board of executives of FivePoints. In terms of changes, almost no change occurred for the employees because they just needed to interact more between the companies and to deliver the required information for these functions, and then the employees of these functions took care of consolidating the information and giving the results to the board of executives.

Lastly, the cultural differences between the two organizations were particularly substantial and remained, in the short term, untouched. On the one hand, OVO was a small fiduciary from the private sector with an entrepreneurial vision. On the other hand, Purifar came from the banking sector with a more formal way of working. Firstly, OVO has a team mainly composed of Belgians, while Purifar is much more international with employees coming from France, Italy, Germany, Belgium, etc. Secondly, OVO has a dynamic and convivial culture, as Miss Uhiry quoted: “*Here it is a culture with strong human values and also with a lot of dynamism and conviviality. The executives are close to the employees, everyone tutoyers each other, and everyone says good morning to each other when they arrive*.” Purifar has a more “formal” way of working: they need to wear suits for working, they have fixed hours of work, etc. (Card 1.2.2).

Card 1.2.2. *Culture of Purifar*

Explanation: The culture of Purifar is different from the culture of OVO.

1. Dependent Variable		Integration Strategies	
2. Independent Variable		Acquired Firm level of Autonomy	
2. Topic		Culture of Purifar	
Type	Firm	Person	Statement

INT	OVO	S.U.	- I'm not saying there are none in PURIFAR but it is a work environment that is perhaps more "serious". When I mean “serious”, it is in terms of standards with specific rules to be applied. - FIDUPAR team comes with completely different social background since they were and still are under banking collective agreement with wage levels and remuneration, bonuses, etc.
INT	PUR	N.E.	- We come from Belgium, France, Germany, Romania, Flanders, Italy. We are international, speak several languages in the work. Contracts, documents are in French, English, Dutch, Italian; the website was in 5 languages. They speak French and some a little English. We come from the banking sector and them, the private sector.
INT	IND	R.K.	- For PURIFAR, the big difference is to leave a group of over 2000 people. So the group mentality, decision making From Paribas has been removed, with the advantage of greater responsiveness.
INT	OVO	S.Q.	- At PURIFIAR it is more a static culture - At PURIFAR it is a different yoke, the banking community
INT	OVO	V.U.	- The atmosphere in OVO is quite familial.
INT	OVO	C.T.	- At the level of attitudes; they have a way to do things from the bank with a lot of rigor and procedures; our procedures are more flexible. They have more nationalities, hence the need to speak English (mostly)
INT	PUR	T.M.	- Very hierarchical, very strict
DOC	Our values: Reactivity – Proximity – Quality – Proactivity – Engagement - Ethic Source: Purifar Brochure		

Currently, both cultures remained intact, as stated by Mr Eidier: “*Today, no group culture exists*”. Indeed, they decided to allocate time for smooth changes in order to facilitate a natural rapprochement. In the long term the objective is to create a corporate identity (Card 1.2.3). To fulfil this objective, many social and cultural integration mechanisms have been realised. For instance, they organised a many group events throughout the year: social events, team building activities, workshops and trainings, etc. They also created the brand name ‘Flate Group’ to explain the reasons for this acquisition to the employees themselves, but also to the clients, suppliers, and partners.

Card 1.2.3. *Objective of Creating a Group Culture*

Explanation: Both companies want to gradually converge to a group culture.

1. Dependent Variable			Integration Strategies
2. Independent Variable			Acquired Firm level of Autonomy
3. Topic			Objective of Creating a Group Culture
Type	Firm	Person	Statement
INT	OVO	S.U.	- I do not think it can happen overnight to "clear everything and start again." And as I say, living habits, work habits, this is something that does not disappear like that. - It's over time that people see what is happening and they can trust or not.
INT	PUR	N.E.	- In the long term, both must necessarily evolve to create a new harmony and a new culture.
INT	IND	R.K.	- Cultural differences have led us to put more water in our wine and wait

INT	OVO	S.Q.	- There are general rules in HR terms we are trying to set up so that all structures have an group identity
INT	OVO	C.H.	- Flate Group was created to make a common culture, not to erase any of the two: create a group to have a corporate identity
INT	PUR	M&D	- No, they try to do something quite mutual. Originally we had OVO and Purifar. They created a group that did not exist. So there is a mutual will to bring the two entities together, each retaining its specificities.
DOC	But the integration is placed in a new group logic and synergies logic for the trustee from Windhof and its new partner. Source : http://paperjam.lu/news/vo-consulting-setoffe		
DOC	Through essential values and a common vision, OVO and Purifar associate their energies in one and unique elate. Confirmed actors in the services for entrepreneurs and their companies throughout their life cycle, OVO and Purifar gather their know-how under the name Flate Group. Source: Flate Group Brochure		

In conclusion, we can say that the habits and way of working for the majority of the employees remained identical. The only small changes occurred in the collaboration between the associates of both companies, some employees having to interact more for the support functions, and some employees having to deliver some reports for the support functions. Both companies kept their cultural identity, but with a strong emphasis in the long term on smoothly finding a group culture. As a result, we cannot say that the level of autonomy for the acquired firm is high, as it will gradually decrease; and we prefer to define it as “Mixed”.

