Changes and challenges in internal communications in post-acquisition integration

Anniina Laamanen

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TAMPEREEN AMMATTIKORKEAKOULU
Tampere University of Applied Sciences

ABSTRACT

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Globalization has given a new character to business functions worldwide during the last few decades. Making it within one market is rarely enough nowadays; a company has to manage in cross-boarder markets as well in order to succeed in the corporate life. This sets very favorable circumstances for international corporate acquisitions. In my thesis I examine the post-acquisition integration process of a middle-sized Finnish office supply company and a multinational, market-leading American enterprise in the field of business.

An enterprise acquisition may well change the whole repertoire of functions of the target company; therefore it is justifiable to believe there would be changes in the internal communications as well. The purpose of the thesis was to examine the changes the international corporate acquisition has caused within internal communications and identify the challenges in the new communication environment from the target company’s point of view. This raises certain questions: How is the personnel adapting to these potential changes and challenges? How could the potential challenges be met? Since the acquisition in question was international, the studying of the state of the internal communications after the acquisition brought out also aspects of cultural differences and possible linguistic issues that I wanted to take into account.

To find answers to the questions introduced above, I conducted a qualitative research, interviewing 7 executives of the target company of the acquisition. In the thesis report, I present the research data in the light of the theoretical framework of the research, gathered both prior to the data collection and throughout the progression of the analysis of the data. This theoretical framework consists mostly of literature and electronic articles on internal communications, internationalization and qualitative research and also previous researches on the subject. The main goal of this thesis was to find potential solutions for the possible challenges in the internal communications in this change situation, for this could be beneficial for the companies in question. The research results indicate that some changes in internal communications have indeed created challenges, which at worst have decreased the personnel’s efficiency at work. The potential solutions for meeting these challenges are suggestions from both the research participants and myself.

Keywords: Enterprise acquisition, Internal communications, Post-acquisition integration process, Cultural differences, Change communications

CONTENTS

1 INTRODUCTION

In my studies in the bachelor of business administration in Tampere University of applied sciences, I have been very internationally driven. Also one of the main interests of mine has been marketing, so it was clear to me that I wanted my thesis to somehow involve internationalization and marketing. I have connections to the other company introduced in this thesis, a middle-sized Finnish office supply company, and therefore I knew about it having been recently acquired by an international, market-leading American company in the business. The integration of these two very different organizations generates many interesting aspects for examination.

Limiting the subject of further examination was crucial in this project, since integrating two organizations from different corporate cultures usually includes changes in the whole repertory of sectors in business activity. The definition formed to be internal communications; to examine the changes the international corporate acquisition has caused within internal communications and what are the challenges in the new communication environment in the target company's point of view. Since the integration process is still in the very beginning, the changes in internal communications to time before the acquisition are the most notable in the communication between the new owner and the target company, not communication within the target company. This is why I chose to examine the state of that direction of communication.

The means of familiarizing myself with the situation was to conduct a qualitative research, a case study on the current state of the internal communications. The data was collected by interviewing 7 of the target company's directors. These theme interviews, along with the theoretical frame of the subject, form the context for discussing what effects the integration has had on internal communications in this particular case.

By the wish of the companies in question, I will not mention the names of the companies, and background information on the companies will be kept at a general level. The interviewees of the research are also to be maintained anonymous. In order to keep the text clearly readable, I will refer to the companies as two different companies, even though they are, of course, after the acquisition, considered as one united enterprise. The Finnish company will be referred to shortly as the target and the American-based buyer company will be referred to as the buyer or the new owner.

1.1 Background

Studying business in a modern educational institution, where internationalization is widely emphasized, has had a strong impact on my personal interests, when it comes to my future aspirations in the working life. This is the main reason why I wanted to do my thesis on the global aspect of business, as well as the fact, that it is a very strong trend in the business life today.

When finding the subject for my thesis, I found out about the recent corporate acquisition involving a Finnish middle-sized company and an American-based, market-leading enterprise in the office products business. I have connections to the target of the acquisition, the Finnish office supply company, which also increased my motivation in getting acquainted with the big transition this occurrence causes in the company's operations.

When introducing my idea to the company in question, it had a positive reception. After discussing with the CEO of this company, we realized, that the overview could be also extremely useful for the buyer company, provided that some suggestions for improvement might come up. This is why we decided I should write the thesis in English.

1.2 Purpose of the thesis

The reason why I wanted to examine the changes in internal communications of the target company in particular is that I find internal marketing and communications one of the most interesting aspects of how a company functions. On a personal level, I've also noticed, that very often the upkeep of a company's inner communication system is escaped, when the main focus is only on making profit. As interesting as it would have been to do an overview on the state of the post-acquisition internal communications in general, given the resources and the time limit for doing this thesis, I had to limit the subject to the vertical communication between the buyer-part and the target of the acquisition.

Summarized, the main goal was to find out how the communication has changed comparing to time before the acquisition; with whom do they communicate in the new owner-company; what are the purposes of this communication; what are the channels used for communicating; how have these factors changed comparing to time before the acquisition; how are the changes being received; are there any challenges that the changes have brought along; if so, how are these challenges being responded to?

Since the acquisition has already been made and thus the two companies are one, the concept of vertical communication would exclude some of the people the research participants, the interviewees, are in contact with, like colleagues in different branches. My intention, however, was to examine all of the international internal communication that occurs in the interviewees’ work activity and therefore I have considered some directions of communication that would normally be viewed as horizontal to be vertical.

The formation of the research goal is illustrated in the figure 1. The starting point, the bottom of the triangle, was to define the theme of the thesis. The leading thought gives a field of which to examine in the research. The main goal, the tip of the triangle, defines exactly why is the research being done.

