



An evaluation of an acquisition process from the employees perspective

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Master's Thesis

International Business Management

2025

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Arcada University of Applied Sciences: Degree Programme International Business Management, 2025.

Identification number:

Commissioned by:

Abstract:

Mergers and acquisitions are often preferred as a company growth strategy. Despite the tons of research papers, manuals, theoretical findings and impressive examples, huge amounts of M&A still fail. Why does this happen? Is it possible to overcome the challenges, and how could that be achieved? The more existing acquisition cases are analyzed, the higher the company's chance of succeeding.

The aim of this thesis is to analyze company X's integration process by conducting case study research, paying special attention to communication efficiency during financial training and workshops. It seeks to identify the main problems and provide practical ideas for future training for company Y. To answer these questions, theoretical concepts such as integration phases, approaches to change, and merger syndrome, have been analyzed. Special attention was paid to the recent studies regarding M&A, that included AI impact on the acquisition process, and the influence of the employees' morale on the integration.

The research was carried out as a case study of the acquisition process of company X by company Y. The primary data was collected via the survey, while the secondary data was taken from the annual reports of company Y and examples of internal communication of company Y to its employees via Intranet pages. After gathering and analyzing data, the efficiency of communication was evaluated. The integration process was considered from the employees' point of view, identifying the weakest points and suggesting areas for improvement. Using the results of the research, company Y could improve its acquisition strategy. If the employees are in the focus during future acquisitions, that could help to simplify the integration process and make it more efficient and smoother.

Keywords: Merger and acquisitions, integration process, employee role in acquisition, communication

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1. Introduction

“The people side of the acquisition is always the toughest, and we read all the articles about why they fail, but it seems that companies don’t learn from their mistakes. It’s always a new leadership team looking to lead an acquisition... we put good leaders on due diligence or integration teams, and it seems like there is a lack of education. It seems like every company makes the same mistakes and we all make the same mistakes every time.” (Wuorinen et al., 2021, p. 45).

Finding a more relevant phrase regarding the complicated and challenging acquisition process can be difficult. Despite the topic's importance and extensive research, mergers and acquisitions often fail, highlighting the need for ongoing analysis. Making mistakes is natural for humans; however, repeating the same mistakes at the company level can be costly and even lead to bankruptcy.

The question of the company growing, expanding, and strengthening its position in the market has always been at the top of the main business management concerns. A company can decide to use the so-called organic approach based on strategies for increased earnings and evaluating investments. Mergers and acquisitions present another way of the company growing, and they are seen as an inorganic growth strategy. (Kumar and Pal, 2021)

According to Krug (2020), mergers and acquisitions occur when one company is purchased or merged with another more prominent company. During this M&A process, the ownership, assets, liabilities, stocks, administrative operations, and products are consolidated and collectively governed. (Biondi, 2020). Banal-Estanol and Seldeslachts see the main reason for establishing mergers and acquisitions as opening or expanding a current organization or operation, seeking or aiming for long-term profitability and an increase in market power, as cited in Chambers. (Biondi, 2020)

M&A has historically faced several crises: during 2007-2009, it was the Great Recession, and from 2000-2002, the dot-com boom crashed. COVID-19 epidemic became new dramatic unforeseen crisis that impacted the world financial situation. Uncertainty in the financial sector and on the capital markets followed all these challenging periods and resulted in the companies'

decision to postpone or to cancel the M&A plans completely. However, despite market delays and challenges, COVID-19 never resulted in zero M&A deals. (Kumar et al., 2021)

According to IMAA (<https://imaa-institute.org/m-and-a-by-industries/>), in 2020, there was a 16% decline in total M&A deal value, while the drop in deal volume year-over-year was only 7.5%.

Q1 and Q2 2020 were marked with an initial slowdown, but global M&A activity experienced a strong recovery in later quarters due to digitalization and distressed asset sales. In comparison, the first half of 2019 experienced only 27 megadeals, whereas the same period in 2020 recorded 56 megadeals. (Kooli and Son, 2021)

In the end of 2020, the world started its slow transition back to some kind of pre-COVID reality. The global M&A activity is now characterized by several post-pandemic trends that seem to stay with us for a long time, among them digitalization of M&A, rise in private equity, and special purpose acquisition companies (SPACs). (Kumar et al., 2021)

London Stock Exchange Group (LSEG) reported that the M&A landscape worldwide saw \$660 billion in mega-deals last year, marking a slight increase from 2023 but still well below the \$1 trillion levels of 2019 and 2015. Over the last five years, large-scale deals made up about 20% of total M&A activity, a decline from 27% in the previous five-year period. (Proud, 2025)

Identifying a few notable successful acquisitions is feasible, such as Vodafone AirTouch PLC's acquisition of Mannesmann AG for \$202.8 billion in January 2023, which became the largest deal globally, according to Statista. (<https://www.statista.com>) Another significant acquisition, which cannot be overlooked, was announced in January 2024, where Synopsys Inc., a chip design software company, agreed to acquire Ansys, the leading supplier of HPC simulation software, for \$35 billion. (George, 2024)

However, it is essential to approach discussions about mergers and acquisitions with objectivity. We must recognize that numerous acquisitions have failed to achieve their intended goals or disrupted the operations of the companies involved. According to the latest research done by Baruch and Feng, 70-75% of acquisitions fail (their research is based on a sample of

about 40000 acquisition cases worldwide over 40 years). That is twice the 36% failure rate for internal projects reported by project management application service provider Wrike, Inc. There is also a stable increase in the M&A failure rate over time. (Fridson, 2024).

Why does this happen? What are the pitfalls and possible areas for improvement that should be considered when a company is planning an acquisition? Can we guarantee that the merger and acquisition will turn out to be successful? Is it possible to overcome the challenges, and how could that be achieved? The more existing acquisition cases are analyzed, the higher the company's chance of succeeding.

This case study research focuses on the integration process of acquiring the leading Finnish consulting company in real estate (here called company X) by company Y, a consulting, engineering, and design leader, which happened at the end of 2022. I participated in ERP and project management training and followed the integration process from the beginning. The total number of employees transferred from the acquired company during the acquisition period amounted to five hundred people, and the first transition phase included around two hundred employees. Several departments and teams have been involved in the acquisition and post-acquisition process, focusing on smoothness and efficiency from the angle of personnel, IT integration, financial results, and following the standard strategy.

The employees from company X had to adapt to new operational systems, company structure, and work culture within a short timeframe. Based on the employees' feedback, I concluded that the integration process had numerous weak points and failures. It was decided that such valuable data should be gathered, grouped, and analyzed. From the employees' perspective, the acquisition process brought not only technical problems, but also emotional imbalance, stress, and communication problems. The results of the questionnaire will enable me to focus on the employee's perspective and examine the process from an employee's point of view, identifying gaps and flaws, and providing the organization with improvement suggestions. Special attention will be given to the role of the employee in the acquisition, employees' feelings, and communication efficiency.

1.1 Choice of topic and delimitation

The idea of building my research around a real acquisition case came to my mind when I knew that the structural change of company X would happen soon. First, I intend to devote my research to the technical side of the merger, focusing on data migration from company X to company Y's ERP system. The more I participated in the migration process and communicated to the employees of company X, the higher my interest in the more personal side of the acquisition was. The merger happened almost two years ago, and during that time, I had a unique opportunity to get real-time feedback and see how the attitude and behavior of company X's employees have been changing. As a result, I have changed my mind and decided to study the acquisition and post-acquisition phases from the point of view of the human factor and employee relationship.

Even though M&A has been constantly analyzed and researched, the human side of the change is often left behind the research focus. There is still a lack of research regarding the employees' side of the merger and acquisition process, although it is essential to consider the feelings of the participants to achieve better results. Follow-up is often underestimated while evaluating the efficiency of the M&A process. This research provides an opportunity to analyze one acquisition case and, as a result, to offer some practical solutions and tips that the company can use later in its acquisition activity.

1.2 Research aim and research question

The aim of this thesis is to analyze company X's integration process by conducting case study research, paying special attention to communication efficiency during financial training and workshops. It seeks to identify the main problems and provide practical ideas for future training for company Y.

The following research questions are proposed for the research:

- How is the integration process between the company X and Y planned and handled in relation to the acquisition?
- What could be done differently to achieve better results?

2. Theoretical framework

2.1 An Overview of the M&A Concept

Mergers and Acquisitions are often used interchangeably and perceived as the whole approach. However, there is a significant difference between these two ways of combining or consolidating companies' assets. (Dezi et al, 2018, p.716)

When one company acquires another, it is termed an acquisition, indicating that the purchasing company has assumed ownership. This term often includes hostile takeovers, where the target company opposes the acquisition, though it can also occur with the mutual consent of both firms. Conversely, a merger occurs when two companies unite to operate as a single new entity instead of remaining independently owned. Typically, this involves firms of similar sizes, referred to as a merger of equals. (Wuorinen et al, 2021)

Nahavandi and Malekzadeh (2015) suggest another classification of M&A based on diverse degrees, or integration levels, and define four main types:

- separation (preserves the culture and practices of the target entity, keeping it independent of the acquirer. Here, the absorbed company may become a subsidiary of the acquirer).
- assimilation (occurs when the target company adopts the identity and culture of the acquirer).
- integration (happens when a target company's stakeholders wish to hold on to their beliefs, cultures, and practices, all while harmonizing with the structure and values of the acquiring organization).
- deculturation (refers to a situation where companies struggle to find common ground culturally).

Mergers and acquisitions, consequently, can be classified based on their structure, objectives, and the relationship between the companies involved. If we need to characterize a specific merger, we can distinguish horizontal, vertical, conglomerate, market extension, and product extension mergers. As for the horizontal and vertical ones, they involve joining forces of the two companies from the same industry or within one supply chain. When talking about the merging of companies that are not competitors and come from totally different industries, we should use the term conglomerate merger. Market extension mergers occur when companies

from the same industry, but operating in different geographic markets, decide to combine their strengths. Finally, sometimes two companies with complementary products choose to merge to strengthen their product line (product extension merger). (Gaughan, 2018)

Acquisitions, in their turn, can be subdivided by the type of acquiring. If the target company voluntarily agrees to be acquired, it is called a friendly acquisition. If we apply the above concept to the case company, we can define the process as a friendly acquisition. In case the acquiring company aims to take over the target company without considering its wishes and aggressively buying shares, we deal with a hostile takeover. Those cases, when the smaller company acquires the larger one, for example, to gain access to the wider market, are called a reverse takeover. In addition to the already mentioned, there are asset and stock purchases, based on the company's interest in acquiring one or another. (Nahavandi and Malekzadeh, 2015)

In our case study research, we deal with the horizontal friendly takeover. Both company X and company Y management and shareholders agreed to the deal, with company Y acquiring all the shares. When the target company's management is open to being acquired, a friendly takeover is more likely to happen. These takeovers are more common in the M&A space and often come with lower costs than hostile takeovers.

2.2 Previous research

The COVID-19 pandemic has truly reshaped the landscape of mergers and acquisitions, capturing the attention of researchers more than ever. Bui (2022) notes that the pandemic significantly affected company profitability, leading to reductions in both ROA and ROE. With revenue declines weighing heavily on performance, companies struggled with the challenges posed by the pandemic's impact, although some managed to find ways to alleviate these difficulties. Interestingly, higher leverage provided a buffer against these adverse effects, which aligns with the trade-off theory. Even though the theory was developed in the early 1970s, it remains dominant among other theories of corporate capital structure. As Myers (1984) suggested, the trade-off theory of capital structure describes corporate leverage as a balancing mix of the tax-saving benefits of debt, on one hand, and the dead-weight costs of bankruptcy, on the other hand. (Ai, Murray, and Sanati 2021) At the same time, industries like real estate, construction, and consumer services confronted substantial hurdles. When it comes

to company size, the results were mixed. At the same time, increased liquidity and operating expenses led to a drop in ROA, GDP growth surprisingly showed a negative correlation with overall performance (Bui, 2022). To help lessen the pandemic's challenges, it was suggested that governments ease market access, increase public investment, and update financial support policies. Meanwhile, businesses were encouraged to focus on increasing revenue, optimizing costs, thoughtfully managing debts, and accelerating their digital transformation efforts (Bui, 2022).