- *Dependent Variable - Integration Strategy*

Looking at the integration strategy between OVO and Purifar, we strongly believe they opted for a ‘Re-orientation’ strategy (See definition in section ‘Angwin & Meadows (2014) Model’). Firstly, the acquired company is supposed to be a financially healthy and well-run company. We know that this was the case, as Purifar was a successful company for many years and had really decent revenues. Moreover, as OVO was a client of Purifar for many years, they knew how the business was managed. One of the first characteristics is the harmonization of the finance and accounting systems. We saw that the finance function at Purifar was integrated into OVO, in a way that enables both companies to work independently, but the process for consolidating the results is simple.

Secondly, the acquired employees are supposed to be enthusiastic about remaining in the company and do not want to quit. This is somewhat controversial topic, because at first glance, the employees of Purifar were scared of leaving the banking sector and all its advantages: high salaries, number of days of leave, stability of employment, etc. However, via a mutually negotiated salary policy and a very good system of communication concerning the objectives of the acquisition, the management convinced the employees to stay, which can be confirmed with a very low turnover rate. Furthermore, both managing partners of Purifar, Mr Eidier and Mr Nontagne, were promoted onto the board of the acquirer.

The third characteristic stipulates a new vision via a mutual accommodation of the views as acquired and acquirer management work together, a change of the acquired company name, and often a use of a new CEO. These changes were seen as being quite assertive and action-oriented, particularly involving stronger marketing and getting closer to customers, as well as introducing better communication. In several cases, the management had been known to each other before the deal took place. In our case, both companies kept their names, but they decided to be part of a new group, namely Flate Group, to demonstrate their union. They performed substantial marketing and communication work to fully explain the objectives of this acquisition and to show that they were willing to progressively move to a group culture. Furthermore, we already explained they knew each other before the deal, as OVO was a client of Purifar.

Fourthly, this integration strategy implies boosting sales and improving marketing. Indeed, the main reason of this acquisition was the complementarity of their services enabling them to offer the various clients a wider range of services in the field of financial advising. To improve marketing, they organised many events, they distributed brochures, and communicated a lot with their clients. To boost sales, they focused a lot on cross-selling, which is simply referring a company, when the other cannot cover the required services.

The fifth component is to merge the administrative functions, while leaving the business units standing alone. OVO integrated its support functions into Purifar, as well as giving Purifar some autonomy, trying to use the best practices for both companies, and resorting to substantial interaction.

Finally, the sixth feature is to avoid changing the distinctive resources of the acquired company. The deal was clear and as both companies proposed complementary services, they could keep operating their services autonomously.

To conclude, all characteristics defining a 'Re-orientation' integration strategy correspond to the characteristics we observed in the case between OVO and Purifar.

- *Results*

When examining the predicted integration strategy (Re-orientation) regarding the results of the two independent variables ('Level of Autonomy for the Acquired Company' – Mixed; 'Knowledge Sharing' – Mixed), we observe that the empiric results are congruent with the predicted ones. Therefore, this strengthens the reasons for believing that our proposition 1 is confirmed.

4.2 Testing Weber et al. (2009) Model

Proposition 2: *To derive an adequate Integration Strategy, acquirers should consider the 'Synergy Potential', 'Cultural Differences', but also their 'Cultural Dimensions'.* (See table 4)

Table 4. Integration Strategy according to 'Degree of Synergy', 'Cultural Differences', 'Cultural Dimensions'.

	Dependent Variable	**Independent Variables**		
	Integration Strategy	*Degree of Synergy*	*Cultural Differences*	*Cultural Dimensions*
Predicted Values	Partial Preservation	Low	High	High
	Full Preservation	Low	High	Low
	Full Absorption	High	Low	High
	Partial Absorption	High	Low	Low
	Full Symbiotic	High	High	High
	Partial Symbiotic	High	High	Low
	Holding	Low	Low	High
	Holding	Mixed	Mixed	Low

Source: Weber et al. (2009)

- *Independent Variable - Cultural Differences*

As we can observe in the theoretical framework of Weber et al. (2009), the independent variable 'Acquired Firm Level of Autonomy' has been replaced by the variables 'Cultural Differences' and 'Cultural Dimensions'. There are many reasons for this change, but the main point is that the cultural differences reflect, to some extent, the need for autonomy. Indeed, Weber et al. (2009) explained that the question asked to determine the need for autonomy was: "*How much do members of the acquired company want to preserve their own culture and organizational practices?*" As it is very unlikely that acquired members would give up their own culture and organizational practices in case of a high degree of cultural differences, we could consider 'Cultural Differences' as a proxy for 'Acquired Firm Level of Autonomy'.