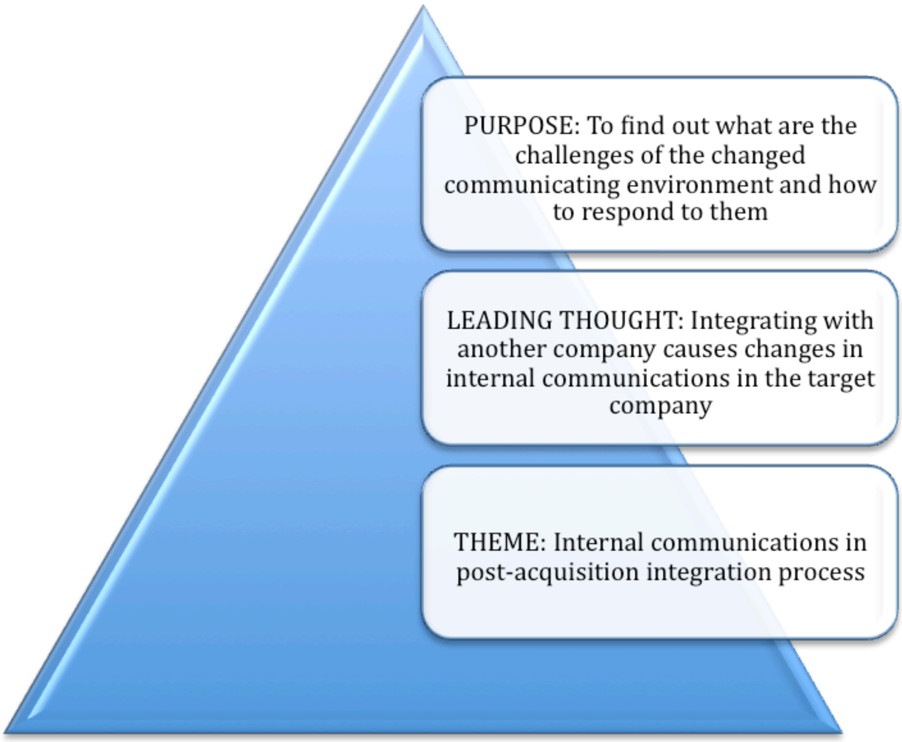

Figure 1: The formation of the purpose of the thesis.

1.3 The companies and the acquisition

It was year 1890 when a Finnish draughtsman in a reputable architect office finally established the business he had planned for years in Helsinki. The company selling drawing and blueprint supplies became successful at once and soon the activity was expanded, along with the product range to include office supplies and papers. From 1920s to 1960s the company acted as one of the pioneers in its field of business and from 1970s to the 90s the company's focus changed to direct sales to other companies, thus enabling even further growth. After the depression of the 90s, the new millennium brought new opportunities for expanding the activity and new places of business were opened all around Finland.

2010 brought along the biggest change in the company's history, when it was sold to an international market-leader, American based office products enterprise. They had been interested in expanding its activity to Finland, and the biggest company in the business in Finland was the obvious choice for an acquisition. The American office product giant has a wide range of products, including office supplies, technology, furniture, and business services. They have activity in 27 countries throughout North and South America, Europe, Asia and Australia. [*]

[*] Adopted from interviews with the CEO and another executive of the target company and the companies' websites, which cannot be presented here, due to the identities of the companies being classified information.

2 THE RESEARCH SETTING

In order to get a conception of the changes and challenges in a new communication environment, I thought the best way would be conducting a qualitative research. A qualitative research is a good approach to a case like this, where my goal is to understand and describe, as well as interpret, a phenomenon of a social aspect of business life: how are the people interacting with each other within an organization? (Eskola & Suoranta 1998, 13-15)

The reasons not to choose quantitative research as an approach can be listed, like Eskola and Suoranta (1998, 15-24) do in their book, for example as follows:

- Data collection is best done via interviewing people who are the communicators in order to penetrate the subject profoundly.
- A somewhat significant involvement with the "examinees" is required to ensure enough valid data to be collected.
- The sample is rather small and it is very discretionary, since the subject is limited to concern the direct communication between the two companies.

2.1 Research questions

Internal communication in business life is large concept. In short, internal communications mean the internal information flow and interaction within any work community or organization. It affects all of the sectors of the organization's activity. Not only is it about exchanging information, but also about unity, sharing experiences and culture. (Juholin 1999, 13)

Examining what changes the acquisition has made in internal communications in general would be very troublesome, since the time limit to conduct a thesis is calculated to be about 400 hours, which would be very little for conducting a large research like that. Also the clear and well-argued formulation of the research problem, or question(s), is the key to success in qualitative research, so a clear limiting needed to be done. (Eriksson & Kovalainen 2008, 37) When defining the research problem, I had to divide internal communication to different sectors, and two angles were the most relevant in terms of the thesis subject: what is the content of the information being exchanged and what are the channels used in exchanging information. (Juholin, 1999, 34-36) Also who were the communicators would have an impact on the definition. The post-acquisition integration process was in its very beginning, and also the friendly acquisition was never to change the target company's activity rigorously, and therefore the changes in internal communications in this case had not reached to concern all of the employees at the time of carrying out this thesis. (Interview with the CEO of the target company 4.3.2011) These factors given and also the resources and time taken into consideration, the final limiting shaped to focus on the direct communication of the two companies in the post-acquisition integration process. This on the background and my personal interests and the target company's CEO's notions added, I was able to form the research questions:

- Has the acquisition brought about any changes in the internal communications of the company? What kind of changes?
- Are there any kinds of challenges in the new communicating environment? What kind of challenges?
- How is the personnel adapting to these possible changes and challenges?

2.2 Research participants

After getting approval for doing my thesis for the companies, we determined together with the CEO of the target company who would be the people most beneficial for the research interviews. Since the subject was limited to direct, communication between the two companies, it was justifiable to interview people in those positions, who are in contact with the new owner the most, 8 executives of different remits.

I contacted these executives with an email, in which I introduced the topic of my thesis and the research and asked whether they would like to participate in this research. I also presented the themes, so the participants knew what we were to discuss in the interview if they wanted to take part. 7 of the 8 executives I contacted found time for me to participate in the research.

The interviews were conducted in April-May. Each interview lasted from 30 minutes to an hour. Everyone who participated in this research were extremely involved with the situation and patient with me, since I'm not a professional researcher and therefore it was challenging for me to be very convincing in the interviews. Also I found the level of openness reasonably good, considering some of the topics discussed and again - me not being an experienced researcher. The themes were useful for directing the conversation in the interviews, and especially when I transcribed all of the interviews right after they were carried out. Having those categories to array the answers really made the analyzing phase more fluent.

2.3 Research method

The research method was chosen to be semi-structured theme interviews. The semi-structured theme interview means that a frame of questions is used to create a partially standard format for the interview, to have at least to some extent fixed response categories in order to make the analyzing of the results easier, but still space is left for informal discussion. (1995, 40-45)

There are advantages and disadvantages in using this interviewing technique. Clear advantages are for example the possibility to have a better picture of respondents' opinions by not constraining the answers to a few alternatives and also the possibility for the interviewer to ask for further elaboration when needed. A potential disadvantage is the level of know-how and skills required from the interviewer in order to successfully analyze the results, thus making this method very demanding and laborious. (Ghauri, Gronhaug & Kristianslund 1995, 64-65)

Although doing the interviews in person would be beneficial for “reading between the lines” by being able to observe for example facial expression, but due to the limited time and my own resources, I decided to carry the interviews out via telephone.

I determined the themes of the interviews by analyzing the research problem and opening up the research questions with the help of the book “Teemahaastattelu” (Theme Interview) by Hirsjärvi & Hurme (1995, 40-45).