Much other recent research focuses on the impact of the COVID-19 pandemic as well as the crises that have occurred within the last 10 years (Mahmud, Ding, and Hasan, 2021, Kumar et al., 2021). In addition to the negative effect seen in such areas as retail and hospitality, the pandemic opened plenty of new opportunities to the industries where digitalization has already been incorporated for some time, or there were good grounds for its development. For instance, M&A in the technology sector was boosted by accelerated digital transformation, while healthcare observed an increased activity in the medical and equipment (Kumar et al., 2021). A growing trend in distressed asset sales opened new possibilities. Companies were experiencing heightened interest in M&A due to strategic realignments and a brisk pace of digital transformation. There was also a noticeable shift toward hybrid deal-making models, with organizations making good use of virtual tools.

Furthermore, the presence of low interest rates renders acquisitions increasingly attractive. As for the consequences, it was advised that companies embrace more aggressive and strategic M&A strategies. It was also found reasonable to highlight the importance of digital integration, international growth, and collaborations such as SPACs and joint ventures. Finally, many companies started to see M&A not just as a tool for financial gain but for long-term strategic positioning in a post-pandemic economy. (Kumar et al., 2021)

Artificial intelligence (AI) and its influence on M&A have become another prominent point of interest for plenty of researchers. Lappi (2023) in his paper "Investigation made easy? How AI influences the due diligence process of mergers and acquisitions" mentions the increased use of AI in the due diligence field, naming document review, and enhancing legal due diligence through efficiency gains and benefits such as process management and transparency. At the same time, AI influences the engagement ranges of the employees (rating from neutral to significant): if the employees have enough time for training and learning AI capabilities, they

mostly appreciate AI and enjoy more engaging tasks. To avoid being overoptimistic, it should be accepted that AI tools still have limitations in terms of language, accuracy, and training. Technical due diligence sees minimal AI impact (Lappi, 2023). Overall, AI attracts a lot of attention from researchers in various fields, including M&A.

Another researcher, Gupta (2024), explored how AI enhances the success and sustainability of M&A. She agrees with Lappi that the company can benefit from AI regarding vital data analysis and decision-making tools. However, it is believed that success cannot be gained without human factors such as adaptability, leadership, and emotional intelligence. The research highlights that blending technology with human-centered strategies is key for achieving lasting success in M&A. (Gupta & Pareek, 2024).

Lalova (2025) examines the impact of employee morale, as measured by Glassdoor reviews, on mergers and acquisitions. The study reveals that firms with aligned morale are more likely to merge, achieving better short- and long-term synergies, quicker deal completion, and improved integration. High morale in target employees boosts outcomes for acquirers, whereas low morale can harm acquirer morale and performance through "emotional contagion." The paper presents innovative methods, including leveraging weather as an instrumental variable for morale and analyzing textual similarities in reviews. Overall, findings underscore that employee sentiment reflects firm dynamics and significantly affects M&A success. (Lalova, 2025).

Considering the unstable world situation, García-Nieto (2024) distinguish the key risk factors linked to M&A. These risks are categorized into four main themes: information asymmetry, performance and corporate reputation, litigation and investor protection, and geopolitical factors. This study highlights how these risks are interconnected and the importance of taking a holistic approach to risk management. It underscores the significance of corporate social responsibility (CSR), corporate governance, and innovative digital finance technologies, like blockchain, to help mitigate risks while enhancing transparency and accuracy in valuations during M&A processes. (Garcia-Nieto, 2024)

However, not only technology development but also AI attracts researchers. The human side of M&A is constantly gaining more and more attention, and the role of emotions during M&A is seen as a significant factor in efficiency and organizational outcomes. Klok and Kroon (2022)

believe that both positive and negative emotions (fear, stress, pride, and excitement) arise from factors such as identity threats, status perceptions, and strategic misalignments, and these emotions can influence our attitudes and behaviors, ultimately impacting the success of M&A efforts. Special attention is being paid to the positive emotions, which are often underexplored in existing research. According to the researchers, a deeper understanding of the human side in M&A can reduce the high failure rates of M&As. (Klok and Kroon, 2022).

2.3 Integration phases and levels

The acquisition should not be perceived as a one-time decision of one company's management to acquire another and strengthen its position in the market. Many researchers admit that acquisition should always be considered a complicated, open-ended process that affects the company years after the acquisition. (Risberg, 2021) There is a common approach to defining various stages or phases of acquisition. According to Marks (2021), we can distinguish three phases of the merger and acquisition process: pre-combination, legal combination, and post-combination. Graves (2021) suggests another interesting approach, defining four stages: the planning stage, the anxiety stage, the merger, and the evaluation. (Risberg, 2021) According to Haspeslagh and Jemison (2022), the main phases of integration are idea generation, acquisition justification, integration, and results. Besides, Lohrum's et al. (2022) approach provides more specified phase segregation, introducing five different integration phases: observation, planning, execution, consolidation, and, finally, the maturity phase. (Lohrum et al., 2022). The approaches differ, but there is a shared vision of the integration process as a significant change consisting of various phases or stages on different levels and involving many players.

Table 1. Integration phases in international mergers and acquisitions by Lohrum

Phase	Description	Key Characteristics
Observation	Initial stage where both companies observe each other and the situation.	- High uncertainty - Strong impact on managers - No significant changes implemented
Planning	The acquiring firm begins formal and structural planning.	- Focus on formal aspects - Neglect of human and cultural integration
Execution	Implementation of changes begins.	- High activity level - Start of human and cultural integration - Employee reactions
Consolidation	Deeper integration of sociocultural aspects.	- Cross-level communication

		- Emphasis on collaboration between all organizational levels
Maturity	Full integration of both companies' cultures and systems.	- Blended corporate culture - Stabilized organization - Long-term integration success

Another approach to analyzing the integration process suggests considering the process in terms of levels. (Risberg, 2021) Shrivastava (2017) defines three integration levels: the procedural level, physical integration, and managerial and sociocultural integration. (Shrivastava, 2017) The first level, procedural, includes standardizing work procedures and often focuses on combining different ERP systems. The essence of the second level, physical integration, lies in the physical integration of the existing product lines, technologies, plants, and equipment. Finally, the integration process reaches the final level, which is managerial and sociocultural integration. This is the highest integration level that involves merging the corporate cultures of the acquiring and the acquired companies; personnel are transferred between the companies on top managerial, middle managerial, and staff personnel levels, making it possible to share knowledge and competence and formulate a new common corporate culture.

2.4 Approaches to change

Poor change management is considered one of the main reasons for acquisition failure. At the beginning of the process, managers should distinguish between external changes that occur in the external world and internal psychological transitions experienced by the employees within the organization (Cameron & Green, 2015).

As a starting point for analyzing the efficiency of change management, we need to formulate what change means regarding company acquisition and review different approaches to change. According to Cameron and Quinn (2022), four different approaches to change can be defined: behavioral, cognitive, psychodynamic, and humanistic. (Cameron & Quinn, 2022) The behavioral approach is based on the influence of one individual on another's behavior with the help of rewards and punishment to achieve the desired results. (Cameron & Quinn, 2022) Among reward strategies, we can distinguish the so-called financial reinforcement (tangible rewards such as bonuses, prizes, etc.) and non-financial (providing feedback, social

reinforcement including verbal praise, and general recognition). As McGregor's Theory X states, the core of the behavioral approach lies in motivation for change effort via the balanced combination of rewards and punishments. (Stefanovska-Petkovska, Bojadjiev, and Blazevski, 2021)

Despite the ease and clear vision of the behaviorist approach, the researchers (Cameron & Quinn, 2022, Damasio, 1994, Huy 2002) saw its focus on observable behavior as a disadvantage. Due to the willingness to analyze the internal mental processes more, the cognitive approach appeared. The cognitive approach aims to see the individual's plan to achieve the desired results. This approach provided plenty of techniques for changing the beliefs and, therefore, the performance of the individuals that are widely used nowadays in the field of management: for example, positive listings, affirmations, visualizations, reframing, rational analysis, and so on. However, the cognitive approach ignores the person's inner emotions and the fact that they can strongly influence the change. (Cameron & Quinn, 2022)

The psychodynamic approach differs from the previous two as it analyzes the individuals' reactions to the change process. This approach focuses more on the stages the individuals follow, such as denial, anger, bargaining, depression, and acceptance (Kubler-Ross, 2023). Virginia Satir's model also defines various stages, but it adds two key elements influencing the change: the foreign element and the transforming idea. (Cameron & Quinn, 2022) The psychodynamic approach was criticized for simplifying the complicated process of change. Although individuals may go through similar stages, they do so at a specific pace, and the borders of the stages cannot be clearly defined. Additionally, different stages can overlap.

The humanistic approach combines traits of the behavioral, cognitive, and psychodynamic approaches while developing its peculiarities. This approach focuses on the emotional engagement between individuals in the change process. The humanistic approach perceives emotional self-awareness as a significant advantage of the effective manager. (Cameron & Green, 2015)

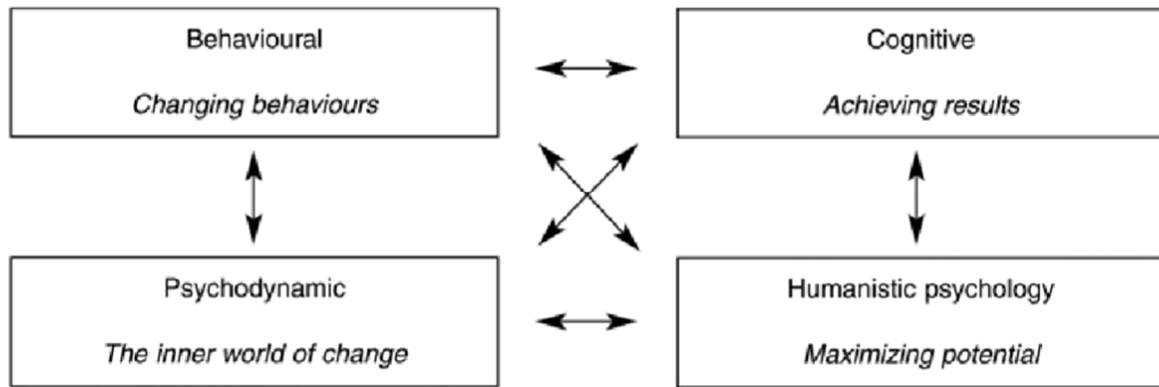


Figure 1. Four approaches to individual change. (Cameron and Green, 2015, p. 14)

Cameron and Green (2015) believe that managers can utilize all these approaches during the acquisition process. However, psychodynamic and behavioral approaches are regarded as the most applicable to the integration process. The behavioral approach helps managers select the most efficient reward strategy to make the acquisition smoother. Psychodynamic, in turn, should be chosen as the core approach, as it treats people as individuals and aids in understanding their feelings and emotional states. (Cameron & Green, 2015)

2.4.1 Change management strategies

Change can often feel unsettling, and it's only natural for us to resist it. However, effective change management is crucial for any organization, whether it's making adjustments to the workspace or implementing new systems. This becomes even more important during mergers and acquisitions, as the impact isn't limited to just a few employees; it affects the entire organization and everyone involved. (Kansal and Chandani, 2015)

During the acquisition, the company management comes across several challenges that make the process complicated and difficult to control. There are natural resistance to change, lack of communication and support, confusion and frustration, force of habit, lack of confidence in the management, and fear of insecurity. According to Kansal (2015), the companies should follow the steps below, or strategies, if they want to overcome the challenges. First, it is essential to make an integration plan that will be assigned to the specific project team. The earlier the management communicates the plan to the employees, the better for the integration process. Second, executives from both companies should have a clear vision of the common goals, strategy, values, and policies. Third, cultural differences should be considered, as different

cultures can focus on and value different issues. Employee involvement, HR restructuring, and downsizing are also of high importance in the acquisition process. (Kansal et al., 2015)

2.5 Employee role during the acquisition process

When the researchers talk about the acquisition results, they focus more on the financial outcomes from the shareholders' perspective. (Betton, Eckbo, Espen, and Thorburn, 2021) However, increased attention has been paid to other merger players and employees during the past decades. Team players are leading and are considered the company's main asset. The mental health of the employees going under the merger and acquisition can significantly impact long-term acquisition results and should not be ignored. (Bach, Baghai, Bos, and Silva, 2024.) According to Bach et al. (2024), mergers harm employees' mental health. The strength of the effect can be compared to the impact of marriage but with the opposite sign: while marriage, in general, improves the person's state and decreases mental problems for five years, mergers can significantly induce them for a similar time slot. (Bach et al., 2024.)

Schweiger et al. analyzed employees' reactions to the merger and identified five significant personal responses. Employees experienced the loss of identity to their acquired company. Consequently, their self-image changed, and they were urged to prove their skills again in the new team. There was not enough information, and high anxiety levels; people had doubts regarding their future. In addition, employees spend more time learning new rules and procedures and are willing to protect themselves from changes and survive. (Schweiger & De Nisi, 2024.)