Consequently, the analysis of the cultural differences being done beforehand (Section 'Integration Strategies', Independent Variable 'Acquired Firm Level of Autonomy'), we can consider its results (i.e. 'Mixed') for the level of cultural differences.

- *Independent Variable - Degree of Synergy*

The second dimension of Weber et al. (2009) typology refers to the 'Synergy Potential', which runs in parallel to the dimension 'Strategic Interdependence' of Haspeslagh and Jemison (1991). This dimension can be defined as: "*a central concept in strategic fit that suggests how interdependent merging firms should be in terms of capability transfer and resource sharing.*" (Angwin and Meadows, 2014). Angwin and Meadows (2014) advocated that the 'Strategic Interdependence' could be divided into three sub-categories, i.e. 'Transfer of Assets', 'Transfer of Personnel', and 'Knowledge Transfer'. They decided to only use the 'Knowledge Transfer' dimension as the two other could be correlated with the 'Need for Autonomy'. As a result, in order to analyse the 'Synergy Potential' dimension of Weber et al. (2009) framework, we needed to add to the analysis of 'Knowledge Transfer' described beforehand the analysis of the 'Transfer of Assets' and 'Transfer of Personnel' components.

In the case of the acquisition of Purifar by OVO, neither assets nor personnel have been transferred. Indeed, as it is an acquisition between two services-oriented firms based on high expertise and knowledge, the assets were not a strategic resource. Similarly, as the objective of the acquisition was the complementarity of the services, both companies ended up operating their services with the same personnel. Consequently, as the main component of the dimension 'Synergy Potential' is the 'Knowledge Transfer', we can admit the same results as in the previous analysis (Section 'Integration Strategies', Independent Variable 'Knowledge Transfer'), and conclude that the level of the dimension is 'Mixed'.

- *Independent Variable - Cultural Dimensions*

Looking at the 'Cultural Dimensions' as a third determinant of the integration approach, Weber et al. (2009) suggested subcategorizing it into two main components: 'National Culture Dimensions' and 'Organizational Culture Dimensions'. In our case, the acquisition was domestic, and therefore, we only focused on the 'Organizational Culture Dimensions'.

In terms of 'Organizational Culture Dimensions', Gomes et al. (2011) showed that it could be categorized into seven distinct areas, that we will analyse below:

Approach to innovation and activity:

OVO is a services-oriented company in a market where the changes in the services proposed are relatively minor. However, they encourage a rapid response to competition in the outside environment. Indeed, the acquisition of Purifar was a response to the opportunity to grow and to extend their range of services, in order to obtain a competitive advantage. Moreover, Mr Kamar stated: "*we want to grow by taking advantage of the innovation in the areas of digitalization, workflows' optimisations. There is a lot of work to do there*. »

Approach to risk:

Their main strategy for the future is to grow via further acquisitions, which is a rather risky strategy. However, this risk seems to remain minor, as OVO knew Purifar before the acquisition. Furthermore, Miss Uhiry stated: "*For the team here, the message was to say that we do have ambition. We have development projects, but we are not going to do anything crazy*."

Horizontal Relationship:

The importance of co-operation and cohesion between the organizational units as a mean to achieve the organization's objectives is clearly one of the main feature of OVO's culture. Indeed, the familial atmosphere is one of OVO's key features, as quoted by Miss Qetit: "*We are trying to make people collaborate and want to work together*".

Vertical Relationship:

The relationship between employees and executives in OVO is very informal and friendly. Managers believe in their employee's capabilities and skills and provide them with support, understanding and encouragement. For instance, Miss Uhiry stated: "*Here, the executives are, while remaining professional, quite close to the employees*".

Autonomy and decision making:

In terms of autonomy and decision making, employees are trusted and they are allowed to operate autonomously and to make decisions.

The approach to performance and rewards:

The salary policy has been based on performance criteria as well as human criteria and the stages of evolution are: 'Beginner'-'Advanced'-'Senior'-'Manager'-'Associate'. These criteria are reviewed every year by the associates.

Looking at all these components, we can conclude that OVO Company's culture (See Card 2.1.1.) is based on convivial work relationships, both between the top management and the employees as well as between the different business units. These relationships are driven by an informal communication system, a family environment, and a strong emphasis on teamwork. To shed light on these cultural dimensions, a quote from Miss Qetit stated: "*In OVO, we are in a very Belgian culture (80-90% of Belgians and all partners are Belgian). In terms of culture, we will favour a work-life balance here for people to flourish. In OVO, wage policy was less strong compared to Luxembourg but our strong point is the well-being: we organize social events, there are fewer caps problems, if someone have too many hours we will try to find a solution. We will make sure to have people who clearly want to identify to the identity of the company.*"

Card 2.1.1 *OVO Cultural Dimensions*

Explanation: Ovo has a different culture than Purifar.