In order to get a grasp on the communication system in general, the first theme was set to be:

1. The internal communication system

The research questions formed the two following themes:

2. Changes in the internal communications after the acquisition
3. Challenges in the new communicating environment

I also wanted to hear some possible suggestions for improvement from the interviewees, so the fourth theme was:

4. Suggestions for improvement

And finally, I wanted to add one more theme for any other ideas or things to mention:

5. Other opinions and additional notions

The themes provide questions to be asked in the interviews. The first 4 themes were then divided into several sub-themes as follows:

1. The internal communication environment
    - Who do you communicate with?
    - What are the communication channels in use?
    - What is the content of the communication?
    - What is the purpose of the communication?

- What in the interviewee's opinion is the meaning of internal communications?

2. Changes in the internal communications after the acquisition

    - Have the communication channels changed?
    - Have the contents of the communication changed?
    - Has the purpose of communication changed?
    - Has the meaning of internal communications changed?
    - Has the language used for communicating changed?
    - Are there cultural differences to be detected in the communication?

3. Challenges in the changed communication environment

    - Are there any challenges in the contents of the communication?
    - Is the communication inclusive enough?
    - Are there any challenges in the purpose of the communication?
    - Are there any challenges in the meaning of internal communication?
    - Are there any challenges in the language being used?
    - Do cultural differences have an effect on the communication?
    - Has there been resistance to change?
    - What are the attitudes towards the changes in internal communications?
    - Other challenges

4. Suggestions for improvement

    - Improvements in the channels used for communication
    - Improvements in the contents of communication
    - Improvements in the inclusiveness of the communication

- Improvements in the comprehension of the communication
- Improvements considering the purpose of the communication
- Improvements considering the meaning of internal communications
- Improvements considering the language
- Improvements considering cultural differences
- Improvements in the culture of change
- Improvements in attitudes
- Other improvements

These themes and sub-themes are composed mainly for the researcher’s own use, to make the later transcribing more systematic. (Ghauri, Gronhaug & Kristianslund 1995, 66) Also they give the interviews a hint of structure and this way I could make sure I wouldn’t forget anything essential in the interview.

3 ANALYSIS OF THE INTERNAL COMMUNICATIONS

In this part I present the research results and reflect on the reasons for them and also introduce some suggestions for improvement based on the interviewees' own ideas and theoretical data collected by myself. In figure 2 I present the main line of the research results in short.

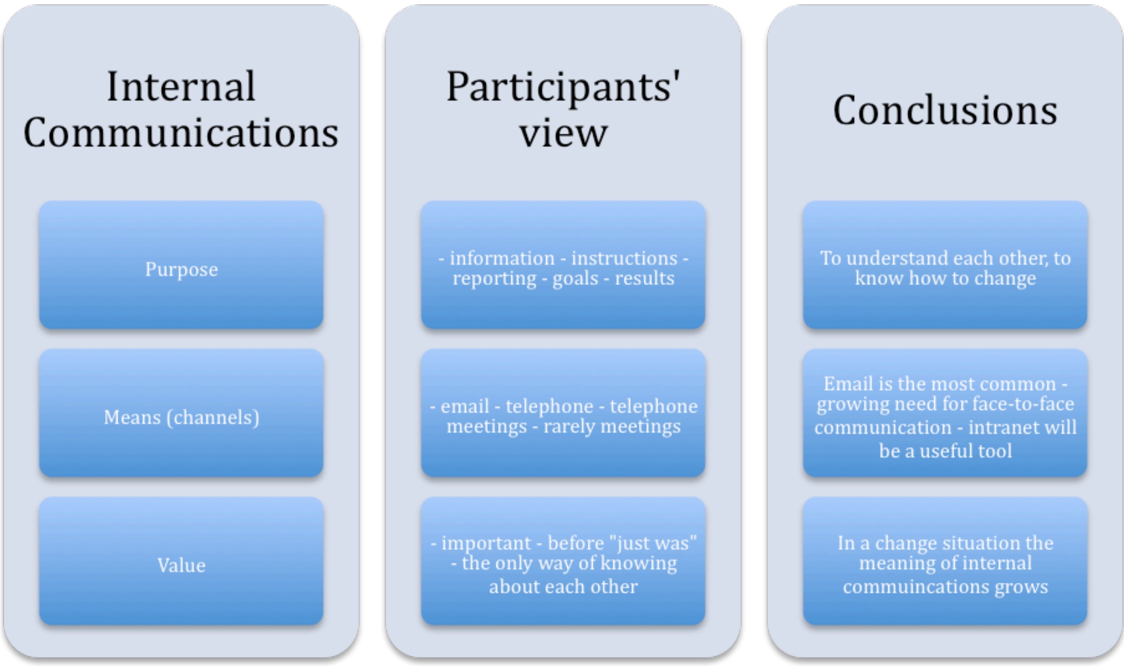

Figure 2: Summary of the research results.

3.1 The communication environment

3.1.1 The communicators

In the interviews, I first asked, with whom do the interviewees communicate mostly in the buyer company and also where are these people geographically located. I thought this was crucial information for taking notice of the possible cultural differences, along with drawing other conclusions. Naturally different executives of different remits, or departments, communicate with different departments and people of the concern governance in the buyer company. In order to maintain the anonymity of all of the participants of this research, I shall not explain the departments in question specifically and I will keep linking the interviewee's answers to their departments at minimum.

When it came to where in the world is the communication with the multinational new owner directed, as a summary, almost all of the participants were in contact with people working in the headquarters of the Nordic Countries unit in Norway and in the European headquarters in Amsterdam. In addition to that, some were also in contact with headquarters in Sweden and Denmark and the headquarters of the whole corporation in the US, depending on their remits.

In some of the interviews, however, I could detect uncertainty about the departments they were in internal communications with. This may be due to a weak conception of the organization chart of the buyer company, about which I will have a better word later on.

3.1.2 Communication channels

The communication channels being used did not differ almost at all among all of the participants. Most of the communication is done via *email*, some via *telephone* and occasionally there are telephone *meetings* and rarely, *face-to-face* communication in form of meetings in person. A common communication network system, or i*ntranet*, is going to be taken into use in the future, but such a system did not exist at the time of doing this thesis. According to the interviewees, there haven't been any information or personnel journals or publications in use so far. Also channels such as notice board or printed handouts have not been part of the participants' communication with the new owner.

3.2 Contents and purpose of the communication

In the interviews, I wanted to make sure I understood why are they in communication with the departments and people presented in the previous chapter. I asked the interviewees what is the reason they communicate and what are the contents of the communication, which of course are closely related to one another. Thereby I would have an opportunity to examine whether these factors would correlate with the possible current challenges in internal communication. In addition to that I thought the answers would reflect the depth of how well the interviewees comprehend their parts within the organization.