Employees can feel personal and professional uncertainty during the acquisition phase. Being under constant stress, the employees may suffer from psychosomatic difficulties; they can feel lowered self-esteem and a sense of loss. (Sinetar, 2023.) As for the professional side, the employee can show lower productivity and commitment, higher dissatisfaction, and disloyalty (Buono and Bowditch, 2023). Several researchers (Sinetar 2023; Marks and Mirvis 2021) insist that employees experience various negative emotions, including shock, disbelief, and grief. (Sinetar, 2023, Marks and Mirvis, 2021.) Sinetar (2023) suggests that these emotions are followed by resentment, anger, and depression.

The importance of the employees' reactions to the merger cannot be ignored, as they significantly impact the entire process. Employees generally suffer from negative feelings, making the integration process less efficient and smooth. At the same time, some people may see the change as an opportunity to recognize their strengths and better understand in which direction they want to develop professionally. (Sinetar, 2023.)

2.5.1 The Merger Syndrome

Based on the collected data and analysis of employee reactions to various mergers and acquisitions, the concept of merger syndrome was formulated. According to Marks and Mirvis (2021), the merger syndrome can be used to describe the employees' and managers' reactions to acquisition, and it is often perceived as the main reason for acquisition failure. (Marks & Mirvis, 2021.) The syndrome is a set of different reactions, both psychological and psychosomatic, that are seen as usual for those going under the merger and acquisition. (Buono & Bowditch, 2023). Marks and Mirvis (2021) stated, "The merger syndrome is triggered by the often unavoidably unsettled conditions in the earliest days and months following the combination and encompasses the executives' stressful reactions and development of crisis-management orientation." (Marks & Mirvis, 2021, p. 20)

Buono, Bowditch, Marks, and Mirvis (2023) agree that merger syndrome can be described and analyzed via personal, organizational, and cultural reactions. (Buono et al., 2023) Personal reactions lie at the core of the merger syndrome and include the strongest employees' emotions that arise due to the change. People naturally first perceive the merger from the point of personal change and try to evaluate what change means for them regarding salary, position, and career development. As a result of the heightened self-interest, the employees tend to focus on the worst negative development scenarios. There is always a communication gap between the merger announcement and the actual process, and rumors consisting of the facts and the tales are unavoidable. People in a state of uncertainty cannot efficiently manage their time and efforts, resulting in high detraction from work performance. As a result of the stressed environment, elevated level of anxiety, and uncertainty, employees start to feel psychosomatic reactions such as headaches, high blood pressure, insomnia, etc.). (Montenegro, 2016).

According to Marks and Mirvis's theory (Marks & Mirvis, 2021), organizational reactions compile the next group of symptoms, including crisis management, increased centralization,

decreased communication, Combat Mentality, and tension. To feel some illusion of control, managers lean toward the attitude of crisis management. Decision-making has become more centralized, communication has decreased, and the gap between management and employees is growing rapidly. When dealing with high-risk merger situations, executives behave as if they were in a war, which leads to more isolation. Finally, due to all these reactions, the tension between the groups increases, and people tend to accept assumptions and use group thinking, which lacks critical thinking and deep analysis. (Marks & Mirvis, 2021)

Cultural issues also play an essential role in the acquisition and evolve complex reactions. There can be different decision-making styles in the acquiring and the acquired company, leading to slow responses, misunderstanding, and communication gaps. If the acquisition brings a new leadership style, it can result in increased turnover among employees unwilling to change and to play according to new rules. Work styles in companies may also differ, and employees who are used to a less formal work style may find it challenging to adapt to a stricter hierarchy and, thus, be less efficient. On the other hand, the question of the employee's efficiency and success also plays a significant role in the work culture. While one company focuses on practical and smooth teamwork, another could value individual success more. (Dixon, 2015)

Table 2. Reactions in the merger syndrome

Personal:	Organizational:	Cultural:
heightened self-interest	crisis management	decision-making
worst scenarios	increased centralization	shift in leadership style
rumors	decreased communication	ability to change
detraction from work performance	Combat Mentality (war room)	style of work
psychosomatic reactions	tension between persons and groups	success image

As can be seen from the analysis of reactions to the merger syndrome, the acquisition process affects the company on all levels, from personal to cultural. The merger syndrome can last several months and even years, influencing the company's processes long after the merger.

2.5.2 Importance of communication

Clear communication is essential for aligning expectations between the newly acquired executives and their teams. Without a well-defined and shared vision for the acquisition, there's a good chance that rumors will start to circulate. It's crucial to set the right expectations and avoid misunderstandings so employees feel valued and treated fairly throughout the acquisition process. Communication should be considered at different levels, including the employees, team leaders, and company management. (Burgess, 2020).

Burgess (2020) suggests that the following rules should be followed during the merger to provide efficient and open communication at all levels. First, it is crucial to be honest and forward about future leadership and set expectations already at the early stage of the integration process. Second, the approach to the integration process should be presented to the employees with a focus on a merger and integration, not acquisition. The usage of the term “acquisition” highlights the distance between the two companies that can result in increased tension and ambiguity. Third, a company can benefit from considering a communications expert – a person who will ensure that communication goes smoothly and there are no uncertainties or misunderstandings. Finally, there is advice to have a cross-functional M&A team. Diverse perspectives shape a unified vision aligned with each function’s capabilities. The team can also assess value and risks, allowing executives to focus on daily operations. (Burgess, 2020).

3. Research methodology

This chapter outlines the research methods and design approach used to analyze company X's integration process. It explains the rationale behind selecting the methodology, data collection, and analysis methods, and discusses how the proposed research questions will be answered. Specifically, it examines how the integration process between company X and Y is planned and what adjustments could be made to achieve better results.

3.1 Research method

The qualitative approach was applied as the most relevant due to several reasons. First, communication lies in the center of the research, with special attention to the situation. Second, I was not detached as required by the quantitative research method, on the contrary I was involved in the process and could see it from inside. Third, the research was based on

theoretical concept, and data collected was bonded to the theory. Finally, the number of respondents involved in the acquisition was limited and not enough for applying quantitative approach. (Mehrad, 2019)

Table 3. Differences between Quantitative Approach and Qualitative Approach (Mehrad, 2019)

Quantitative Approach	Qualitative Approach
Measure impartial facts	Concept social reality cultural meaning
Emphasis on variables	Attention to communicating process, events
Reliability is important value free	Authenticity is important values are present and explicit
Theory and data are distinct	Theory and data are bonded
Independent of setting	Situational constrained
Many cases, subjected statistical analysis	Few cases subjected thematic analysis
Researcher is detached	Researcher is involved

A case study method was selected as a prime choice in qualitative methodology. This approach means exploring one phenomenon within its context and using a variety of data sources. According to Yin (2024), this is the preferred research method when the researcher has little or no control over the behavioral events (Privitera, 2024). It should be considered when the focus of the study is to answer “how” and “why” questions (Yin, 2024). Although I participated in the various integration procedures, I was unable to influence the feelings, thoughts, and attitudes of company X's employees. As a close observer and with instant feedback, I had the opportunity to evaluate the acquisition and analyze its effectiveness and success from the employees’ point of view.

A qualitative, structured survey was distributed among employees from the acquired company X. As the crucial point for the case study research is to use various data sources, the annual reports of company Y as well as examples of internal communication between the company Y and its employees were also analyzed. Evaluating the integration process from three different angles enhanced data credibility.

3.2 Data collection

It was decided to gather both primary and secondary data to get a more in-depth understanding of the acquisition process. A survey was chosen as the initial data collection method. Additionally, to gain a comprehensive perspective, an analysis of the financial performance of company Y was conducted by comparing the annual reports from three years (before, during, and after the acquisition).

I used a survey to collect primary data, and secondary data was obtained from the company's annual reports and internal announcements regarding the acquisition on the company's intranet. The online survey was created using the Microsoft Forms application. This app can be used for business purposes to collect customer feedback, measure employee satisfaction, improve products or services, or organize company events. (<https://support.microsoft.com/en-us/office/welcome-to-microsoft-forms-29cfe2e6-2f6e-4175-b88b-8fa82be33071>) The link to the survey, cover letter, and an attachment containing information on the processing of personal data was sent to the employees on May 19, 2025, via company email. Survey questions, cover letter and consent letter can be found in the appendices (Appendix 1 & 2). The target group included employees from the acquired company X. Respondents could access the survey directly by clicking the link. All responses were anonymous. The survey remained open until June 3, 2025, after which the results were collected, grouped, and analyzed.

The online survey was conducted in English and included various types of questions, such as multiple choice, rating scale, dichotomous Likert scale, and open-ended questions. The survey consisted of 28 questions that were divided according to the following themes:

- 8 general overview/background questions
- 11 questions about the employee engagement level
- 4 questions regarding the operational and communication efficiency
- 5 open-ended questions related to the suggestions for future improvements.

The response rate for the survey was 19,4%, with 19 out of 98 respondents providing answers to the questions. This response rate was found acceptable, as other data was used for the analysis.

The secondary data was obtained from the public annual reports of company Y for the year preceding, during, and following the acquisition. (Appendix 3). Additionally, there was secondary data from company Y's intranet that included internal communications to employees regarding the acquisition.

3.3 Data analysis

There were three main goals for collecting and analyzing primary and secondary data:

- 1) to reveal the employee satisfaction level regarding the acquisition (paying special attention to the employees' feelings and concerns),
- 2) to compare company Y's acquisition strategy and financial results by analyzing secondary data from three annual reports,
- 3) to analyze the efficiency of internal communication regarding the acquisition.

The primary data received from the survey was first obtained from the Responses Overview page in Microsoft Forms and then extracted into Microsoft Excel. Here, the answers were filtered and grouped with the help of dashboards and visualization analytics.

Qualitative data from the open-ended questions was analyzed and categorized based on the common themes: a) employees' feelings about the acquisition and its change, b) satisfaction with the support level during the integration process, c) suggestions for the future.

Secondary data, including annual reports from company Y and Intranet messages, were analyzed using content analysis, a research method widely employed to interpret textual data. In the case of this research, content analysis allowed us to explore and compare the corporate strategy of company Y, specifically acquisitions. According to Downe-Wambolt (1992), "the process of analysis reduces the volume of text collected, identifies and groups categories together, and seeks some understanding of it. In some way, the researcher attempts to 'stay true' to the text and to achieve trustworthiness" (Downe-Wambolt, 1992, p.128). In our case, strategic framing of the acquisitions through the years, their impact, and changes in the process were examined.

3.4 Ethical consideration and trustworthiness of the empirical study

Validity and reliability are the core principles that should be followed when conducting a research study. Validity relates to what is measured and how accurately it is measured. Reliability refers to the degree of consistency in measurement. (Singh, 2017)

Current case study research can be considered reliable because the integration manager from company Y reviewed the survey questions before they were sent to the respondents. As she was responsible for the migration process from the pre-acquisition phase to the end of the integration, she suggested rephrasing some questions to improve clarity and ensure a more consistent survey.

Despite the low response rate of the survey, the case study research is considered valid. Validity of the research is based on the link between the theory and the questions in the survey. Questions were designed in such a way that communication efficiency, employee integration level, as well as employees' emotions, and the merger syndrome could be checked and analyzed. In addition, all respondents were from company X and came under the integration process themselves. Using the secondary data from the annual reports and Intranet messages added validity to the research.

The ethical conduct of the research is based on the following several rules. First, the confidentiality and anonymity of the respondents were considered primary research principles, which were communicated to them in the cover letter. Participation in the survey was entirely voluntary, and respondents could exit the survey at any time, as stated in the cover letter as well. The integrity and objectivity of the researcher were supported by a theoretical framework, ensuring that the research results were free from any bias on the part of the researcher.

4. Results

This chapter provides an overview of the survey results, along with an analysis of the annual reports and internal communication via the Intranet. Survey results have been categorized into several groups. First, there are background questions that describe the respondents' work experience, job position, workplace, and possible changes after the acquisition. In the second group, employee engagement levels are described from the employee's perspective, focusing on their feelings regarding management support, ease of obtaining help, opinions on retention

challenges, and changes to the workplace. Group three combines the opinions on operational and communication efficiency, with the focus on change in daily operations, delays in the process, and feedback regarding the support provided during the integration process. Finally, in the last group, the employees' opinions on the pitfalls and positive aspects, main challenges, possible improvements, and open feedback were collected.