2. Dependent Variable			Cultural Differences
1. Independent Variable			Acquirer Cultural Dimensions
1. Topic			OVO Cultural Dimensions
Type	Firm	Person	Statement
INT	OVO	S.U.	- There is a culture of high human value, with a lot of dynamism, and conviviality. The partners here, while remaining professional, are still quite close to the people. People here tutoyers everyone, everyone says hello in the morning. - It's still a very friendly environment with a lot of energy, a lot of dynamism. - At OVO we are trying to allow people to make a career and be able to combine professional and private life, to reconcile the two and ensure that people flourish and are well here. - I think the word growth is a word that is well chosen because it can be done in different ways: a partnership, an acquisition, a merger. It can take different forms but in any case there is one thing that is certain is that there is a will to continue in this development and continue to work on growth.
INT	PUR	N.E.	- They are almost all Belgian, from Liège.
INT	IND	R.K.	- There is a good communication between the executives and their team.
INT	OVO	S.Q.	- During the recruitment process, I'm looking for a personality more than technical skills. It is essential so that the person can integrate into the good friendly atmosphere.
INT	OVO	C.T.	- At the level of attitudes; they have a way to do things from the bank with a lot of rigor and procedures; our procedures are more flexible.
INT	OVO	E.H.	- It is an entrepreneurial culture
DOC	Our values: Engagement – Availability – Reactivity – Quality - Conviviality Source: OVO Brochure		

After having analysed all these cultural traits and characteristics, it was essential to relate them to two critical factors, namely ‘Uncertainty Avoidance’ and ‘Power Distance’, to understand what the preferred level of integration was. These two factors were derived by Lubatkin et al. (1998) who found that a greater need for uncertainty avoidance and greater acceptance of power distance were associated with a higher level of integration.

First, Hofstede (2016) defined ‘Uncertainty Avoidance’ as: *“the degree to which the members of a society fell uncomfortable with uncertainty and ambiguity*”. Looking at dimensions such as ‘Approach to Innovation and Activity’, ‘Approach to Risk’, or ‘Autonomy and Decision Making’, OVO seems to be quite comfortable with uncertainty. This acceptance of uncertainty can be highlighted by a quote from Mr Holas: “*It is a first-time experience, a discovery that allows us to think, with external events that makes you rethink who you are. So, it is an adventure that allows you to do an introspection*.”

Secondly, Hofstede (2016) defined ‘Power Distance’ as: “*the degree to which the less powerful members of a society accept and expect that power is distributed unequally”.* Even though a hierarchy is defined inside the company, when we analyse the working relationships and the atmosphere, we clearly don’t see a high degree of differentiation between more and less powerful members.

In conclusion, looking at Weber et al. (2009) framework, we believe that, as OVO has low ‘Uncertainty Avoidance’ and low ‘Power Distance’, they should prefer a lower level of integration.

- *Dependent Variable – Integration Strategy*

Even though ‘Re-orientation’ is not proposed within their framework, we believed that to remain consistent with our previous analysis, we had to conclude using the same integration strategy as found beforehand.

- *Results*

As we could not derive any proposed solutions for two independent variables of Weber et al. (2009) framework, namely ‘Synergy Potential’ and ‘Cultural Differences’, we were incapable of linking our independent variables to the dependent variable via our empirical data. As a result, we cannot admit that the empirically-based pattern is congruent with the predicted one, and thus cannot strengthen the internal validity of our proposition 2.

5. Discussion and Conclusion

5.1. Implications for Theory

Given the repeated calls from M&A researchers to place post-acquisition integration strategies typologies upon firmer empirical foundations, Angwin and Meadows (2014) came up with a more robust, fine-grained model. This framework proposed two additional integration strategies (i.e. ‘Re-orientation’, ‘Intensive Care’) and took into account some of the limitations of the previous, well-known typology (i.e. Only considering related acquisitions, Orthogonality issue in the axes, Conditions of both firms pre-deal, Not considering ‘Holding’ strategy, and Only considering “pure” play integration approaches).

Looking at our first research question: “*How can amalgamating firms derive an adequate post-acquisition integration strategy?”,* it seems that we empirically proved that an adequate post-acquisition integration strategy could be derived from two key characteristics, namely ‘Knowledge Transfer’ and ‘Acquired Firm Level of Autonomy’. By doing so, we give empirical support to Angwin and Meadow (2014) post-acquisition typology, and thus strengthen its internal validity. More specifically, we analysed the case of a ‘Re-orientation’ integration strategy, and because the empirically-based pattern corresponds to the predicted one, it also strengthens the validity that ‘Exploration’ and ‘Exploitation’ can co-exist, meaning that integration strategy consisting of interplay between 'Pure' post-acquisition integration styles is relevant.