The contents and purposes of what the participants are communicating naturally differ according to the departments they are managing and with whom they are in contact with. There are certain norms of how businesses function and those norms apply to the communications system in this case, too: finance department reports the figures that have been defined in the concern management, procurement deals with purchasing issues and marketing receives instructions on the appearance of the concern, just to mention very few examples. All and all, the contents were said to be *reporting, instructions* from concern management on how different things should be done and more *informal communication*, such as corrective inquiries.

The purpose of the communication was not as clear to some of the interviewees as explaining to contents of the communication. In some departments, the reason for communicating was clearer than in others. In finance department it is obvious that the reason for the reporting is to give the concern management the information it needs in order to keep the figures of a multinational corporation in order and in marketing department the communication makes it possible to modify the marketing to the requirements of the concern management. In some departments though, for example customer service department, it was not as easy for the interviewee to determine the purposes of the communication with the new owner.

> "Presumably it is to gather reports from every country and then the weekly and monthly reports are sent here for us to know how things are done in the Nordic Countries and in Europe." [*]

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[*] Quotation from interview 29.4.2011: "Oletettavasti joka maasta kootaan aina raportit ja sitten lähettävät viikottaiset ja kuukausittaiset raportit tänne että tiedettäisiin miten mennään Pohjoismaissa ja Euroopassa."

Like I mentioned before when presenting with whom are the interviewees in communication with, this may also be due to incomplete perception of the organization chart of the new owner and the lack of opening up the new business functions to the target company's personnel. These issues will be more enlightened later on in the thesis.

3.3 The meaning of internal communications

”A company can be only as good as its people. If they aren't sold, customers won't be either.” –Leonard L. Berry, A. Parasuraman (Varey & Lewis 2000, 176)

There are different ways the value of internal communications is perceived in different companies. The modern concept of internal marketing was first introduced in the late 1970s, so it can be said to be a relatively new application of marketing management trend. (Varey & Lewis 2000, xv) There is plenty of literature, studies and other material of this communication perspective that has proved to be the backbone of a successful enterprise. Yet there are also a lot of studies of how enterprises seem to ignore this fact and neglect the internal marketing or communications, some of which I deal with in this thesis.

3.3.1 The value of internal communications in the target company

I wanted to discuss how the concept of internal communications is perceived and emphasized in the target company, before and after the acquisition, so I asked the interviewees the following questions:

- What is the value of internal communications in Your organization? Is the valuation different from prior to the post-acquisition integration process?
- How is the meaning of internal communications emphasized in Your organization? Has the emphasis changed because of the integration?
- What in your opinion are the key factors to a well-functioning internal communications system? Do these factors apply to your organization?

On the emphasis of the internal communications in the organization, the answers were on the same line: internal communications “just is” in the company. “It just is” the only way of transmitting information on everything and making everyone in the organization understand their own mission in it. There are no certain values that are reviewed together with the personnel, or even the management group, nor has there been any evaluation on the state of the internal communications. That doesn’t mean the system has been poor, like one interviewee put it:

> “There just hasn’t been a need before for pondering the meaning and the functionality of our internal communications, or communication as an independent phenomenon. “ [*]

All the interviewees found that *the meaning has grown substantially along the integration*. One of the main reasons for this growth was clearly the need for information on what is expected from the company; what to do now and how. Expressions related to “being able to work according to the concept”, “working towards a joint goal” and “forming into a certain shape” frequently came out in the discussions. Without constant communication these actions would of course be very hard, if not impossible, to carry out. This brings us to another reason for why internal communication was considered more important now in the time of the integration: facilitation of changing the operations of the company towards the new owner’s policies. The marketing manager of the target company explains it:

> “It wouldn’t make any sense, if we in marketing tried for example to figure out the look the new owner wants and then ask: “is this alright?”, when the information already exists. So internal communications save us time and trouble. “ [†]

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[*] Quotation from interview 29.4.2011: ”Ennen ei vain ole ollut tarvetta miettiä sisäisen viestinnän merkitystä ja toimivuutta ja viestintää itsenäisenä ilmiönä meidän yrityksessä.”

[†] Quotation from interview 4.5.2011: ”Eihän meidän olisi mitään järkeä markkinoinnissa yrittää keksiä esim, että mikä on uuden omistajan haluama ilme ja

Regardless of the lack of emphasis of internal communications by the organization itself, on a personal level the interviewees clearly considered internal communications one of the most important things in business. Many of them also mentioned, that within their own teams, there has been discussion about the importance of communicating with each other.

3.3.2 Well-functioning internal communication system

When asked what are the key factors to a well-functioning internal communication system, the interviewees again gave very similar answers to each other. A summary of the key factors in the interviewees' opinion is illustrated in figure 3.

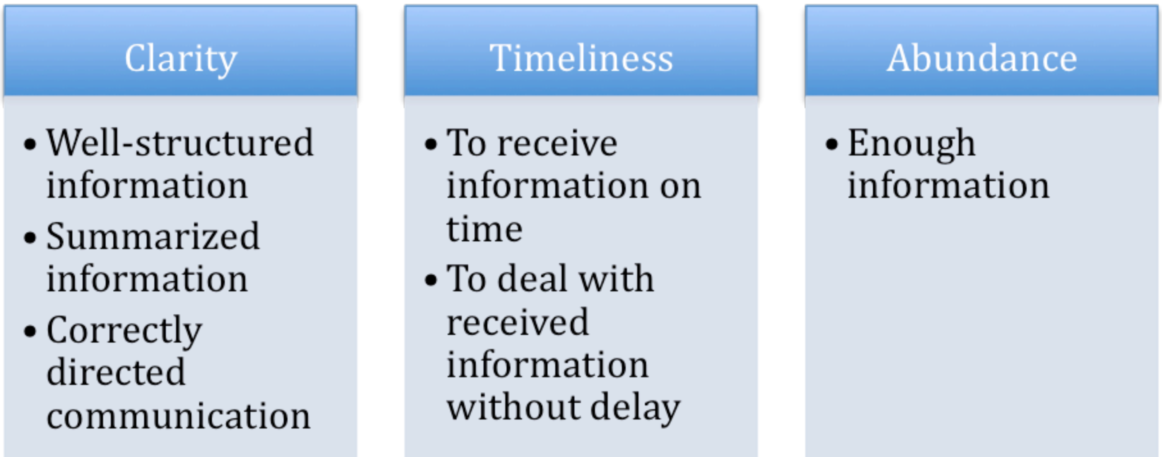

Figure 3: Key factors of successful internal communication system in the interviewees' opinion.

