Vaasan yliopisto
UNIVERSITY OF VAASA

Noora Suni

The importance of internal communication during organisational M&A

Case study

Vaasa 2022

UNIVERSITY OF VAASA
School of Management

Author:	Noora Suni
Title of the Thesis:	The importance of internal communication during organisational M&A
Degree:	Master of Science in Economics and Business Administration
Programme:	Master's Degree in International Business
Supervisor:	Aušrinė Šilenskytė
Year:	2022 **Pages:** 88

ABSTRACT

Mergers and acquisitions (M&As) are considered one of the most efficient ways of expanding organisational performance. Successful mergers and acquisitions include a critical consideration of a set of different variables, from which a major is the people-related variables. Those directly affects the performance of the process and integration of the operations. In managing the people-related variables during mergers and acquisitions, communication is strategically important. Efficient management of communicational matters, such as the right approach of communication, may affect the acknowledgment of the M&A, integration of the two companies, as well as the operative performance of the organisation during the process. Therefore, the work focuses on researching internal communication in mergers and acquisitions.

The literature framework elaborates the communicational factors related to corporations, including change communication and different approaches. Also, communication during M&As is a critical theoretical aspect of this work. However, existing literature lacks in stating the communication factors during M&A on the employees' side, and thus, this work aims to address that further.

Given the novelty of the research question, this thesis explores questions with a single case study, where several different viewpoints from the specific case are considered. The communicational factors during M&A are researched by qualitative interviews gathered from the project management's side, and quantitative questionnaires gathered from the employees' side by studying their interpretations and opinions on the success of the M&A communication plan. This allows for comparing the aims and outcomes from both sides and revealing the critical differences between those.

The study finds the employees' understanding of the aims and expected outcomes differing with the project management team. The communication approaches and action models appear to be efficient and paraphrase the patterns of the literature framework, but still unsuccessfully partially engage employees in the merger communication. Organisational culture will be aligned by aims of further explore the term and implement jointly organisational culture throughout the integration process.

The thesis contributes to the literature by shedding light on extending the successfulness of merger communication from models and approaches more towards individualization and case-by-case communication.

KEYWORDS: Internal communication, Mergers and acquisitions, Multinational corporation

Contents

Tables

Figures

1 Introduction

Every organisation pursues to surge on the brush of a wave ahead of the competitors. For that, developing and expanding the company operations are among the most effective ways. There are several different options for organisations to choose from, but according to Davis and Kummer (2012, p. 4) three most common strategies to expansion are joint venture, organic growth, or mergers and acquisitions (M&As). The route to take depends on the capabilities, aims, and company profits (Davis & Kummer, 2012, p. 4). As a route to developmental strategic growth, M&As have become increasingly popular over the past decades because of almost immediate effect of organisational growth.

The benefits of M&A compared to other strategies are considerable broader, allowing the merging or acquiring company answer competition more effectively (Davis & Kummer, 2012, p. 4). However, according to Jackson (2019, p. 1) the percentage of failed achievements of strategic objectives in M&A integration stage is very high. Bhal, Bhaskar & Ratnam (2009, p. 604) claims that around two thirds of M&As fails to reach the strategic results because of misunderstanding people-related factors, such as employees' reactions, cultural differences, or importance of communication approach.

The lack of understanding people in the company during the transition of change allows pitfalls to impact the performance of the whole M&A process, and thus, may lead to underachievement (Jackson, 2019, p. 1). Every organisational change and development arise questions among the employees. Employees seek to have all information related to the strategic objectives of the company they work in, to feel integrated to the organisation. If the organisation fails to efficiently communicate change towards their employees, risks related to detachment from the integration arises. (Bhal, Bhaskar, et. al., 2009, p. 605.)