The response rate for the survey was 19,4%, with 19 out of 98 respondents providing answers to the questions. This response rate was found acceptable, as other data was used for the analysis. Among the respondents were representatives from various job positions, which allowed for a nuanced view of the integration process. In general, the group of respondents should be seen as a representative sample of the employees from the acquired company X.

4.1 Survey results

4.1.1 Background information

Initially, the employees were asked how long they had worked for the company prior to the acquisition. As shown in Figure 2, the majority of respondents had worked for more than 5 years.

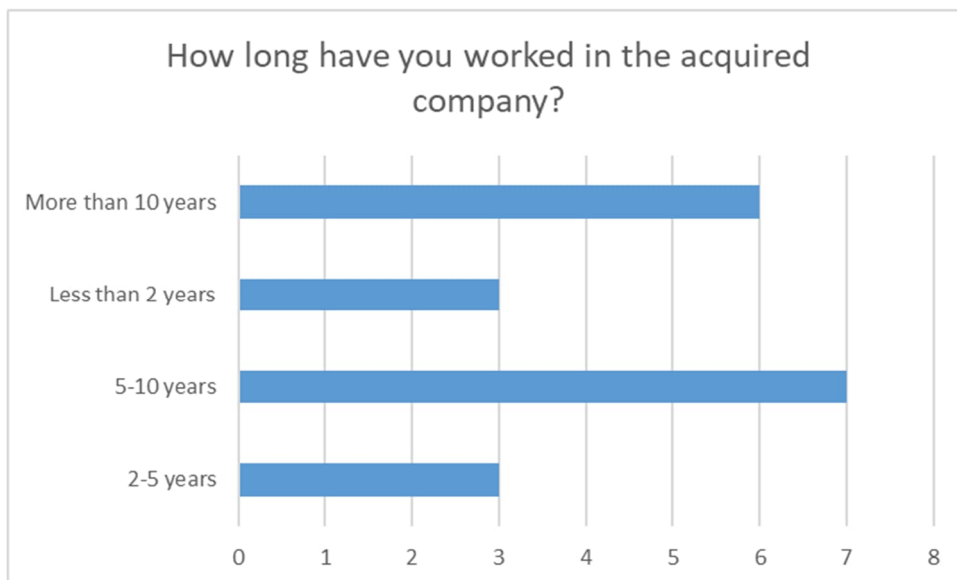


Figure 2. Work experience of the employees in the company X

From Figure 3, we can see that the Project Manager and Specialist compiled the largest group of recipients. The focus group consisted of employees from various sections and roles, which helped provide a comprehensive view. Managers of 15 employees moved to company Y with

them, which can be seen as a positive aspect, helping the employees to feel safer and supporting organizational continuity.

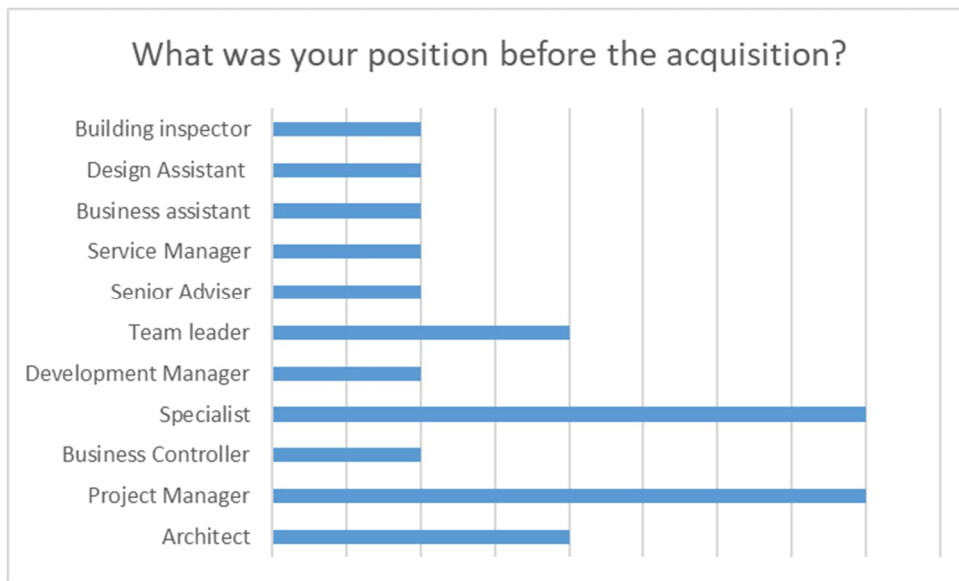


Figure 3. Employee's position before the acquisition

11 respondents did not have to change their workplace, and 2 continued to work remotely. As can be seen, most employees from company X could continue working in their usual setup.

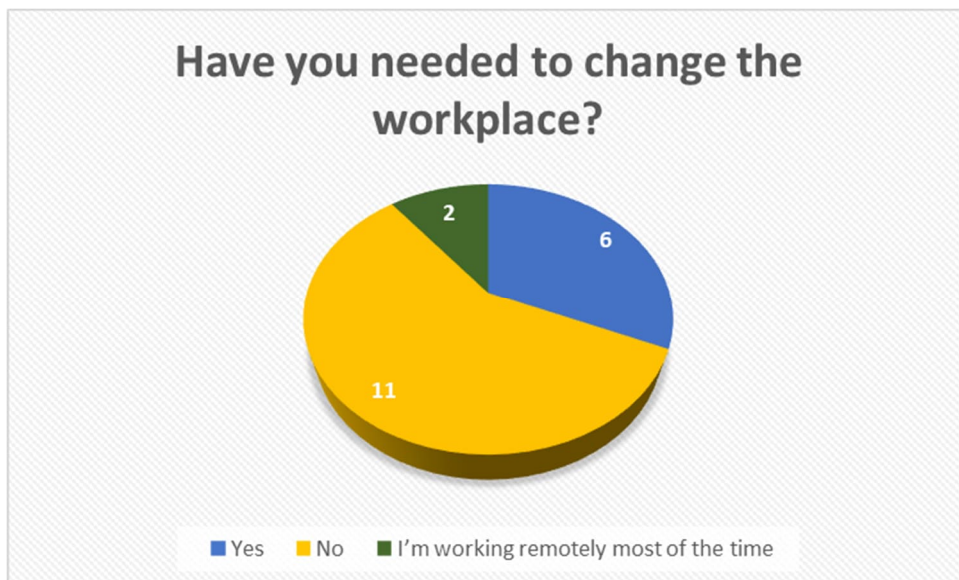


Figure 4. Employees that had to change the workplace (N=19)

The respondents were asked if their position had changed, and if so, whether they were satisfied with the change. Figure 5 reflects that 15 employees experienced no change in their position. 4 employees from company X started a new job, and their satisfaction levels varied from 5 to 9 (on a scale of 0 to 10). (Figure 6).

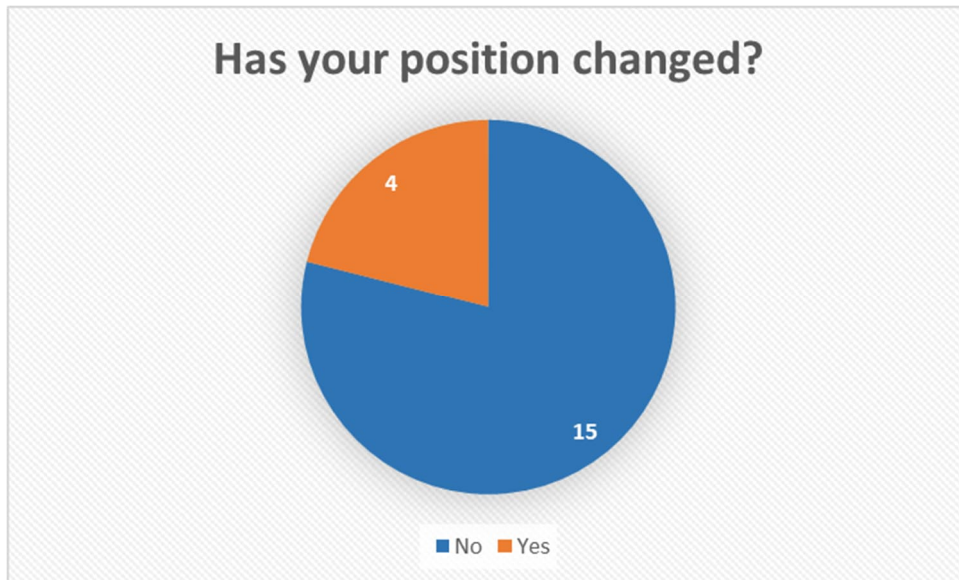


Figure 5. Position of the employees changed (N=19)



Figure 6. Satisfaction with the change

4.1.2 Employee engagement

The following part of the survey included questions that helped evaluate employees' feelings, expectations, concerns, and general attitude toward the acquisition process. Figure 7 shows that employees lacked support from their manager, which could potentially have a negative impact

on their feelings. Additionally, 26% of the respondents reported feeling isolated during the integration process. (Figure 13).

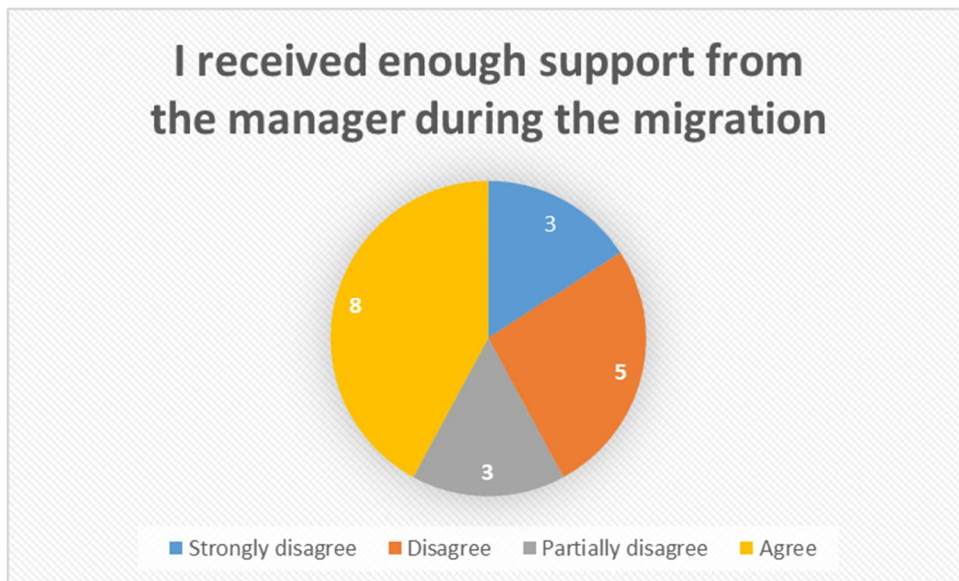


Figure 7. Support from the manager during the migration

There was no clear vision of the integration timetable, and the employees were not sufficiently informed about whom to contact in case of questions or technical problems. Only 9 respondents reported having clear expectations for the merger. (Figures 8 and 9).

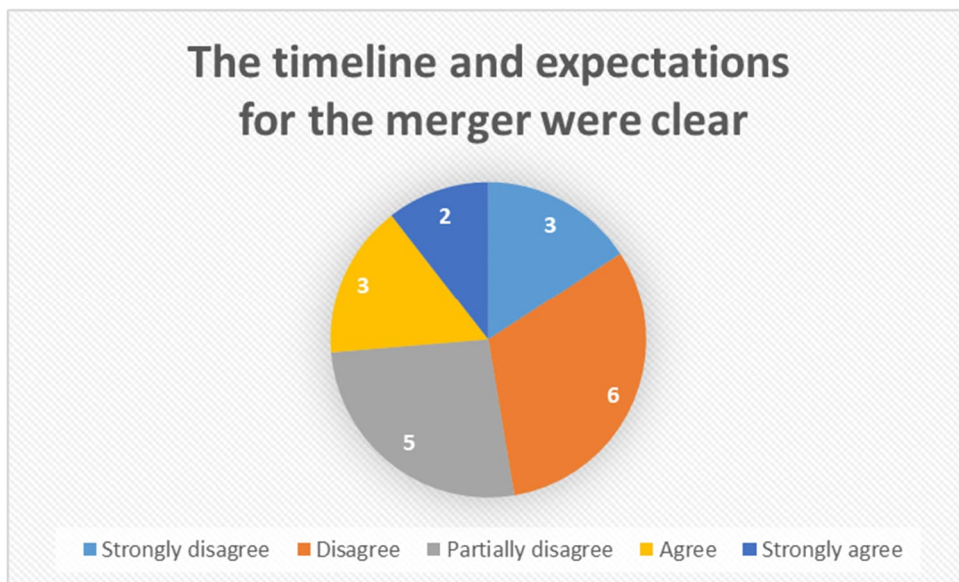


Figure 8. Clarity of the timeline and expectations for the merger.