Given the need for a pluralistic approach and the need to link intra-phases key success factors, as well as the recognized growing importance of cultural differences by the M&A literature, our second research question was: "*How can amalgamating firms take into account their cultural differences in their integration strategy?*". Weber et al. (2009) framework is based on Haspeslagh and Jemison (1991) model, and consequently suffers from some of the limitations. Angwin and Meadows suggested first that this typology does not consider the situations of both firms pre-deal. These conditions are likely to influence the post-acquisition integration strategy style chosen by the parent firm. Second, they stated it only considers "pure" play integration styles, while it might be pertinent to allow consideration to interplay integration approaches (i.e. different levels of integration according to the degree of familiarity). Because of these limitations, we were unable to give it empirical support. Indeed, the independent variables of the framework (i.e. 'Synergy Potential', 'Cultural Differences', 'Cultural Dimensions') did not allow to consider interplay post-acquisition integration strategies.

5.2. Managerial Relevance

First of all, managers can now rely on five adequate post-acquisition integration strategies based on two key characteristics (i.e. 'Knowledge Sharing', and 'Acquired Firm Level of Autonomy'). Haspeslagh and Jemison (1991) framework was the best known framework in terms of post-acquisition integration strategies and suggested three relevant integration strategies. Angwin and Meadows (2014) typology suggested two additional integration strategies (i.e. 'Re-orientation, and 'Intensive Care') that seem 'legitimate', and therefore broaden the range of adequate strategies for the managers.

Secondly, the 'Re-orientation' type allows managers a completely new post-acquisition integration approach, which enables both exploitation and exploration to co-exist. As Angwin and Meadows (2014) advocated, 'Re-orientation' consists of a high degree of integration for the administrative and marketing functions whilst enabling a significant autonomy for the rest of the acquired business.

Looking at the case of Purifar and OVO, we strongly believe they chose an adequate integration strategy (i.e. 'Re-orientation') regarding their characteristics. First of all, they understood the fact that Purifar, which was just sold from BNB Paribas, needed some time and some autonomy to adjust. To ensure this autonomy, Purifar was able to operate their services autonomously and no lay-off was guaranteed. Furthermore, the complementarity of their services has allowed them to offer a wider range of services for their clients, to benefit from their different sources of clients and useful contacts, and therefore to extend their market share, as it was one of the main objective of this acquisition. However, some services are to some extent similar in both companies and therefore suffer from some overlaps. To take that into account, some changes, on-site trainings and more interaction have been experienced by the employees to allow the sharing of best practices and consequently to improve their performance. Another key aspect in this acquisition is the fact that Purifar had been relying on BNB Paribas' support functions. When the acquisition happened, they integrated the support functions of OVO, and therefore this led to higher integration for the administrative functions. The level of integration for those functions were mainly defined by legislation constraints. For instance, they still have two different IT systems for reasons of compliance with CSSF. On the other hand, Finance department was more integrated because they needed to consolidate their accounts, as well as the General Services department to define a new purchase policy and enjoy economies of scale. Finally, one of their main goal was to create growth, and the 'Re-orientation' approach seems adequate as it may allow more rapid gains for investors because it is less strict than extreme approaches such as ‘Preservation’, ‘Absorption’, or ‘Symbiotic’, and consequently permits managers for a more modest, more controlled and less risky type of integration.

Moving to the cultural differences, there is no doubt for saying that Purifar and OVO have utterly different corporate cultures. On the one hand, OVO comes from a small company with a lot a communication between the employees and a more informal way of communicating, while Purifar comes from the banking sector with strict procedures, more formal way of communicating and tight schedules. The objective is to gradually move to a group culture, so that every employee can feel to be part to one entity as a whole. To meet this objective, they created a brand name (i.e. ‘Flate Group’) and have been organising events for both teams to meet: team building activities, corporate parties, etc. However, it still seem to remain some slight differences in terms of which group culture are both companies aiming to.

In terms of advices, it seems that the financial industry is highly regulated and that the quantity of information that companies have to deal with is gigantic. Therefore, we believe OVO and Purifar could centralize those information to enjoy higher efficiency. Secondly, we can also provide them a potential risk for managers of this approach: “*early gains may result in enthusiasm for subsequent, more complete integration of the whole acquired business. This would present a far more difficult and long-term challenge, as it is difficult for firms to internally combine complementary elements*”. (Angwin and Meadows 2014). Finally, as they are aiming to grow via acquisitions, we also advise them not to keep the same integration strategy for every acquired companies, but to thoroughly analyse their key characteristics and to choose an adequate integration strategy, for instance, via the model proposed by Angwin and Meadows (2014). Finally, given the objective to have a common corporate identity, we believe more communication inter- and intra-companies is needed. Indeed, the inter-companies communication could allow them to understand the more congruent corporate group culture, while the intra-companies communication might help the managers to understand to what extent the employees are ready to experiences new change.