Employees are critical factors in company performance because people-related variables cannot be as highly estimated in advance. Different reactions or rumour mills may occur, which the company management have not considered or did not think to matter extensively. The fact which management often fails to consider is, that even an individual can

affect the outcome. One individual, who fears the development and shows resistance, can impact people around them, spreading their emotion to others, and that way give rise to a bigger movement of resistance. (Davis & Kummer, 2012, p. 6.) Efficient mean of avoiding these chain reactions is to focus on employees in the communication plan. According to Appelbaum (2017, p. 88), early communication prevents uncertainty and confusion, but also foils the emergence of rumour mills. Steady and regular information keeps the employees satisfied and that way reduces the chain reaction of resistance of chance to occur. (Appelbaum, 2017, p. 88.) When employees are provided with extensive information flow and are aware of the details of the company plans, it is much harder for individuals to cause larger reactions, spread false statements, or start a group for resistance (Appelbaum, 2017, p. 88).

1.1 Background of the study

As Gomes, Angwin, et. al. (2013) states, existing research regarding the matters of why M&As continue presenting high rates of failed performance may not be identifying the right variables. The research lacks examining the non-financial variables such as people-related variables which in fact, have as significant impact on the company's overall performance equally with the financial or technical aspects (Gomes, Angwin, et. al., 2013, p. 14). The realization is that M&As in company performance are multilevel and complex entities where different perspectives and approaches have linkages across the process to get the overview of what to improve upon the performance success (Gomes, Angwin, et. al., 2013, p. 14).

In recent theories the importance of employee commitment in M&A success has been increasingly recognized subject. Bhal, Bhaskar, et. al. (2009, p. 604) researches the effects of leader communication on employees' reactions towards M&A and support the statement that extensive communication allows employees to feel more integrated with the change, and hereby minimizes the emergence of negative reactions. The linkage between employee's commitment towards their organisation, and the success of merger or acquisitions has been tied together. The glue which ties employee commitment in

organisations, is communication, and thus, for example Angwin, Mellahi, et. al. (2014, p. 2370) argues communication to be the "fundamental component of M&A performance".

Communication is seen as a success factor, but also as one of the main contributing factors leading to success or failure. Effective corporate communication during mergers and acquisitions can help enhancing the commitment towards the integration process, can prevent arising uncertainty or resistant to change, and increases the trust towards company management in the times of organisational changes. (Angwin, Mellahi, et. al., 2014, p. 2371.) Still, even though it is known that different communicational strategies and approaches may impact the outcome of M&As, the empirical study field on this subject is relatively exclusive. Acknowledgement of the process that influences the employee reactions about M&As through the role of communication is a field that requires further examination.

1.2   Research question

Bhal, Bhaskar, et. al. (2009, p. 618) suggests that the employee reactions to M&As may require further assession, since several factors affect the individual reaction. Company atmosphere, experience of M&As, and the communication from management are factors that needs consideration in claiming the definition of a successful approach towards managing people-related variables in M&A processes. (Bhal, Bhaskar, et. al., 2009, p. 618.) Considering the obvious need for further research of employees' reactions in the M&A process, it is necessary to examine the impact of communication and its relations to employees' reactions. The communication in the M&A process is key in engaging the employees to the upcoming M&A, but research gap lays in examining the impact of communication in people-related variables (Appelbaum, 2017, p. 88). As people-related variables are important factors in M&A success, it is justified to study these variables from several angles and research the connection of communication and people-related variables further. The angle that this research focuses on, is specifically the impact of internal communication in employees' reactions in M&As. The research focuses on internal com-

munication because that way the focus of employees stays consistent. The goal is to provide new information on the relations of communication and employees' attitude towards M&As.

The research area culminates in following research question: *"How can an MNC successfully manage internal communication during merger to gain employee acceptance and engagement?"*

In addition, to allow the research area to be answered extensively, sub-questions have been created to support the main research question. The sub-questions are the following:

"What are the issues in internal communication that may lead to misunderstandings about the merger among employees?"

"What are the factors that increase consistency in the employee understanding about the merger?"

1.3   Delimitations of the study

As Dolphin and Reed (2011, p. 2) states, corporate communication is the fundamental glue in all corporate actions that ensures deeper engagement and commitment towards the corporation. However, corporate communication does not work similarly for all audiences. It has different approaches and techniques for different audiences or situations depending on if the communication happens, for example, internally or externally. (Dolphin & Reed, 2011, p. 2.) Because this research will be focusing on employees' reactions, the scope of corporate communication focuses on internal communication only. For clarity of the research, the framework will limit the discussion on internal communication, because external communication differs from it extensively, and is not relevant for the research.