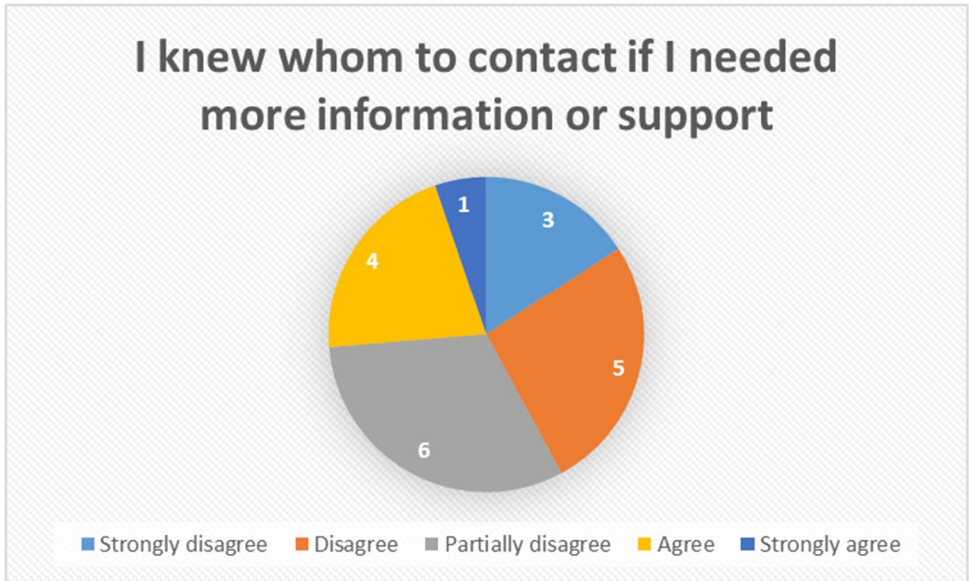


Figure 9. Availability of contact information or support

As can be seen from Figure 10, the employees were also struggling to get help quickly enough. The average response rate was 5,37, which is below expectations, considering the number of challenges the employees were stuck on. Most of the respondents highlighted the problems with learning new programs at a hectic pace. Lack of planning and weak communication led to a feeling of uncertainty (mentioned by 7 respondents), stress, and lower productivity. However, despite all the problems, 4 employees were curious about the future changes and opportunities.



Figure 10. Speed of providing support

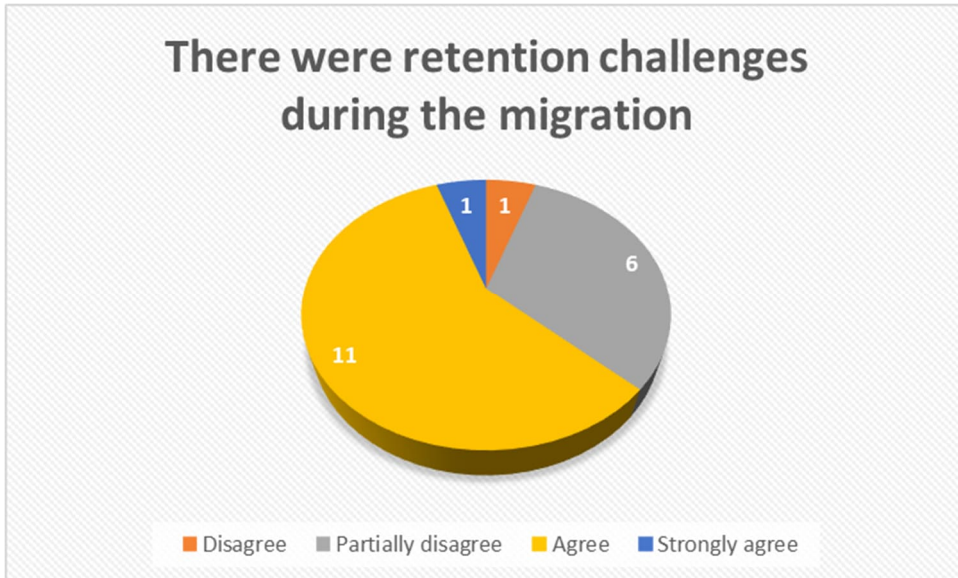


Figure 11. Retention challenges during the migration

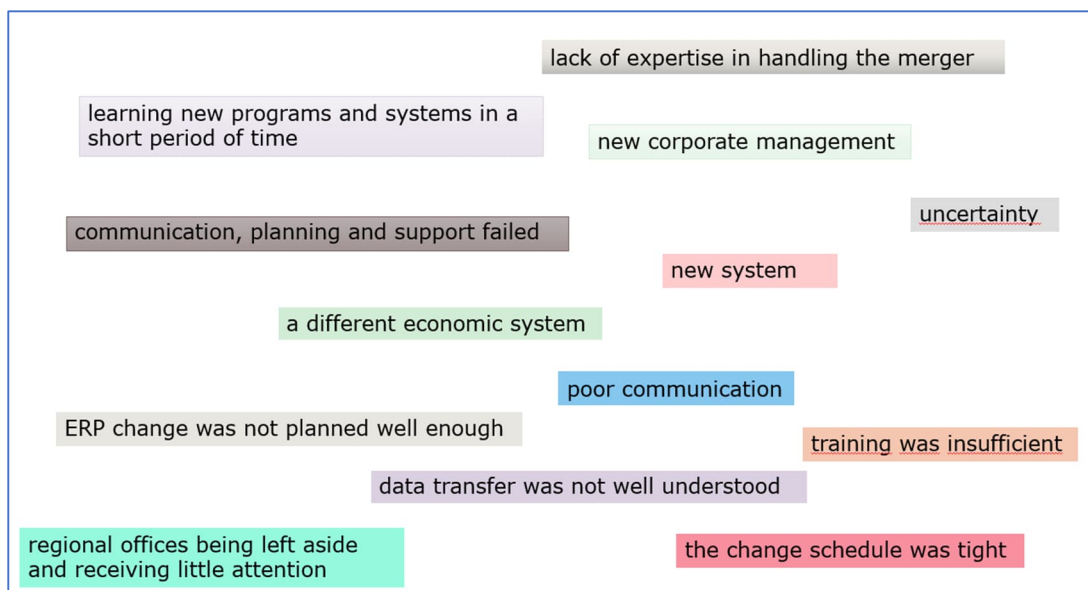


Figure 12. Retention challenges specified from open answers

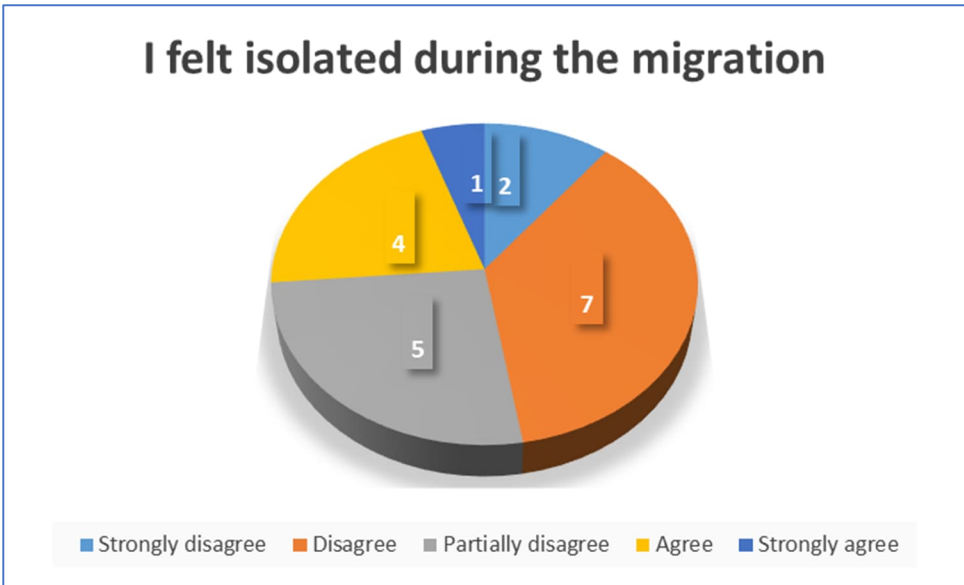


Figure 13. Feeling of isolation during the migration

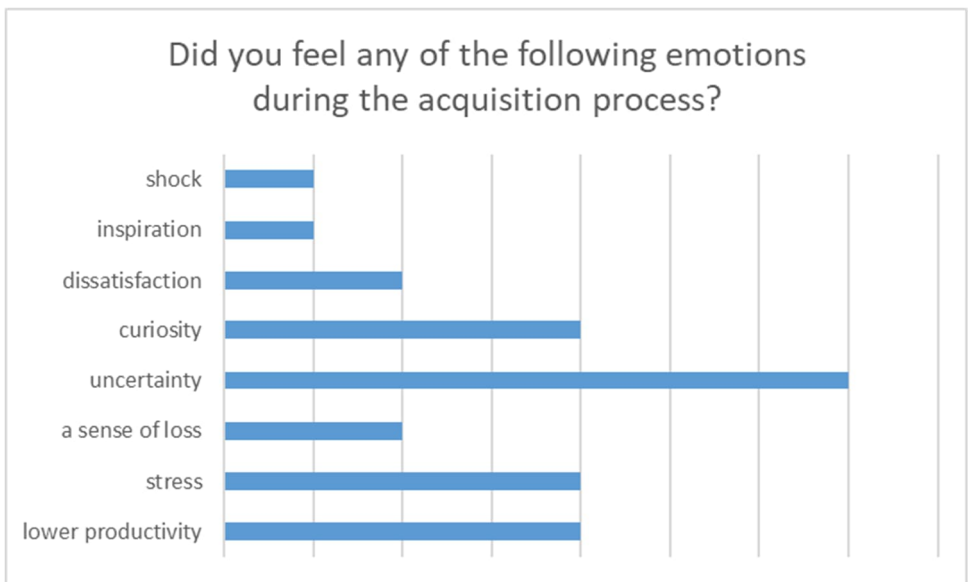


Figure 14. Emotions felt during the acquisition process

When answering questions about considering leaving the company, 7 respondents mentioned general uncertainty, a lack of planning, being extremely busy while learning new programs, and doing daily tasks simultaneously. However, the majority of the employees planned to continue working in company Y after the acquisition. (Figure 15)

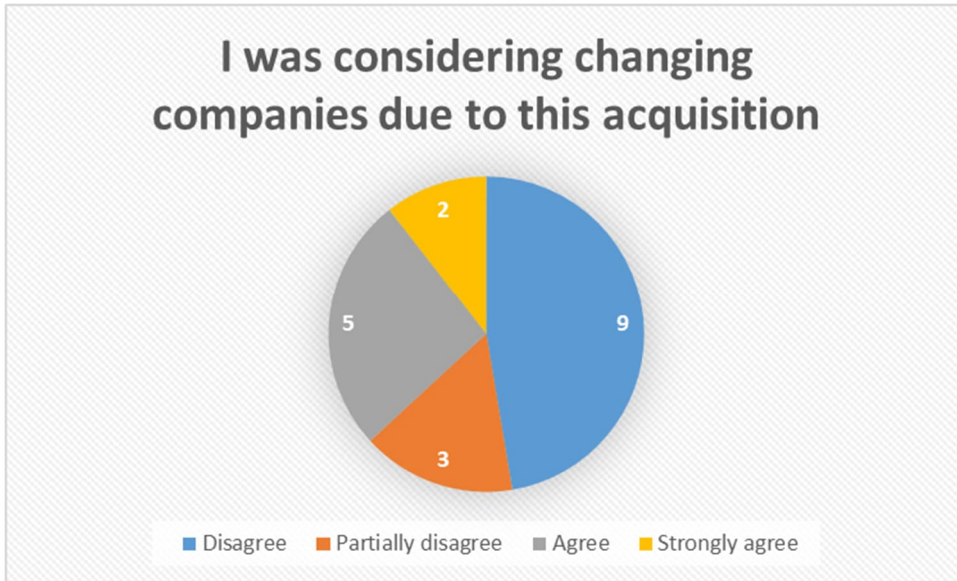


Figure 15. Considering changing companies due to the acquisition

The respondents were asked to describe their attitudes toward the acquisition when they first heard about it and whether their attitudes had changed, and if so, why. Negative feelings prevailed, among them anger, sadness, disappointment, non-acceptance, worry, and shock. Some employees were also feeling stressed, frustrated, and even terrified. In addition to these negative emotions, several respondents also mentioned experiencing positive emotions, such as curiosity, due to the change, and even feeling like starting a new job.