5.3. Limitations

Looking at the different criteria for judging the quality of research designs, it seems that the construct validity (via multiple sources of evidence, a chain of evidence, and a review of the report by key informants), the internal validity (via the use of pattern matching), the external validity (via the use of analytic generalization) and the reliability (via a case study protocol and a case study database) have been respected. However, academics usually criticise single-case studies for their fears about the uniqueness or artefactual conditions surrounding the case. As a result, many see them as vulnerable and question whether the study's findings can be generalizable beyond the immediate case study (i.e. External Validity).

The second limitation of this work relies on the sources of evidence used for the case study, namely 'Documentation' and 'Interviews'. Indeed, Yin (2009) suggested that documentation has weaknesses in terms of retrievability (can be difficult to find), biased selectivity (collection is incomplete), reporting bias (reflects bias of author), and access (may be deliberately withheld). Secondly, interviews can suffer from bias due to poorly articulated questions, response bias, inaccuracies due to poor recall, and reflexivity (interviewee gives what the interviewer wants to hear).

5.4. Avenues for Further Research

These findings suggest for future research to search for different combination integration possibilities. Indeed, we examined the case of 'Re-orientation', which showed the combination of different integration style. Therefore, it might be relevant to further investigate other 'Interplay' post-acquisition integration styles. Secondly, as there is a trade-off in post-acquisition integration strategies between the need for high integration to achieve the desired synergies and the potential disruptive costs and destruction of knowledge-based resources through this integration (Puranam et al. 2003; 2006; Puranam, Singh and Chaudhuri 2009; Ranft and Lord 2002; Ranft 2006), it might be interesting to evaluate the performance of each M&A for different integration strategies. Thirdly, given the multidisciplinary nature of M&A and the need for a pluralistic and holistic explanatory framework (Gomes, 2012), future research could try to link post-acquisition integration strategies with either pre-merger or post-merger key success factors. Finally, it is argued that parent companies might have different approaches if it is a one-off acquisition or an acquisition part of a serial-acquirer's sequence (Chatterjee, 2009; Laamanen and Keil, 2008). Therefore, it could also be examined whether or not focusing upon one type of integration strategy for a serial acquirer leads to higher performance.

Secondly, regarding the framework of Weber et al. (2009), this suggests for further research to take into account the different limitations of Haspeslagh and Jemison (1991) model and to improve accordingly Weber et al. (2009) typology.

Regarding the limitations of the single-case study, we could suggest further research to consider this case as a pilot that is the first of a multiple-case study. In performing this replication logic, the analytic conclusions will be more powerful, and will consequently strengthen the findings and their external validity.

References

Almor, T., Tarba, S. Y. & Benjamini, H. (2009). "Unmasking integration challenges: The case of Biogal's acquisition by Teva Pharmaceutical Industries". *International Studies of Management and Organization*, 39, 33-53.

Angwin, D. N. & Vaara, E. (2005). "Connectivity in merging organizations". *Organization Studies*, 26 (10), 1445–1453.

Angwin, D.N., & Meadows, M. (2014) "New Integration Strategies for Post-Acquisition Management". *Long Range Planning*, 48, 235-251.

Birkinshaw, J., Bresman, H., & Hakanson, L. (2000). "Managing the post-acquisition process: How the human integration and task integration processes interact to foster value creation." *Journal of Management Studies*, 37, 395-425.

Bjorkman, I., Stahl, G. & Vaara, E. (2007). "Cultural differences and capability transfer in cross - border acquisitions: The mediating roles of capability complementarity, absorptive capacity, and social integration." *Journal of International Business Studies*, 38, 658-672.

Brannen, M.Y. & Peterson, M.F. (2009). "Merging without alienating: Intervention promoting cross-cultural organization integration and their limitations." *Journal of International Business Studies*, 40, 468- 489.

Calori, R., Lubatkin, M., & Very, P. (1994). "Control Mechanisms in Cross-border Acquisitions: An International Comparison." *Organization Studies*, 15/3, 361-379.

Cartwright, S., & Schoenberg, R., (2006). "30 YEARS OF MERGERS AND ACQUISITIONS RESEARCH: RECENT ADVANCES AND FUTURE OPPORTUNITIES." *British Journal of Management*, 17, S1-S5.

Chakrabarti, R., Gupta-Mukherjee, S. & Jayaraman, N. (2009). "Mars-Venus marriages: Culture and cross-border M&A." *Journal of International Business Studies*, 40, 216-236.

Chatterjee, S., Lubatkin, M.H., Schweiger, D.M. & Weber, Y. (1992). "Cultural differences and shareholders value: Explaining the variability in the performance of related acquisitions.“ *Strategic Management Journal*, 13, 319-334.