Another delimitation for the work is, that the analysis focuses particularly on mergers. The difference between mergers and acquisitions is, that acquisitions are more about

one company purchasing the other one, whereas in mergers the integration happens more in mutual agreement (Coyle, 2000, p. 2). Because the subject companies are going to have a merger, the framework of this work will also investigate mergers more than acquisitions. However, most of the theories handles mergers and acquisitions together stating as M&A, which is considered. The two will be separated as much as possible, but bigger entities might cover M&A as a whole.

1.4 Definitions of key concepts

In this chapter the key concepts that are discussed and handled in this work are listed, and the central terminology explained.

Corporate communication, a framework of functional management of the efficient internal and external communication in an organisation, with the purpose of maintaining and developing successful relations with all stakeholders that the organisation is dependent of (Cornelissen, 2014, p. 5).

Change communication, part of corporate communication in which the change affecting or related to the organisation is communicated strategically effectively to the stakeholders (Korhonen & Bergman, 2019, p. 115).

Mergers and acquisitions, an occurrence where separate organisations (two or more) connect all or some parts of their operations and processes. Merger and acquisition can be distinguished by the differences in agreed matters, such as the defined management control of the integrated company, ownership, as well as sizes of the separate companies before integration. **Merger** refers to an integration where the companies are merged into one entity, and the integration considers both parties in combination. Mergers rarely contains any cash changes**. An acquisition** refers to a takeover, where one company purchases most or all of other company's assets and that way gains the management of another company's business operations. (Coyle, 2000, p. 2-4.)

MNC, which means **multinational corporation.** MNCs have business operations in several countries, with one headquarter in the original home country. Corporation can be

considered to be multinational if they receive at least 25% of their revenue from operations outside original home country. (Gobler, 2021.)

Organisational and **national culture** have interconnections but are considered as separate entities. **National culture** is the culture one is born with. It is about values, history, language, and beliefs that individual is grown up with (Iorgulescu & Marcu, 2015, p. 94-95). National culture is not developing or changing over time, whereas organisational culture shapes through world, technologies, and company management. However, where national culture is strongly its own entity, organisational culture is affected by the national culture. **Organisational culture** relates to the company policies, strategies, aims, and values, but also the workplace atmosphere, formality, or hierarchies (Iorgulescu & Marcu, 2015, p. 97).

1.5   Structure of the study

The study is structured into five main sections: Firstly, the introduction to the study, its background, and the key aspects are introduced and discussed. Secondly, the theoretical framework will follow, by explaining the communication aspects and the merger and acquisition aspects related to the study. Also, communication in M&As is discussed and previous studies on the topic explained. Third section of the work introduces the methodological aspects and justifies the choices. The fourth section focuses on the findings with analysis by explaining detailed results of both data collection methods. Lastly, concluding chapter discusses the main findings and results in depth. Also, limitations and suggestions for further research are provided on the last section of this work.

2 Communication

The word of communication comes from the Latin word *communis*, which means common. A common ground of understanding. The word is descriptive, because communication, in general, encompasses all human interaction, from verbal to non-verbal, for humans to have mutual understanding and hereby the ability to function in their environment. Verbal communication means the use of words and sounds, whereas non-verbal means gestural interaction. (Rayudu, 2009, p. 13.) Because communication is embedded in all forms of human interactions and cooperation, it also has a versatile set of styles, meanings, and allocations (Mikkola & Valo, 2019, p. 3). The development of the internet during the last decades has increased the publicity and topicality of communication and thus, brought new styles and allocations. Because of digitalisation and new social platforms, communicational forms must be considered more closely by thinking about the receivers. (Kortetjärvi-Nurmi & Murtola, 2015, p. 10.)