The answers go well hand-in-hand with what Ikävalko (1999,48) presents in her book:

The main principals of internal communication are the questions about how

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kysyä, että "käykö tämä?", kun se tieto on jo olemassa. Sisäinen viestintä siis säästää meiltä aikaa ja vaivaa. "

a) Quickly
b) Often
c) Openly
d) Honestly
e) Understandably

business executives give information to the personnel and other internal target groups about things. *

3.4 The changes in the communication environment

3.4.1 Cultural changes

Since the acquisition in question was international, also questions about cultural differences arise in the integration process. In his book “When cultures collide”, Richard D. Lewis (2000) examines cultural differences in international business. According to him, national psychology and characteristics tend to interfere international business activity. The starting point is that our own culture and language affect the ways in which we organize our world, think, feel and respond. When regarding his introductions of the business cultures of the countries in question in the research, which are seemingly very similar, one can also find differences between each of them. In the figure 3 I gathered expressions of characters of people from the countries in question in this research that Lewis uses in his book. (In order of appearance)

* Sisäisen viestinnän keskeiset periaatteet ovat kysymykset siitä, miten a) nopeasti b) usein c) avoimesti d) rehellisesti e) ymmärrettävästi yritysjohto kertoo asioista henkilöstölle ja muille sisäisille kohderyhmille.

FI	NO	NL	US	SE	DK
• Quiet	• Well-organized	• Cooperative	• Open	• Clean-cut	• Flexible
• Honest	• Strong-willed	• Punctual	• Frank	• Democratic	• Reasonable
• Cautious	• Reserved	• Innovative	• Informal	• Considerate	• Honest
• Punctual	• Honest	• Honest	• Straight-to-the-point	• People-oriented	• Sarcastic sense of humour
• Adaptable	• Cautious	• Rational	• Individualistic	• Honest	• Low-key
• Compromising	• Good sense of humour	• Factual	• Good sense of humour	• Communicative	• Creative
• Respectful	• Data-oriented	• Objective	• Quick on the draw	• Cooperative	• Calm
• Formal	• Norway-centered	• Conservative	• Opportunistic	• Collective	• Good listeners
• Reliable	• Reliable	• International	• Persistant	• Sympathetic	• Efficient
• Perfectionist	• Frank		• Consistent	• Informal	• Congenial
• Effective				• Reflective	• Level-headed
• Modest					

Figure 3: Lists of characters used to describe the people from the countries in question. (Lewis 2000)

When viewing the lists of characters, there are numerous similarities to take notice of, but also some distinctive differences. People from the Northern Countries in the list seem to share characters such as honesty, cautiousness and reliability with each other. Yet, the Finns are not strong-willed like the Norwegians and the Swedish don’t share the Danes’ sense of humor. Compared to the northerners, the Dutch are very alike with an exception of being more international and fact-oriented. The Americans differ a greater deal with their openness, informality and opportunism.

This is very generalizing, of course, and Lewis admits to doing that. But he still believes that the inhabitants of any country possess certain core beliefs and assumptions of reality, which affect the way they behave. Additionally, he reminds the reader that corporate cultures, and thus also people in characters, vary widely inside one country. (Lewis 2000, 3) Also, without deeper analyzing of the lists of characters illustrated above, no reliable conclusions can be drawn and inevitably there are more characters that just weren’t mentioned in the book.

My intention, however, is not to analyze these differences and similarities in national characters, but merely to point out that people from seemingly similar cultures can still be very different from each other and to take that possibility into account in the research. The listed adjectives can well be directional characterization to how people from these countries are as communicators, too.

In the interviews, there was discussion about the following topics: Are there differences between business professionals as communicators from Finland and those from other Nordic countries, or the Netherlands and America? If so, what kind of differences and most importantly in the research’s point of view, do these differences affect the communication? Are the Finnish and the American ways of doing business different from each other? Are there even Finnish or American ways of doing business in the participants’ opinion?

The results were unanimous: all of the 7 interviewees considered that in this integration, *no clear differences could be detected* between the people as communicators from the cultures in question. The existence of cultural differences in general was acknowledged, but many of the interviewees still found the character of the business world today to be global, which causes the style of communication to be quite unified. The interviewees described business language as correct and matter-of-fact regardless of the communicator’s culture of origin and claimed that in written communication in particular there’s little space for cultural variety in expression.

Altogether, examples on how the cultures in question were shown in the communication styles were given very scarcely. The informality of American communicators was however brought out by many of the interviewees. They were described as friendlier communicators as the others.

The most important notion that emerged from the answers was the accuracy and pace of communication required by the owner, which were said to have increased significantly in the integration. This of course, isn’t a matter of differences in communicational habits of people from different cultures, but of differences in corporate cultures. There can be as many types of corporate cultures as there are corporations in a country, like mentioned previously. Nevertheless, some of the interviewees saw a clear difference in corporate cultures in general in America and in Finland, and made comparisons based on that outlook.

> “The culture of activity in an American company is different, more precise and deeper estimates and predictions are being made. There’s a difference to Finnish. Also we are expected to react in a very short notice. In Finland one gets more time to react.”*

As seen in the previous illustration, Lewis (2000, 165-170) describes the Americans as straight-to-the-point and “quick on the draw”, which undoubtedly have an effect on the business cultures in America. He also talks a lot of profit-orientation being typical for an American business, and this causes a “time is money”-style in the communication patterns. These factors can be read in one of the interviewees’ statement above. Culture-related or not, the differences between the corporate cultures of the target and the buyer companies have impacted the interviewees work, bringing out some challenges, which I will present in the next part.

The research results in this part were somewhat unexpected in the light of the theoretical framework. The fact that the participants didn’t find noticeable differences in the ways people from the cultures in question communicate may even be considered on the contrary to what Lewis presents in his book. This can be because of the communication channels used: most of the communication is happening via email and there’s only a little oral communication, even less face-to-face communication and probably possible cultural differences don’t show that much when not communication face-to-face. The cultural differences described in Lewis’s book (2000) are also results of a very profound research and the detection of those may be unconscious for someone who hasn’t orientated oneself the possible existence of them.

* Quotation from interview 3.5.2011: ”Amerikkalaisyrityksen toimintakulttuuri on erilaista, tehdään tarkempia ja pidemmälle meneviä arvioita ja ennusteita. Siinä on ero suomalaiseen. Myös erittäin lyhyellä vasteajalla odotetaan reagoimaan. Suomessa annetaan enemmän aikaa vastata.“

3.4.2 Language

Due to the acquisition, the official language of the target company was changed from Finnish to English. The company had had some international associates and customers before and therefore English was also used a little prior to the integration, but the change meant that everything officially happens in English; not only the internal communication to the buyer company, but also increasingly the external communication due to the growing amount of foreign customers and other external interest groups. (Interview with an executive of the target company 25.4.2011)

In spoken communication the way of using English language was said to vary somewhat: the Swedish have great linguistic skills, as do the Dutch (needless to mention the Americans), and the Finnish are the most wary of speaking English. In the phone conferences that are regularly held, the activity in participating in conversation was also slightly different among the cultures in question, following quite the same order as in the use of English language, which tells us that the two correlate strongly with each other. We can also find correlation with the lists of description of characters by Richard D. Lewis: the Finns being quiet and cautious are less likely to feel comfortable speaking a foreign language and participating in conversations than the international Dutch or the communicative Swedes.