12 employees have changed their attitudes toward the change. Some mentioned that after a year, things started to look easier, procedures improved, and they noticed positive consequences of the acquisition (like being a part of the strong brand, receiving new opportunities). At the same time, the employees highlighted more bureaucracy, and less agility compared to the small company they had worked for before the acquisition.

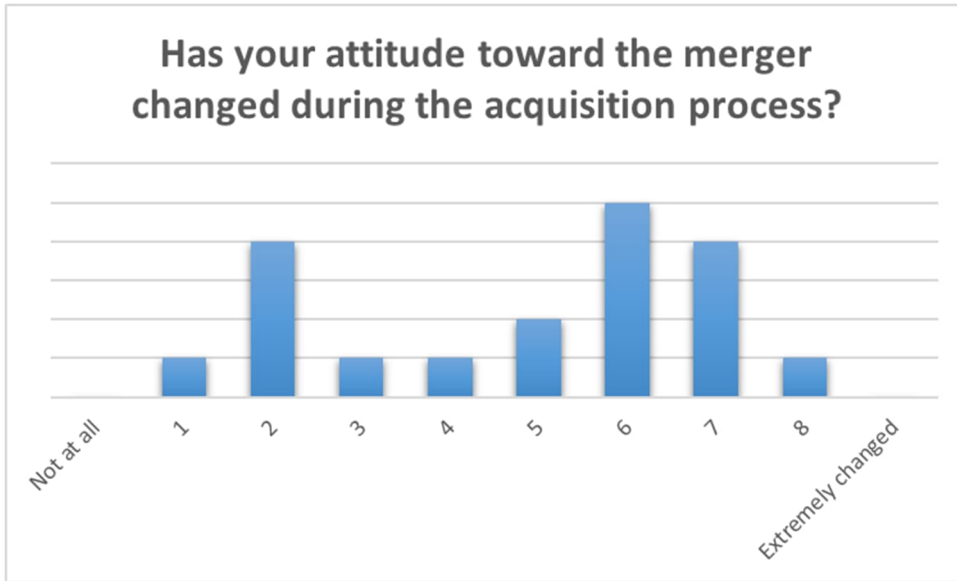


Figure 16. Change of the attitude toward the merger

4.1.3 Operational and communication efficiency

This part of the questionnaire aimed at investigating the operational and communication efficiency of the integration process. 15 respondents agreed that their daily operations were affected by the merger. A new, complicated ERP system (in comparison to the one they used before the acquisition), along with a lack of training and support, made standard work procedures more time-consuming. Some employees mentioned that combining learning new things with their usual daily tasks negatively impacted their efficiency. The increased bureaucracy and complicated organizational structure of company Y were unfamiliar and further slowed down the work. The work was delayed due to technical issues for 11 respondents. (Figure 18)

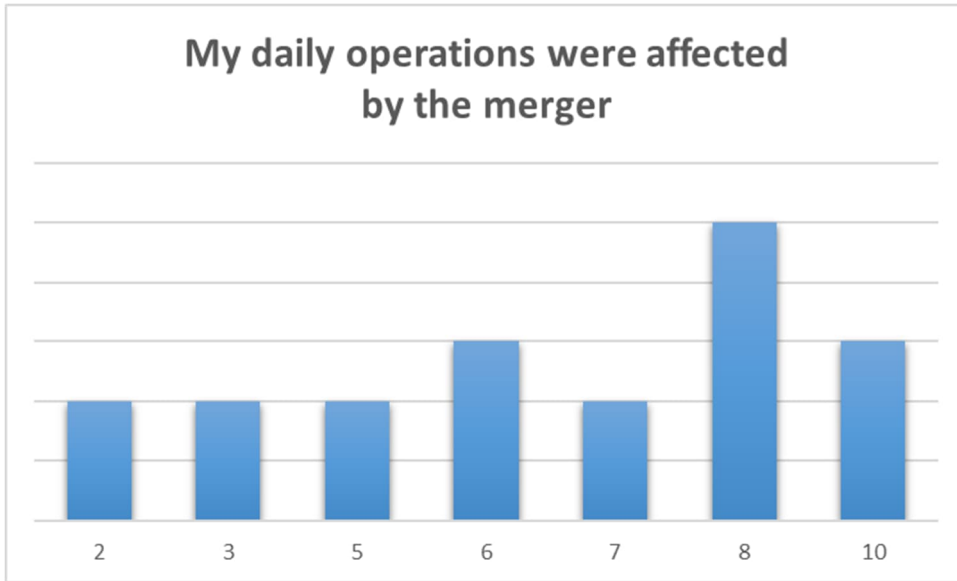


Figure 17. Impact of the merger on daily operations

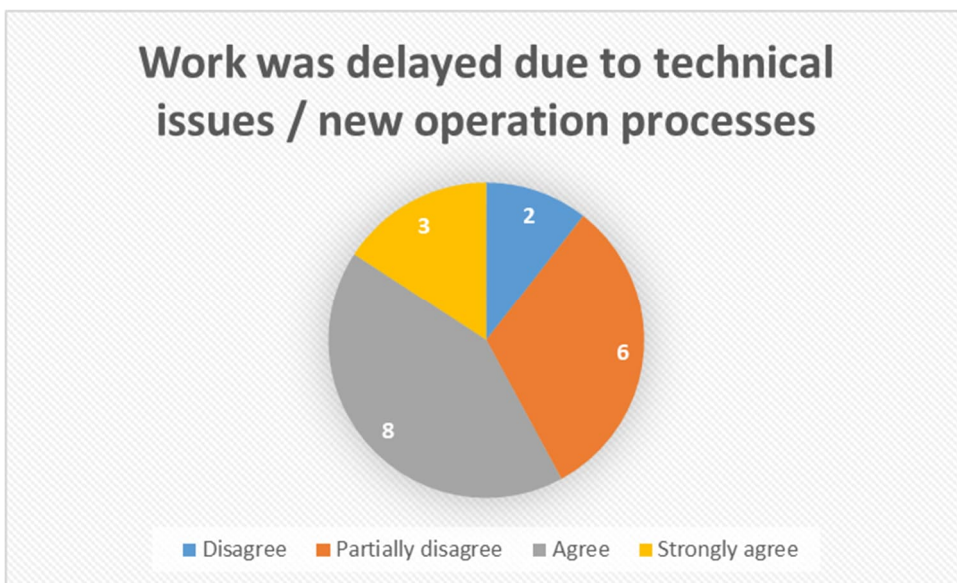


Figure 18. Delays at work due to technical issues

Only 2 respondents replied that they were asked for feedback after the acquisition occurred, and there was a strong need for additional training or help (7 agreed, and another 7 strongly agreed with this statement). (Figure 19)

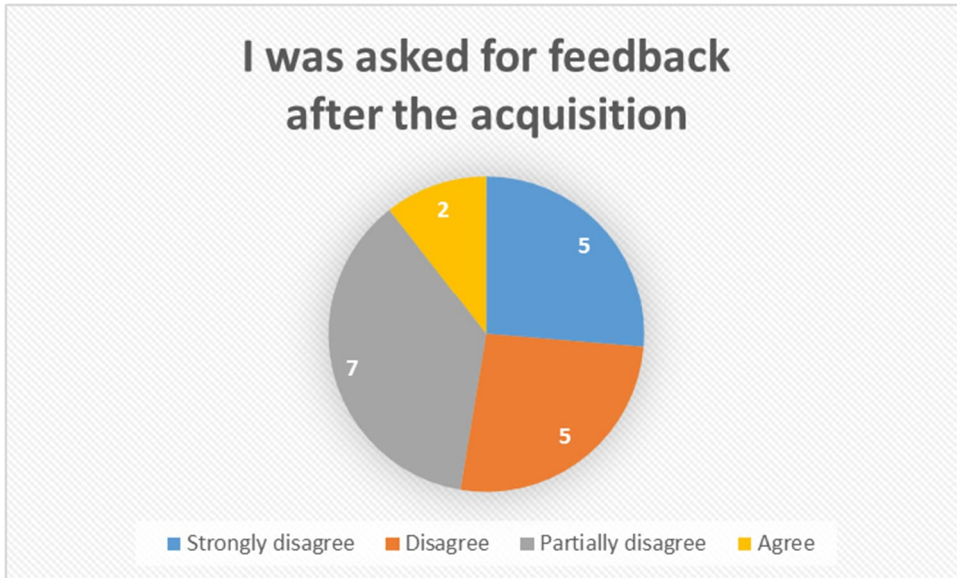


Figure 19. Being asked for feedback after the acquisition

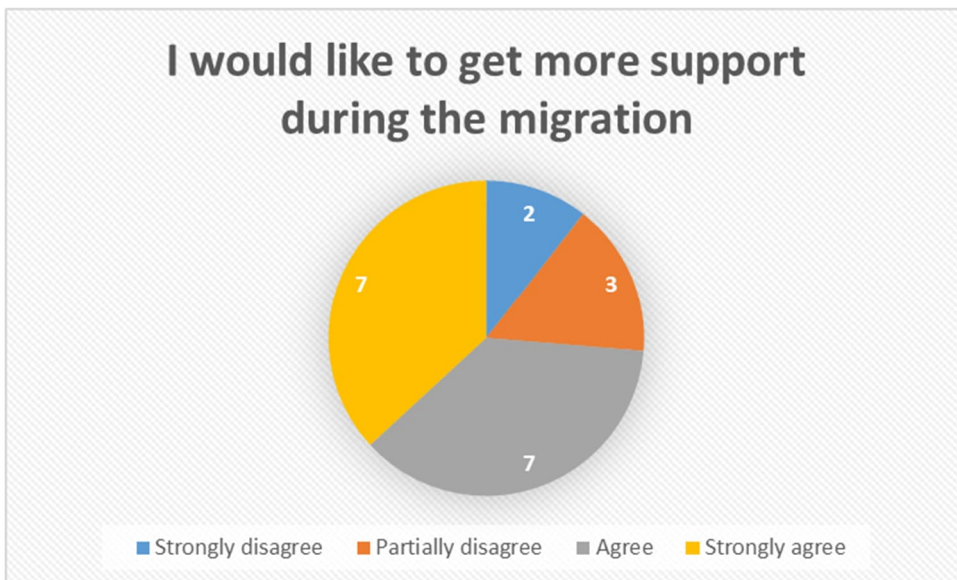


Figure 20. Need for more support during the migration

When asked about the most appropriate form of support, the majority of the respondents specified the so-called “support clinic”, common sessions with several instructors helping with a specific task in real time. Among other support forms highlighted were training sessions, short instructional videos, and weekly catch-up Teams meetings. (Figure 21)

23. If yes, in which format the support works better for you

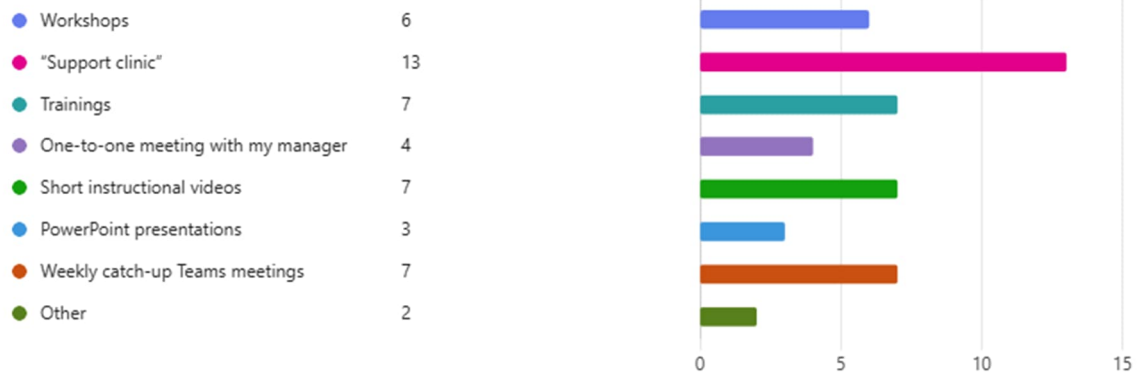


Figure 21. Preferred forms of support

4.1.4 Suggestions for future improvements

The last part of the survey consisted of five open-ended questions, formulated in a way that allowed respondents to express their thoughts and findings, and to highlight aspects that were not covered in the previous survey questions. First, the employees were asked if anything was missing from the process. After analyzing the answers, it was concluded that a lack of planning, unclear instructions, and poor communication were among the top pitfalls of the migration process. Almost everyone mentioned that they did not have enough time for a smooth integration, and would like to get more information before the acquisition and during the process. Respondent 10 paid special attention to the point that there was a lack of understanding of the employee's feelings, as the process was too heavy and impersonal: "The integration seemed to lack planning, skill, and understanding of the little person." (Respondent 10)

The next question inquired about the specific challenges that the respondents went through during the migration. Again, the lack of time and the need to combine learning new programs with the massive amount of work were highlighted as the main problems by many of the employees. Due to the acquisition occurring during the most hectic time of the year, time management was a clear challenge. Learning a new system, searching for the correct contact people, and finding the needed information took extra time and effort. As respondent 8 mentioned, everything was new, and he didn't know whom to ask. All these factors, along with high uncertainty, made the integration process hard.