Chatterjee, S., (2009). "The keys to successful acquisition programmes". *Long Range Planning*, 137e163

Cording, M., Christmann, P. & King, D.R. (2008). "Reducing casual ambiguity in acquisition integration: Intermediate goals as mediators of integration decisions and acquisition performance". *Academy of Management Journal*, 51, 744-767.

Datta, D. (1991). "Organizational fit and acquisition performance: Effects of post- acquisition integration". *Strategic Management Journal*, 12, 281-97.

Ellis, K.M., & Lamont, B., (2004). ""Ideal" acquisition integration strategies in related acquisitions of equals: a test of long-held beliefs". *Advances in Mergers and Acquisitions 3*, 81e102.

Ellis, K.M., Reus, T.H. & Lamont, B.T. (2009). "The effects of procedural and informational justice in the integration of related acquisitions". *Strategic Management Journal*, 30, 137-161.

Gomes, E., Angwin, D.N. & Melahi, K. (2012). "HRM practices throughout the mergers and acquisition (M&A) Process: A study of domestic deals in the Nigerian banking industry". *International Journal of Human Resource Management*, (Forthcoming).

Gomes, E., Angwin, D.N., Weber, Y., Tarba, S.Y., (2013). "Critical success factors through the mergers and acquisitions process: revealing pre- and post- M&A connections for improved performance". *Thunderbird International Business Review,* 56 (1), 13e35.

Gomm, R., Hammersley, M., & Foster, P. (eds.) (2000). *Case Study Methods: Key Issues, Key texts.* Thousand Oaks, CA: Sage.

Graebner, M. E. (2004). "Momentum and serendipidity: How acquired firm leaders create value in the integration of technology firms". *Strategic Management Journal*, 25, 751- 777.

Graebner, M.E. & Eisenhardt, K.M. (2004). “The other side of the story: Acquisition as courtship and governance as syndicate in entrepreneurial firms”. *Administrative Science Quarterly*, 49, 366-403.

Haspeslagh, P., & Jemison, D., (1991). *Managing Acquisition: Creating Value through Corporate Renewal*. New York: Free Press.

Hofstede, G. (s.d.). *The Hofstede Centre: Strategy – Culture – Change*. Online: https://geert-hofstede.com/national-culture.html, consulted on May 4th, 2016.

Howell, R. (1970). “Plan to integrate your acquisitions. *Harvard Business Review*, 48, 66-77.

King, D. R., Dalton, D. R., Daily, C. M. & Covin, J. G. (2004). “Meta-analyses of postacquisition performance: Indications of unidentified moderators”. *Strategic Management Journal*, 25, 187-200.

Krishnan, H.A., Miller, A. & Judge, W.Q. (1997). “Diversification and top management complementarity: Is performance improved by merging similar or dissimilar teams?” *Strategic Management Journal*, 18, 361-74.

Laamanen, T., Keil, T., (2008). “Performance of serial acquirers: toward an acquisition program perspective”. *Strategic Management Journal*, 29, 663e672.

Larsson, R. & Finkelstein, S. (1999). “Integrating strategic, organizational, and human resource perspectives on mergers and acquisitions: A case survey of synergy realization.” *Organization Science*, 10, 1-26

Larsson, R. & Lubatkin, M. (2001). “Achieving acculturation in mergers and acquisitions: An international case survey”. *Human Relations*, 54, 1573-1607.

Lubatkin, M., Calori, R., Very, P. & Veiga, J. (1998). “Managing mergers across borders: A two nation exploration of a nationally bound administrative heritage.” *Organization Science*, 9, 670-84.

Miles, M.B., Huberman, A.M. (1994). *Qualitative Data Analysis: An expanded sourcebook.* Thousand Oaks, CA: Sage.

Mirvis, P.H., & Marks, M.L., (1992). *Managing the Acquisition. Making it Work*. New Jersey: Prentice Hall.

Mirvis, P.H., & Marks, M.L., (2001). “Making acquisitions and acquisitions work: strategic and psychological preparation”. *Academy of Management Executive*, 15 (2), 80e92.

Morosini, P., Shane, S. & Singh, H. (1998). “National cultural distance and cross- border acquisition performance”. *Journal of International Business Studies*, 29, 137-58.

Nachmias, D. & Nachmias, C. (1992). *Research Methods in the social sciences*. New York: St. Martin’s.

Nahavandi, A. & Malekzadeh, A.R. (1988). “Acculturation in mergers and acquisitions”. *Academy of Management Review*, 13, 79-91.

Paruchuri, S., Nerkar, A., & Hambrick, D.C. (2006). “Acquisition Integration and Productivity Losses in the Technical Core: Disruption of Inventors in Acquired Companies”. *Organization Science*, 17(5), 545–562.

Philliber, S. G., Schwab, M.R., & Samsloss, G. (1980). *Social Research: Guides to a decision making process*. Itasca, IL: Peacock.