Depending on the occasion, channel, and participants, communication can be commonly divided into five different forms: intrapersonal, interpersonal, group, public, and mass communication. Intrapersonal communication is the foundation for all communication because it happens within oneself through thinking (Stacks, Salwen & Eichorn, 2017, p. 321). Mass communication, on the other hand, has been considered one-directional, where the message is diffused to large society through, for example, newspapers. However, because of digitalisation and the increased use of mobile devices, mass communication has become more interactive (Castells, 2009, p. 55). The most common form of communication is interpersonal communication, which means information exchange and social interaction between two or more persons. Interpersonal communication contains oral communication, written communication, nonverbal communication, and listening. It is critically important in every sector of life. Professionally interpersonal communication is used in managing conflicts, negotiations, schedules, and relationships, and thus, is crucial in the workplace, in school, or in other formal situations. Professional

communication, however, requires learning because it differs from everyday communication by its objectivity. (Krlshnamacharyulu & Ramakrishnan, 2008, p. 6; Solomon & Theiss, 2013, p. 5.)

2.1 Corporate communication

The communication used in workplaces is called corporate communication. The purpose of corporate communication is to tie all the company operations into a functional entity (Dolphin & Reed, 2011, p. 2). It is the most important tool of management because it directly affects both internal and external activities, company image, efficiency, and proficiency. Corporate communication belongs to everyone included in the company, from casual interaction in the coffee break between colleagues to formal announcements from the management (Dolphin & Reed, 2011, p. 166). However, strategically a company can develop its competitive advantages with corporate communication by unifying the operating environment (Isohookana, 2007, p. 10). Because several factors influence corporate communication, such as the workplace culture and communicative models or methods, it cannot be copied from one company to another as a whole, but rather requires planning, scheduling, and observing for it to successfully meet the specific company needs. Thus, by strongly focusing on tailored corporate communication, company can build a unique competitive advantage that is hard for other companies to copy. (Dolphin & Reed, 2011, p. 2 & 166; Isohookana 2007, p. 9.)

Corporate communication can be viewed through three perspectives: as a network of interactions, connecting all company actors and functions together, or, as an act where professionals have set their own targets and goals, or, as a part of the company management. However, the most sufficient strategic corporate communication is developed by viewing the three parts as a unified ensemble. (Kortetjärvi-Nurmi, Kuronen & Ollikainen, 2011, p. 8.) Communication is one of the foundations of company management because the business strategy is supported with information flow, stakeholder engagement, and complete integration of activities. The importance of communication in managerial work

becomes visible especially when organisational changes occur (Dolphin & Reed, 2011, p. 2).

The characteristics of planned corporate communication include organised framework, objectivity, and the balance between the input given by professionals and the use of technical assistance tools, such as e-mail or intranet. Communication consists of communicative relations, the content of the messages, practical arrangements, as well as given resources. (Kortetjärvi-Nurmi, Kuronen, et. al., 2011, p. 9.) The planning of corporate communication, as well as the stated objectives, relates to the business strategies, tactics, and operational actions. According to Dolphin and Reed (2011, p. 106), strategically company sets the outline of information exchange enabling the company to support its activities most effectively, whereas in tactical base the company enables the necessary resources such as personnel and device resources and defines the stakeholders and operating guidelines. Operationally corporate communication includes annual planning and budgets related to that. (Kortetjärvi-Nurmi, Kuronen, et. al., 2011, p. 9-10; Dolphin & Reed, 2011, p. 106.)

Especially through digitalisation, the business world has faced a communicational challenge, where information flow needs to be immediate, both inside and outside the company. Larger entities are reached with one message or channel, which means that the communication must be clear enough for several different groups to understand the message equally. (Kortetjärvi-Nurmi, Kuronen, et. al., 2011, p. 11.) Therefore, the strategic attitude in communication has become stronger. Strategy in corporate communication means the principles and goals agreed together with the organisation, which every member complies with, for common targets to be achieved. Strategic corporate communication sets the line for all day-to-day activities and allows proactive processes to function (Juholin, 2017, p. 65). It needs to be planned based on different occasions, situations, and channels because the stakeholders require different information needs. In addition, all company-related participants need to be informed at the same time for them to feel equal and engaged. (Juholin, 2017, p. 19 & 48; Isohookana, 2007, p. 16.)