Challenges of familiarization with new systems. Difficulty in providing technical support. Time usage. In other words, the workload was already 100%, so we had to learn and practice new things on top of our normal work. There wasn't enough time for everything. (Respondent 8)

To gain a better understanding of the process's weak points, employees were asked if they would like to make any changes to the migration process. First, more assistance and training were mentioned. Second, the respondents would like to see better planning that could prevent excessive errors during migration and, consequently, reduce a significant amount of manual work. Respondent 3 suggested that there could be a dedicated manager from company Y who could show the new employees how things are done within the department.

I think it would have been useful if we would have had manager "godfather" or "godmother" from other company Y's section to follow up and tell us how they do things in company Y. Now everything was also new to our own managers so they didn't know either how things work in company Y and we didn't have anyone to ask. (Respondent 3)

At the end of the questionnaire, respondents were invited to share positive insights and any points not previously discussed. Some employees found no positive points in the acquisition. As respondent 1 wrote, "there hasn't really been any positive progress when the systems are constantly changing". (Respondent 1) Some valued belonging to a larger company, which enhanced their work and offered development opportunities.

The increase and availability of professional skills has improved with the merger of new companies. The processes of the current company work well, as long as you can anticipate them a little. (Respondent 5)

Supportive colleagues, a new team, and managers were seen as positive changes. Suggestions for improvement included using more advanced planning and following the project plan. Additionally, broader use of Finnish on the intranet was identified as important.

Press releases in Finnish, more IT support. Training also on the intranet. (Respondent 6)

Advance planning is the most important thing in the process and carefully creating a project plan! I also found it very important to think about the most important things that need to be taken into account at each stage of the process, because if these have not been considered, a larger repair job may arise at some point in the project. (Respondent 1)

4.2 Acquisition in the financial reports

Annual reports of company Y for three years (one from the year before the acquisition, the base year (2022, the year of the merger), and the post-merger year) were analyzed with the help of qualitative content analysis. The reports were analyzed with special focus on the acquisition content:

- First, the reports were checked for the explicit acquisition strategy.
- Second, the impact of the acquisitions on company Y's financial performance was checked and compared.
- Finally, it was observed how company Y's approach to acquisitions developed and changed over these three years.
-

Based on the qualitative content analysis of the 2021 annual report, it can be seen that acquisitions were considered a key part of company Y's "Grow. Rethink. Change." strategy. The following year was characterized by further integration of the acquisitions. Finally, 2023 was marked by a greater focus on specific industry sectors. (Appendix 3)

Table 3. Acquisition strategy of company Y in the annual reports

Year	Acquisition strategy
2021	focus on growth and geographic expansion
2022	focus on further integration of the earlier acquisitions
2023	focus on international growth

As shown in Table 4, revenue steadily increased each year, indicating high demand and a successful acquisition strategy. EBITA margin and utilization decreased slightly, primarily due to higher acquisition costs and market softness. Company Y achieved its best operating profit in 2023, thanks to an effective cost-saving strategy.

Table 4. Comparison of key figures (2021, 2022, 2023).

Year	Net sales, EUR M	EBITA margin, %	Capacity utilisation, %	Operating profit, EUR M
2021	2,010.4	8,5	74,7	139.3
2022	2,355.2	8,0	74,7	122.0
2023	2,697.8	7,5	73,5	144.1

When we focus on the specific infrastructure division, we see that 2021 was a successful year in terms of acquisitions: there were a total of 18, resulting in added net sales of 120 EUR million. Five hundred employees from company X were integrated into company Y, and integration costs slightly affected the margin negatively. It was the most aggressive acquisition year of the three. The absorption of company X's operations into company Y's operations and the subsequent improvement initiatives had a measurable impact on both costs and margins. (Appendix 3)

The number of acquisitions in 2022 decreased to four, with a net sales value of 60 million euros. However, the integration of company X continued during 2022 and 2023, maintaining the margin at a stable level. The year 2023 was marked by five acquisitions that resulted in 35 million euros in added net sales. (Table 5)

Table 5. Acquisitions in the Infrastructure division

Year	Number of Acquisitions	Added Net Sales, EUR M	Notes
2021	18	120.0	Company X added 500 employees; real estate sector growth; integration costs affected margins.
2022	4	60.0	Continued integration; margin stable at approximately 8%
2023	5	35.0	Improvement program expanded; Q4 margin recovery to approximately 5.3%

Company Y's approach to acquisitions changed during this period. If 2021 could be characterized by acquisition-heavy expansion, 2022 was more consolidation-focused, when in 2023, company Y followed a more specific and focused acquisition strategy.

4.3 Intranet communication

To gain a more objective and comprehensive understanding of company Y's communication strategy regarding the acquisition, intranet news from October 2021 to November 2022 was collected and analyzed. In total, company Y published seven posts in the news feed regarding the acquisition for company Y's employees. The first welcoming newsletter was released in October 2021, outlining company Y's plan to acquire company X. No timeline or specific details were provided about the subsequent integration, only an overview of company X's mission, competencies, employee count, and net sales. It was emphasized that company Y would benefit from the acquisition and strengthen its market position.

The following information letter was issued in two months and announced the approval of the acquisition by the Finnish Competition and Consumer Authority (FCC). There was a mention of the next step, starting the actual integration during the first quarter of 2022. In the last sentences of the press release, the possibility of leaving a greeting to the new colleagues was suggested.

In January 2022, the employees were informed about the completion of the acquisition of company X, which meant that the integration work could start at full speed. Seven different integration groups, representing various departments (such as Finance, HR, and Business), were established, with employees from both company X and company Y appointed as group leads. In the end, a welcoming video for the employees from company X was introduced.

Next, employees were informed of the merger in March 2022. The need for combining business operations and organizational changes was communicated. Possible changes to the office network were announced to use the facilities efficiently and find practical solutions.

The following two intranet news items were legal and did not directly concern employees. Finally, in November 2022, the management of company Y announced the progress of the integration and plans to integrate other units of company X. The subsequent merger phase was specified.

5. Discussion

Results from the survey, analysis of the annual reports, and Intranet communication offered a more complex perspective on case acquisition. As noted, despite the well-structured and financially successful acquisition process, several internal challenges emerged, including overlapping administrative processes, delayed workflow harmonization, and cultural integration issues that affected efficiency and margins.

In the theoretical part of the research, the main challenges that the company comes across were mentioned:

- natural resistance to change
- lack of communication and support
- confusion and frustration
- force of habit
- lack of confidence in the management
- fear of insecurity.

To overcome the difficulties, Kansal (2015) suggests that the company should follow common steps. First, an integration plan should be made, and a specific project team assigned. As can be seen from the analysis of the respondents' replies to the survey, this step was not planned deliberately enough. Insufficient pre-integration planning led to multiple migration errors that required time to correct, ultimately affecting profitability.

Kansal (2015) also highlights that the earlier the plan is communicated to the employees, the better the integration process. According to the survey and internal communication analysis of company Y with the employees, there was not enough clear communication. Intranet news provided only one-way communication, which strengthened the sense of ambiguity and loss among company X's employees. At the same time, employees from the acquiring company Y were not properly informed about the acquisition, resulting in misunderstandings, insufficient support for their new colleagues, and reduced team efficiency.

The next step should consider if the executives from both companies have a clear vision of the common goals and a clear strategy. Analysis of the annual reports showed that the company was consistent, and its acquisition strategy was aligned with the growth plan. Misleading and

insufficient communication between the management and the employees made it difficult to organize a smooth and efficient integration process.

Finally, Kansal mentions employee involvement as one of the crucial moments in the integration process. Survey results showed that this step was not followed well enough. Respondents mentioned that they felt isolated, not properly updated on the acquisition process, and not asked for consistent feedback during the post-acquisition stage.

Results of the survey were compared to Schweiger's concept of personal responses to the merger. Employees from company X identified uncertainty, high stress levels, and lower productivity as the underlying emotions they experienced before and during the integration process. All these feelings correspond to the concept. When the respondents were asked about their feelings, 7 respondents mentioned general uncertainty, stress, and lower productivity. Dissatisfaction and the sense of loss were experienced by four employees. To sum up, it can be said that the employees from company X experienced the merger syndrome described in Chapter 2 of this research. According to Marks and Mirvis, this syndrome is often associated with the main reason for the acquisition failure. In our case, the acquisition was successful in terms of financial, but not efficient enough from the employees' perspective.

6. Conclusion

This case study research focused on the acquisition process between company X and company Y, paying special attention to organizational and human perspectives. Although the traditional approach to evaluating acquisitions was limited to financial results, the research confirmed that the employee perspective is equally critical to the success of an acquisition.

At the beginning of the research, the following research questions were formulated:

- How is the integration process between the company X and Y planned and handled in relation to the acquisition?
- What could be done differently to achieve better results?

As the research showed, while the integration was broadly aligned with company Y's strategic goals, the internal integration procedures revealed several complex challenges. The acquisition was not just about merging teams, restructuring departments, and creating a larger company.

For the employees, as can be seen from the survey results, it was an important personal journey full of uncertainty and a shift to the new working reality. These were employees who were directly impacted by the acquisition process and who sometimes felt left behind by the figures and management decisions.

The survey results indicated that employees needed more clarity, better planning of the integration process, and constant support from company Y regarding operations, new systems, and company policies. Communication during the integration phase was important, but it was limited. Posts on the intranet served as a one-way communication tool, lacking interactivity and openness. This limited interactivity may have contributed to a sense of detachment or exclusion during a period when engagement was particularly crucial.

One of the recommendations for company Y regarding future acquisitions is to improve communication, including targeted messaging rather than generic posts, increased interactivity, and informal meetings between employees from both companies. Regular Q&A sessions, where employees can voice their concerns, request details, or connect with those responsible for various aspects of the acquisition, could also bring clarity to the process and reduce uncertainty. A more personalized onboarding process, featuring joint workshops and hands-on training, could facilitate the integration of company X's culture, making it smoother and more efficient.

Another area for improvement was also identified in the study. Better planning was needed before integration, with a strong focus on employees' needs and concerns. The onboarding process for employees could be made smoother by utilizing two-way communication channels, providing technical and personal support, conducting regular training sessions, holding catch-up meetings, and facilitating informal discussions. By adopting a more people-centered approach to mergers and acquisitions, the company can achieve better short-term results and lay the groundwork for long-term cultural and operational cohesion.

6.1 Future research

When I was conducting this case study research, several ideas that should be researched in the future came to my mind. First, it is important to deepen the analysis of the communication strategies and to examine the communication consistency on various levels including the

executives, communication department, HR, team leads and so on. If the communication pitfalls could be further researched, it would be easier to formulate a new communication strategy leading to success.

While this research focused on the feelings of the employees from the acquired company, it would also be beneficial to examine the feelings of the employees from the acquiring company. Respondents mentioned that there was not enough information on the acquisition, and the employees from the acquiring company were not instructed on how to act or what to expect from the integration process.

Since the acquisition strategy of company Y is consistent and there are plans for further growth, it will be important to study future acquisitions in depth to develop deliberate planning for both pre- and post-acquisition phases and to create training programs for successful employee integration.

6.2 Ethical and critical review of the study

When discussing the validity of the current research, it is essential to note that response rates remain a significant contributor to bias and the overall quality of the results. There is no doubt that a higher response rate could significantly enhance research reliability and validity. To maximize response rates, the following strategies could be implemented:

- pilot testing the survey questions with more people involved,
- sending several reminders to potential respondents.

A personalized approach could also improve the response rate. Instead of sending one email to a group of employees, sending separate emails and addressing individuals by their name could increase the chances of employee involvement and willingness to participate in a survey.