3.5 Challenges in the internal communications

With big changes can also come challenges. In fact, the theoretical frame of this thesis that I gathered beforehand, does imply that no change happens without challenges. Even though in qualitative research, which is included in this thesis, setting a hypothesis at the starting point is preferably avoided (Eskola 1998, 19-20), the assumption of challenges having emerged did live in the background while doing the research. That affected the research by making me emphasize the possible challenges-part in the interview questions. I asked the interviewees about challenges in their work of communication in aspects of the contents, inclusivity, purpose and meaning of the communication with the new owner. In addition to that, I wanted to cover the possible challenges caused by the foreign language being used, different cultural backgrounds of the people the interviewees are in communication with and also what kinds of attitudes do the interviewees have towards the changes in internal communications and whether there has been resistance to change. All of the interviewees were very cooperative and supportive and because of their openness some really useful points of view were found regarding the research.

3.5.1 Resistance to change

Resistance to change is a sign of the begun change process. It's inevitable and also necessary. People care about their mission in a company and the future of it, and therefore rushing into new situations and environments is not natural for employees; questioning the outcomes of change is. Companies that try to understand and listen to their personnel can succeed best in a change situation. (Heiskanen & Lehikoinen 2010, 56-60) When asking the interviewees whether resistance to change had been detected, the answers indicated yes. The interviewees also acknowledged that it's a natural part of corporation integration.

The areas of change, where resistance was mostly arisen, were internationalization and linguistic issues and reporting and communication becoming more complex and time-consuming. The target company is a family business with long history, and within it's personnel, there are many who have served the company for a long time to the date. This has created strong emotional bonds to the company for them.

> "It derives from our business being old and traditional and we have long-term employees, who probably will think about things from the original company's point of view for years to come. They don't assimilate or understand that we're international now, we're no longer what we used to be." [*]

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[*] Quotation from interview 25.4.2011: "Se juontuu siitä, että meidän ala on vanha perinteinen ala ja meillä on pitkäaikaisia työntekijöitä, jotka varmasti ajattelee

The requirements regarding reporting, goals and forecasts in terms of them having to be more precise and inclusive than before were seen as demanding, time-consuming and thus challenging. Many of the interviewees told their other work tasks to somewhat suffer due to the extra amount of time and thought needed to invest in the reporting to the new owner. They also felt uncertainty about the reason for the reporting and about what really are the expectations of the new owner. These factors, along with the change in language used, were the main subjects of resistance to change and in the following sections I will open those research results more.

3.5.2 Resources vs. Volume of communication

The requirements in internal communication, reporting in particular, of a multinational, market-leading company were clearly experienced different from what the interviewees found those having been prior to the acquisition. Understandably, the new owner, managing its activity in 27 countries all around the globe, needs detailed information about the actualization of forecasts and planning. In addition to that it needs to give a vast amount of information to its branches on what is expected from them. This leads to a flood of information, especially in a situation like the beginning of an integration process. (Heiskanen & Lehikoinen 2010, 118-120)

It was clear that all of the interviewees were struggling with the change of resources needed for the communication with the new owner. The communication net is wider, the information, both received and expected to give, has increased substantially, the time for dealing with the information is very limited and yet there are a lot of other work to be done at the same time. Trying to assimilate the new way of activity was also challenging according to the interviewees; the things that have to be dealt with are more complex than before.

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vielä vuosia eteenpäin alkuperäisen yrityksen tavoin. Eikä sisäistä eikä ymmärrä, että ollaan nyt kansainvälinen, ei olla enää mitä ennen.”

> "The volume (of the information) is so big, there's so much of it that some of it is missed. Things are left undone. Also, the communication has been created for the organization with which we have joined. There are a lot of contents, of which's background we don't know enough of in order for the messages to be understood." *

Results similar to this have emerged in other researches, as well. In Wilds thesis "Functionality and Interactivity of Internal Communication in a Multicultural Organisation : Case: Lufthansa Cargo Finland" (2010), the company of the research had struggled with a information overload, and measures had to be taken in order to limit the information flow and to coordinate it better. Denisova's thesis "Internal communication problems in a multinational company" (2010), shows us that the problem is common: the research results indicate that the research company's personnel struggled with finding crucial information in the information flow.

3.5.3 Lack of familiarization

In the interviews, I could notice that the understanding of the expectations and actual changes to be made was not at its possible best. One interviewee even honestly stated that to the date the purpose of the reporting had not been clarified to him/her. When asked if there had been any familiarization for the new reporting and communication procedures, the answer was no. The lack of it had caused extra work to be done simply to know how to do certain things.

The new report models, for example, were said to be complex with possible unfamiliar terms and abbreviations used in them, especially in sectors of business where reporting is a very essential part of work (finance, for example). Opening them up was another thing that eats up the time that could be used in taking care of the large scale of other mandatory work tasks that need to done. Also

* Quotation from interview 29.4.2011: "Volyymi (informaation) on niin suuri, sitä on niin paljon, että sitä menee ohi. Asioita jää tekemättä. Myös, sitä viestintää on luotu sille organisaatiolle, johon me ollaan liitytty. On paljon sellaista sisältöä, josta me ei tiedetä riittävästi taustoista, jotta se viesti menisi selvästi perille."

the way these reports were expected to conduct hands-on, or what was the expected content of the information to be given, were said to have been a bit blurry to the interviewees, especially in the beginning.

Knowledge of the buyer company's organization was quite minor, too, in terms of knowing with whom were people supposed to in contact with about different issues.

> "When one has to be in contact with someone, he/she doesn't really know who the person is, with who he/she needs to communicate with, which easily leads to it (message) being delivered via someone else, or it's left undone."*

Like turned out from the quotation of an interviewee above, the blurry vision of the organizational chart of the buyer company, when it comes to knowing communication, causes yet again excess work and takes extra time in work activity. The communication functions were not thought to be at peak performance when there are messages being given and received by the wrong people.

3.5.4 Language

The change of language used in the company had not come without challenge. I asked the participants about the reception the use of foreign language as the official language of the company has received in general by their observations and how did the participants feel about the change themselves.