Puranam, P., Singh, H. & Chaudhuri, S. (2009). “Integrating acquired capabilities: When structural integration is (un)necessary”. *Organization Science*, 20, 313-328.

Puranam, P., Singh, H. & Zollo, M. (2003). “A bird in the hand or two in the bush? Integration trade – offs in technology – grafting acquisitions”. *European Management Journal*, 21, 179-84.

Puranam, P., Singh, H. & Zollo, M. (2006). “Organizing for innovation: Managing the coordination- autonomy dilemma in technology acquisitions”. *Academy of Management Journal*, 49, 263-80.

Ranft, A. (2006). “Knowledge preservation and transfer during post - acquisition integration”. In *Advances in Mergers and Acquisitions*, C. Cooper and S. Finkelstein (Eds.), 5, New York: JAI.

Ranft, A. L. & Lord, M. D. (2002). “Acquiring new technologies and capabilities: A grounded model of acquisition implementation”. *Organization Science*, 13, 420-441.

Reus, T.H. & Lamont, B.T. (2009). “The double-edged sword of cultural distance in international acquisitions”. *Journal of International Business Studies*, 40, 1298-1316.

Sarala, R. M. & Vaara, E. (2009) “Cultural differences, convergence, and crossvergence as explanations of knowledge transfer in international acquisitions”. *Journal of International Business Studies*, 41, 1365-1390.

Schweiger, DM., Csiszar, E. & Napier, N.K. (1993). “Implementing international mergers and acquisitions”. *Human Resource Planning*, 16, 53-70.

Schweiger, M. D. & Goulet, P.K. (2005). « Facilitating acquisition integration through deep level cultural learning interventions: A longitudinal field experiment”. *Organization Studies*, 26(10), 1477-1499.

Schweiger, D. M. & Weber, Y. (1989). “Strategies for managing human resources during mergers and acquisitions: An empirical investigation”. *Human Resource Planning*, 12, 69-86.

Sieber, J.E. (1992). *Planning ethically responsible research: A guide for students and internal review boards* (Applied Social Research Methods Series, Vol. 31) Newbury Park, CA: Sage.

Shimuzu, K., Hitt, M., Vaidyanath, D. & Pisano, V. (2004). “Theoretical foundations of cross - border mergers and acquisitions: A review of current research and recommendations for the future”. *Journal of International Management*, 10, 307-53.

Siehl, C., & Smith, D., (1990). “Avoiding the loss of a gain: retaining managing executives in an acquisition”. *Human Capabilities Management*, 29 (2), 167e185

Slangen, A. H. L. (2006). “National cultural distance and initial foreign acquisition performance: The moderating effect of integration”. *Journal of World Business*, 41, 161- 170.

Stahl, G.K. & Voight, A. (2008). “Do cultural differences matter in acquisitions and acquisitions? A tentative model for examination”. *Organization Science*, 19, 160-76.

Vaara, E. (2003). “Post-acquisition integration as sense – making: glimpses of ambiguity, confusion, hypocrisy, and politicization”. *Journal of Management Studies*, 40, 859-94.

Very, P., Lubatkin, M., Calori, R. & Veiga, J. (1997). “Relative standing and the performance of recently acquired European firms”. *Strategic Management Journal*, 18, 593-614.

Weber, Y. (1996). “Corporate cultural fit and performance in mergers and acquisitions”. *Human Relations*, 49, 1181-1203.

Weber, Y. & Schweiger, D. (1992). “Top management culture in mergers and acquisitions: A lesson in anthropology”. *The International Journal of Conflict Management*, 3, 285-3.

Weber, Y., Shenkar, O. & Raveh, A. (1996). “National and corporate culture fit in mergers/acquisitions: An exploratory study”. *Management Science*, 42, 1215-27.

Weber, Y., Tarba, S.Y. & Reichel, A. (2009). “International mergers and acquisitions performance revisited - The role of cultural distance and post-acquisition integration approach”. In *Advances in Mergers and Acquisitions*, C. Cooper and S. Finkelstein (Eds.), 8, New York: JAI.

Weber, Y., Tarba, S.Y. & Reichel, A. (2011). “International mergers and acquisitions performance: Acquirer nationality and integration approaches”. *International Studies of Management & Organization*, 41 (3), 9-24.

Weber, Y., Tarba, S. Y. & Rozen-Bachar, Z. (2011). “Mergers and acquisitions performance paradox: The mediating role of integration approach”. *European Journal of International Management*, 5 (4), 373-393.

Yin, R.K., (2009) *Case Study Research: Design and Methods* (Applied Social Research Methods Series V.5). Thousand Oaks, CA: SAGE Inc.

Zurcher Jr, L A., Meadow, A., & Zurcher, S. L. (1965). “Value orientation, role conflict, and alienation from work: A cross- cultural study”. *American Sociological Review*, 30(4): 539-548.