As previously mentioned, special attention was paid to the ethical principles of the research. Participants in the survey were protected, as their responses remained anonymous and voluntary. Regarding the research itself, it was also conducted according to ethical principles and did not present material produced by someone else as its own work. Results of the survey

and observations were presented without alteration or distortion, and no essential information was omitted.

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APPENDICES

APPENDIX 1: survey cover letter

Survey cover letter

Dear Sir/Madam,

I am a master's student at Arcada University of Applied Sciences. My research focuses on the integration process involving company X, the leading Finnish consulting company in real estate, acquired by company Y, a leader in consulting, engineering, and design, which took place at the end of 2022.

My study aims to analyze the company X integration process, with special attention to communication efficiency during financial training and workshops. The questionnaire seeks to identify the main challenges and provides practical suggestions for future training at company Y.

You were selected as a respondent because of your active participation in the integration process and involvement in training activities. Your participation is voluntary, and your privacy will be safeguarded throughout the survey. All responses will remain confidential. The data collected in the study will be treated confidentially and only used for this study.

If you agree to participate, please complete the survey following this cover letter by 15.5.2025. It should take no more than 10 minutes. If you have any concerns, please contact me using the details below.

Link to the Microsoft Forms survey: <https://forms.office.com/e/yhZSZB3gpy?origin=lprLink>

Information on the processing of personal data is attached to the email.

Thank you in advance for your help and cooperation!

Best regards,

Ekaterina Kamenskaia

Email

Phone

APPENDIX 2: Survey questions

General overview/background

1. How long have you worked in the acquired company?

- Less than 2 years
- 2-5 years
- 5-10 years
- More than 10 years
- Other: please specify _____

2. What was your position before the acquisition?

3. When did the acquisition process start?

4. Has your manager moved to the new company with you?

- Yes
- No

5. Have you needed to change the workplace?

- Yes
- No
- I'm working remotely most of the time

6. Has your position changed?

- No
- Yes

7. If yes, are you satisfied with the change?

- Strongly agree
- Agree
- Partially disagree
- Disagree
- Strongly disagree

8. Were you using the same ERP systems in the acquired company?

- Yes
- No
- Partially the same

Employee engagement level

Please evaluate below statements:

9. I received enough support from the manager during the migration.

- Strongly agree
- Agree
- Partially disagree
- Disagree
- Strongly disagree

10. The timeline and expectations for the merger were clear

- Strongly agree
- Agree
- Partially disagree
- Disagree
- Strongly disagree

11. I knew whom to contact if I needed more information or support.

- Strongly agree
- Agree
- Partially disagree
- Disagree
- Strongly disagree

12. How fast did you receive support or answers to your questions?

0	1	2	3	4	5	6	7	8	9	10
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0 – very slow

10 - immediately

13. There were retention challenges during the migration.

- Strongly agree
- Agree
- Partially disagree

- Disagree
- Strongly disagree

If yes, please mention the main challenges.

14. I felt isolated during the migration

- Strongly agree
- Agree
- Partially disagree
- Disagree
- Strongly disagree

15. Did you feel any of the following emotions during the acquisition process?

- uncertainty
- stress
- fear
- sense of loss
- lowered self-esteem
- shock
- resentment
- lower productivity
- lower commitment
- dissatisfaction
- depression
- curiosity
- inspiration
- Other: please specify _____

16. I was considering changing companies due to this acquisition.

- Strongly agree
- Agree
- Partially disagree
- Disagree
- Strongly disagree

If so, why?

17. How did you feel when you first learned about the merger process?

18. Has your attitude toward the merger changed during the acquisition process?

0	1	2	3	4	5	6	7	8	9	10
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0 – not at all

10 – extremely changed

If yes, how?

Operational and communication efficiency

19. My daily operations were affected by the merger

- Strongly agree
- Agree
- Partially disagree
- Disagree
- Strongly disagree

If you agree, please specify to what extent you had to change your way of working.

20. Work was delayed due to technical issues / new operation processes.

- Strongly agree
- Agree
- Partially disagree
- Disagree
- Strongly disagree

21. I was asked for feedback after the acquisition.

- Strongly agree
- Agree
- Partially disagree
- Disagree
- Strongly disagree

22. I would like to get more support during the migration

- Strongly agree
- Agree
- Partially disagree
- Disagree
- Strongly disagree

If yes, in which format the support works better for you

- Workshops
- “Support clinic”
- Trainings
- One-to-one meeting with my manager
- Short instructional videos
- PowerPoint presentations
- Weekly catch-up Teams meetings
- Other: please specify _____

Suggestions for future improvements

23. What was missing from the process?

24. What were the main challenges for you personally during the migration?

25. If you could change one thing about the migration process, what would it be?

26. Could you mention any positive insights?

27. Is there anything else you would like to highlight?

APPENDIX 3: Extracts of the annual reports of company Y

Key ratios		
	2021	2020
Net sales, SEK million	20,104	18,991
EBITA excl. items affecting comparability, SEK m	1,712	1,635
EBITA margin excl. items affecting comparability, %	8.5	8.6
EBITA, SEK m	1,662	1,509
EBITA margin, %	8.3	7.9
Profit after net financial items, SEK m	1,393	1,196
Basic earnings per share, SEK	997	8.29
Net debt, SEK m ¹	3,565	2,756
Net debt/EBITDA, times ²	1.9	1.6
Net debt-equity ratio, % ¹	32.4	27.5
Total number of employees	17,019	15,871
Capacity utilisation, %	74.7	75.6

¹ Excluding effects of IFRS 16 Leases and items affecting comparability.

Figure 22. Extract from company Y Annual and Sustainability Report 2021

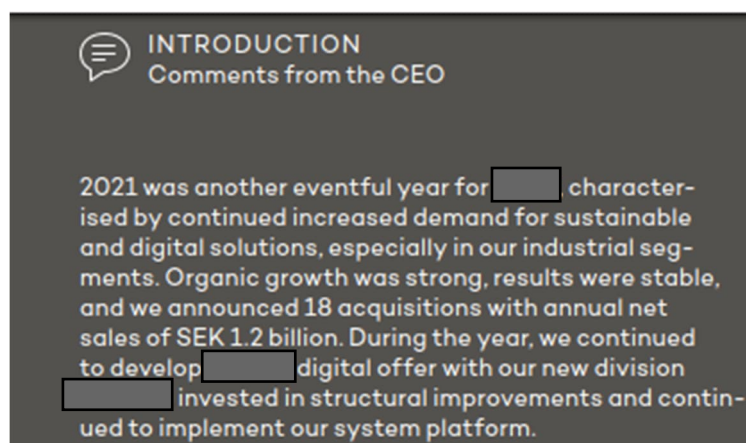


Figure 23. Extract from company Y Annual and Sustainability Report 2021

Acquisition of operations

Acquisitions 2021

In 2021, [REDACTED] took possession of all shares in the companies shown in the table below. The acquired companies resulted in an increase of approximately 586 employees. No single one of the acquisitions is substantial, and for that reason they are recognised jointly in the table below.

Effects of acquisitions

The table below shows the effect of the 2021 acquisitions on consolidated assets and liabilities. The acquisition analyses are preliminary since fair value has not been determined for all items.

2021	Company	Country	Division	Annual net sales	Average full-time equivalents (FTEs)
Jan-Mar	[REDACTED]	Norway	Process Industries	40	22
Jan-Mar	[REDACTED]	Sweden	Process Industries	13	9
Jan-Mar	[REDACTED]	Sweden	Energy	5	3
Jan-Mar	[REDACTED]	Sweden	Infrastructure	8	6
Apr-Jun	[REDACTED]	Finland	Infrastructure	34	25
Apr-Jun	[REDACTED]	Sweden	Industrial & Digital Solutions	85	56
Apr-Jun	[REDACTED]	Switzerland	Industrial & Digital Solutions	37	17
Apr-Jun	[REDACTED]	Sweden	Infrastructure	100	112
Apr-Jun	[REDACTED]	Finland	Process Industries	140	150
Apr-Jun	[REDACTED]	Finland	Management Consulting	20	22
Apr-Jun	[REDACTED]	Finland	Energy	12	10
Apr-Jun	[REDACTED]	Finland	Management Consulting	4	2
Jul-Sep	[REDACTED]	Denmark	Infrastructure	13	11
Jul-Sep	[REDACTED]	Finland	Management Consulting	67	60
Oct-Dec	[REDACTED]	Sweden	Industrial & Digital Solutions	16	9
Oct-Dec	[REDACTED]	Sweden	Industrial & Digital Solutions	40	22
Oct-Dec	[REDACTED]	Norway	Industrial & Digital Solutions	90	50
Total				724	586

Figure 24. Extract from company Y Annual and Sustainability Report 2021

Key figures	2022	2021
Net sales, SEK million	23,552	20,104
EBITA excl. items affecting comparability, SEK million	1,886	1,712
EBITA margin excl. items affecting comparability, %	8.0	8.5
EBITA, SEK million	1,729	1,662
EBITA margin, %	7.3	8.3
Profit after net financial items, SEK million	1,220	1,393
Basic earnings per share, SEK	8.60	9.97
Net debt, SEK million ¹	4,646	3,565
Net debt-equity ratio, % ¹	38.2	32.4
Net debt/EBITDA, times ¹	2.5	2.0
Total number of employees	18,687	17,019
Capacity utilisation, %	74.7	74.7
Taxonomy-eligible net sales, %	42	48
CO ₂ emissions, tonnes	14,841	10,428
Female leaders, %	25.3	23.5

¹ Excluding effects of IFRS 16 Leases.

Figure 25. Extract from company Y Annual and Sustainability Report 2022

Acquisitions and divestments of operations

Acquisitions 2022

In 2022, [REDACTED] took possession of all shares in the companies shown in the table on the right. The acquired companies added approximately 580 employees to [REDACTED]. In January [REDACTED] acquired all the shares in [REDACTED]. The acquisition is significant, and is accounted for separately in the table showing Total acquired companies' net assets on the date of acquisition 2022. Other acquisitions are not individually substantial based on net sales and the average number of employees.

Effects of acquisitions

The table below shows the effect of the 2022 acquisitions on consolidated assets and liabilities. The acquisition analyses are preliminary since fair value has not been determined for all items.

2022	Company	Country	Division	Annual Net Sales	Average full-time equivalents (FTEs)
January	[REDACTED]	Finland	Infrastructure	470	500
February	[REDACTED]	Sweden	Energy	28	16
April	[REDACTED]	Sweden	Industrial & Digital Solutions	23	22
July	[REDACTED]	Ireland	Energy	57	42
Total				578	580

Figure 26. Extract from company Y Annual and Sustainability Report 2022

Key figures	2023	2022
Net sales, SEK million	26,978	23,552
Order stock, SEK million	19,329	19,440
EBITA excl. items affecting comparability, SEK million	2,032	1,886
EBITA margin excl. items affecting comparability, %	7.5	8.0
EBITA, SEK million	1,938	1,729
EBITA margin, %	7.2	7.3
Profit after net financial items, SEK million	1,441	1,220
Basic earnings per share, SEK	9.71	8.60
Net debt, SEK million ¹	4,868	4,646
Net debt-equity ratio, % ¹	39.1	38.2
Net debt/EBITDA, times ¹	2.4	2.5
Total number of employees	18,984	18,687
Capacity utilisation, %	73.5	74.7
Taxonomy-eligible net sales, %	41	42
CO ₂ emissions, tonnes	14,553	15,040
Female leaders, %	26.6	25.3

¹ Excluding effects of IFRS 16 Leases.

Figure 27. Extract from company Y Annual and Sustainability Report 2023

Acquisitions and divestments of operations

Acquisitions 2023

In 2023, [REDACTED] took possession of all shares in the companies shown in the table to the right. The acquired companies resulted in an increase of approximately 206 employees. No single acquisition is substantial, based on net sales and number of employees, and for that reason they are recognised jointly in the table under Total net assets of acquired companies at date of acquisition, 2023.

Effects of acquisitions

The table below shows the effect of the 2023 acquisitions on consolidated assets and liabilities. The acquisition analyses are preliminary since fair value has not been determined for all items.

2023	Company	Country	Division	Annual net sales	Average full-time equivalents (FTEs)
March	[REDACTED]	Netherlands	Energy	50	25
March	[REDACTED]	Norway	Infrastructure	71	40
April	[REDACTED]	Switzerland	Infrastructure	19	11
May	[REDACTED]	Canada	Process Industries	180	130
Total				320	206

Figure 28. Extract from company Y Annual and Sustainability Report 2023