The new demands of linguistic skills were mostly accepted positively and without greater stress. All of the 7 interviewees used English, the new official language of the company, in communication with the new owner, but many of them were also able to use Swedish, so in their situation the communication with people in the Norwegian headquarters of the Nordic Countries or communica-

* Quotation from interview 29.4.2011: "Kun pitää jotain kommunikoida jonnekin, niin sitä ei oikeastaan tiedä kuka se henkilö on, jonka kanssa pitää kommunikoida, jolloin se helposti menee siihen, että se (viesti) menee jonkun toisen kautta, tai jää tekemättä."

tion with people from all other Nordic Countries could happen in Swedish. The possibility to use two languages according to the communicators', in this case the participants', own skills was said to decrease the challenges in this international communication environment. With those directions, however, where English is the only common language (the Netherlands, US), some challenges existed, since some of the interviewees did not find their English skills strong enough. With these interviewees, the reason for this was the rather rare need for using English in their work, or in life in general, prior to the acquisition.

The overall reception of the use of English in the company was said to have been quite neutral; most of the employees known for not using English willingly due to lack of knowledge of the language, didn't have to be in direct communication with directions where English would be needed.

The fact that the need for English was not a100-percent positive thing is also repeated in Metsäpelto's master's thesis "Suomalaisen, monikansallisen yrityksen sisäisen viestinnän haasteet 2010-luvulla" (2010). She interviewed 6 Finnish executives working in Finnish multinational companies and the results confirms that for those who don't use English frequently, the lack of linguistic skills can become a problem regarding the communication and the success of it.

3.6 Suggestions for improvement

In this part I have gathered suggestions for how to meet the challenges presented in the previous part according to the research participants ideas and my own ideas reflecting the theoretical frame of this thesis. I wanted to present these suggestions for improvement as practical changes in functions in order for them to be potentially beneficial for the companies under examination on this thesis.

3.6.1 Saving time

The challenges regarding the vast volume of information and communication were in some ways all time-related. In order to make the flood of information not getting too overwhelming, there are certain procedures that can be made. The interviewees brought up one clear thing that could be improved: the information which is received and to which a reaction is expected very quickly should come in good time, early enough to respond to it with the precision and inclusivity required. The enterprise management was wished to understand the differences in resources between the big, multinational corporation and its relatively small Finnish branch.

> “It would be good to receive communication early in time, to have time to build it and respond to it. Instead of a few days’ notice, it would be good to have a week or two, because there’s also the everyday-work, so that it could also be done, not to the detriment of it.” *

Another good means for saving valuable time would be a proper go-through of the organization charts of both companies. The lack of knowledge of whom to contact in which issue causes unnecessary resource wasting, like presented in the previous part. Knowing and assimilating the organization charts would also help the target company’s personnel get a good perception of their position in the new, integrated company and thus understanding the purposes of their actions, also in communication, better. Gray and Robertson (2005) state in their electronic article “Effective internal communication starts at the top: Help executives understand the need for clear, concise communication”:

> “Executives need to talk regularly to employees about the organization's purpose, activities, goals, points of difference, customers, competitors, and how their departments and their own personal efforts contribute. If employees aren't clear about these things, we and our executive colleagues have work to do.”

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* Quotation from interview 25.4.2011: ”Olisi hyvä saada viestintää hyvissä ajoin, saada siihen aikaa rakentaa ja vastata. Parin päivän varoajan sijaan olisi hyvä saada viikko tai kaksi aikaa, koska on myös se arkityö, että sitäkin voisi tehdä, eikä sen kustannuksella.”

There is a computer network of the buyer company and the target company will join it in the future. Among other facilitations it brings along, it could provide a solution for the comprehending the organizations: one way of doing to opening-up of the organizations was suggested to be an interactive chart in the intranet.

> "The organization chart should be opened up. A good way would be a clear organization chart, in which one could click oneself back and forth. In order to know with whom to communicate. For example in the future intranet, if there isn't one there yet." [*]

This would indeed be useful for the buyer company as well. One interviewee said that since they are (the target company) new in the enterprise, they are sometimes forgotten.

> "A lot of people forget about us, since we are a new member country. They don't know whom to contact here. The organizations should be opened both ways, in order to know who's responsible for what." [†]

Knowing the organization means knowing whom one needs to be in communication with and this ensures that the right information is received by the right recipient. Another way of opening up the organization charts is an actual meeting, where representatives from both companies present thoroughly the organization and all of it branches and departments, at the same time explaining the remits of them, also on the global level of the whole organization.

A lot of extra time was needed to use to get in terms with the new communication patterns and reporting procedures and there was a clear lack of familiariz-

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[*] Quotation from interview 29.4.2011: "Organisaatiokaavaa pitäisi avata. Hyvä keino olisi jotenkin selvä organisaatiokaava, jossa pystyisi klikkaamaan itsensä eteenpäin ja taaksepäin. Että tiedät, kenen kanssa kommunikoida. Esimerkiksi tulevaan intraan, jos siellä ei vielä ole sitä."

[†] Quotation from interview 4.5.2011: "Moni unohtaa meidät, koska olemme uusi jäsenmaa. Siellä ei tiedetä keneen olla yhteydessä täällä. Molempiin suuntiin tarvitsisi avata organisaatioita, jotta tiedettäisiin, kuka on missäkin vastuussa."

ing to those. When I asked what could be done to eliminate this problem, the answers were unanimous and quite obvious – more familiarizing. The integration process is still in its very beginning, so there's still a lot that's unclear, even though the interviewees have been able to report as required, self-taught.

> "When you get a new report layout to fill out, there are the directions attached and they are in English, it's not the same as practicing hands-on. You have to learn yourself and it takes time." *

It's not too late to organize a proper introduction on how those report layouts should be filled. In fact, since they are already quite familiar, a "repetition" could be a very effective way to eliminate the excess time used in filling those new reports. One suggestion for actualizing this was to organize an "inquiry hour", a meeting where all of the executives having to face new procedures in for example reporting could ask questions from a representative of the new owner about how things ought to be done.

The solutions for the challenges in communication emerged in the research regarding the lack of time and resources are summoned up and simplified in figure 4.

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* Quotation from interview 27.4.2011: "Kun saat uuden raporttipohjan, että täytä tämä, niin sitten se ohje on kirjallisena siinä vieressä ja se on myöskin englannin kielellä, niin ei se ole sama kuin käytännössä harjoittelu. Täytyy itse opetella ja siihen menee aikaa."

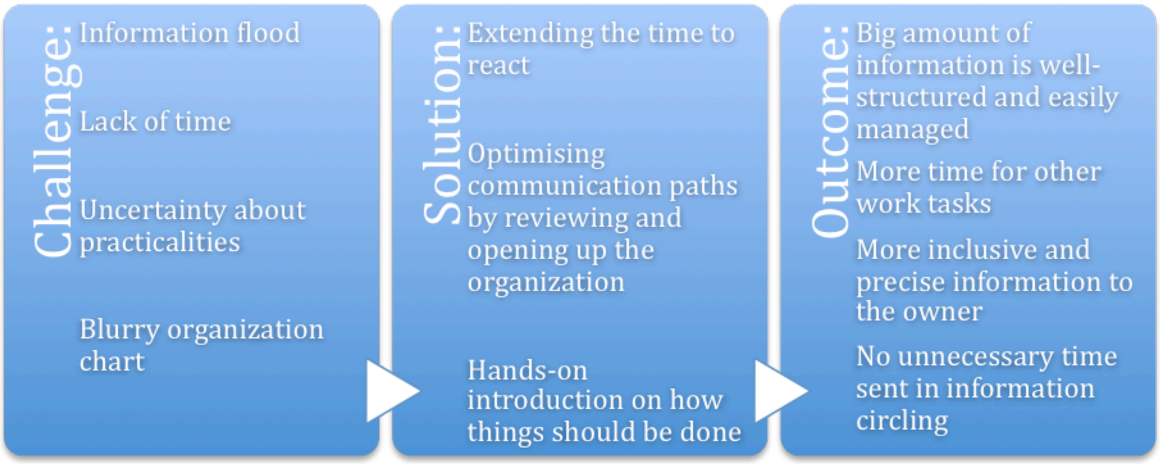

Figure 4: The solutions to the challenges in volume of communication and in practical tasks in communication and the outcomes of the solutions.

3.6.2 Linguistic issues

Since the use of English could not be taken for granted with all of the interviewees, some procedures to enhance the skills and thus the courage to use the foreign language would be needed. According to the interviewees, there are optional English courses to be arranged in the near future, which of course provides a good means to meeting this challenge. In the interviews I talked with one of the interviewees about how the benefits of these courses could be maximized.

The interviewee didn't think that written English was a problem. Of course improving that, too, would always be good, but the main problems when one hasn't used a language for a long time are actually speaking the foreign language, along with understanding of spoken English. In the communications, via telephone or the phone meetings, the interviewee said the lack of English knowledge to be the most present.

> "It would be good if on the courses we would concentrate on speaking and understanding spoken English, because it's what will affect the behavior in phone conversations." *

3.6.3 Getting to know each other

In order to succeed in an integration like the one question, it's essential to develop a personal relationship between the companies. In his book "Cross-cultural business behavior", Gesteland (2002) talks about the importance of developing such a relationship in a customer-company –point of view, but the same principals apply to a post-acquisition integration:

> "Your customer or partner will want to know that you personally, as well as your company, are committed to the success of your venture."

The same aspect of a relationship is being pondered in Heiskanen's and Lehikoinen's book "Muutosviestinnän voimapaperi" (2010, 122-125), a piece on the importance and impact of a well-managed change communication in business life. There is a need for corporate identity to be created in the early stages of an integration process, which for its part helps to develop a relationship between the companies. The construction of this joined identity lies mostly on the shoulders of the management level, so it is their responsibility to create a positive atmosphere in the integration.

In order for this kind of relationship to be built, the companies must get to know each other. From the target company's point of view, it is important to present the expectations of the target company's activity and performance properly. Like one of the interviewees put it:

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* Quotation from interview 29.4.2011: "Olisi hyvä jos kursseilla keskityttäisiin puhumiseen ja kuullun ymmärtämiseen, koska se vaikuttaa puhelinkäyttäytymiseen."

> "Maybe it would be helpful and more motivating if we knew better what we are used for and what added value does that give to our company." *

This for sure isn't an easy task. In his book "Suomalaisyritys kansainvälistyy" (The internationalization of a Finnish company), Äijö (2001, 169-171), an expert on international business and strategic planning, describes the developing and keeping qualified personnel in the company to be one of the hardest tasks for an internationalizing company. Yet involving the personnel is considered to be one of the most critical matters in business activity.

Motivating the personnel to adapt better to the changes in the working environment can be done by the means of internal communications, for one. More informative communication on the companies' doings, changes, values etc. can well have an outstanding result in the motivation. Potential channels for this kind of communication would be for example briefings, different occasions arranged by the concern management, information/personnel journals/publications, also a private computer network, which is going to be in the use of the target company, too, in the future. (Ikävalko 1999, 59-68) Another aspect is provided by Grey (2004) in his electronic article "Finding the right direction: Internal communication can add value to your organization". He claims that helping the executives of a company to improve their relationships with the workforce is far more likely to improve employee satisfaction with communication than working on the intranet, e-mails or publications. Maybe so, but there isn't one without the other: to succeed, probably a distribution to as many possible channels as possible has to be given.

Getting to know who's behind all of the messages and who's on the other side of the phone line was found important in the research interviews. When examining other theses and researches on this matter, I found some similarities regarding the need for face-to-face communication, too. For example in Lahtinen's final thesis report "Creating an Internal Communications Development plan for

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* Quotation from an interview 3.5.2011: "Ehkä se auttaisi ja motivoisi jo tiedettäisiin paremmin mihin meitä käytetään ja mitä lisäarvoa se antaa meidän yritykselle."

Sandvik Mining and Construction" (2010), the research results indicated that the respondents hoped they could be able to take part of some discussions in arranged meetings. In her thesis "Internal commucation issues in a multinational company: Logonet Group", Erkkilä (2010) brings out the aspect of body language that is present in communication in person by reminding us that only in face-to-face communication can one see smiles.

Meetings in person occur rarely at the moment, which is understandable considering the costs those cause for an international enterprise. Exactly because of the rareness of them, special attention should be paid to what are the contents of those meetings and how tp get more acquainted with each other could happen in them. Varey and Lewis (2000) encapsulate the power of face-to-face communication in their book "Internal marketing-directions for management":

> "The electronic relationship offers *high tech*, the human relationship offers *high touch*."

4 CONCLUSIONS

A post-acquisition integration process is a very complex situation for both parties of the integration. For the target company it may cause extra time having to be used in assimilating new procedures in the communication system. The key factor to overcome challenges such as poorly coordinated information and the lack of resources is to give everyone involved with the integration a proper introduction that includes everything from the purposes of the integration to the values of the companies and the practical familiarization on everything changed.

The integration in question is still in the beginning and it's not too late to optimize the functioning of the internal communication system, as wide and complex as it may have become due to the integration of two companies of different culture origins and corporate cultures. All and all, practical challenges can be easily met, but the most important thing is to pursue towards mutual understanding in a change situation like this and to put a greater emphasize on the internal communications.

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