Strategically corporate communication is usually divided into internal and external communication, regarding on if it is related to the external stakeholders such as customers or investors, or internal stakeholders such as the employees. Both external and internal stakeholders have their own demands on what successful communication covers (Juholin, 2017, p. 43). The style of external communication is usually more formal and strategic, whereas internal communication is for information exchange and employee engagement, and thus, can be more informal and casual.

2.2 Internal communication

Internal communication is the strategic base for all company activities. The employees must know company targets, procedures, and newest activities in order to perform jointly. Internal communication is also significant tool of engagement. By communicating internally, company motivates and engages their employees (Cowan, 2014, p. 7). Businesses have noticed that efficient internal communication directly affects the proficiency of the company. This is because, when the employees are satisfied, feel connected to the business activities, and are motivated in their work, they are more likely to put effort and develop the company targets. (Isohookana, 2007, p. 226.) According to Isohookana (2007, p. 226), strategically internal communication covers aspects such as:

1. Motivate and engage towards goals, values, vision, and effective actions,
2. Helps the efficient use of resources,
3. Creates a positive atmosphere and sense of community,
4. Prevents conflicts and issues in everyday work,
5. Influences the corporate culture and engages towards the corporate identity.

These aspects set the strategic meaning of successful internal communication (Isohookana, 2007, p. 226). Internal communication can happen through several different channels regarding the recipient. The channels used for internal communications can be

divided into personal, written, and digital. (Pena-Acuna, 2018, p. 140.) Personal communication means the communication happening between two or more people in person, by, for example, speaking to each other. Written communication contains all interaction happening by written forms, such as letters, posters, or notes. Digital on the other hand means the communication happening through electronic devices such as e-mails, text messages, meetings through Zoom, Teams, or Skype, etc. Digital communication is the most used in today's business world and allows the topicality of the message easier than before (Pena-Acuna, 2018, p. 140).

The internal communication is not only decided in the company management, but government is also supporting employee informing and internal communication by obligations. For example, according to The Ministry of Economic Affairs and Employment of Finland (2021) The Cooperation Act of Finland sets precise definitions of the employer's obligation to inform its employees so that the employees have equal opportunities to be part of company policies and activities. According to the European Commission (2021) official EU Directives have been set where employee rights include information exchange towards the employees nationally and transnationally. These Cooperation Acts obligates employers to inform about the financial statements of the company, salary statistics, and all changes related to the company activities. (The Ministry of Economic Affairs and Employment of Finland, 2021; European Commission, 2021.) The Cooperation Acts obligates companies to inform internally the minimum statistics, but if a company wishes to be efficient, have motivated employees, and unified activities, it must perform more strategic and thorough communication additionally. (Kortetjärvi-Nurmi, Kuronen, et. al., 2011, p. 105.)

2.3 Communication during organisational change

According to Palmer (2003, p. 77) the change among the organisation has two constituent parts: the technical part, and the part related to people within the organisation. Both parts must work efficiently for the change to be successfully implemented. Commonly, the technical aspects of the change have most of the focus, whereas the part related to people is forgotten or given the bare minimum, even though the technical part requires

a lot less variables than the people-related part. The people-related part in organisational change includes everything from communication to health care and individual reactions, and thus, is very fragile to manage. However, the most important tool of success in the people-related part is the right communication. (Palmer, 2003, p. 77.)

As in every situation where the company faces organisational changes, strategic communication is required. Successful communication may help the company avoid crisis, whereas unsuccessful may lead directly to it (Juholin, 2007, p. 242). The greater the change is, the more thorough internal information planning and interaction between the stakeholders must be in place. As Davenport and Barrow (2009, p. 3) states, people's social identity is closely related to the organisation they work in. The organisational image is important for the employees because it is often viewed as a part of their own identity, and it also defines the engagement employees have towards the organisation. The engagement is built by the emotional connection that employer has consciously developed over the years by motivating and retaining the people they need (Davenport & Barrow, 2009, p. 3). When organisation then decides to change this identity or image by merger or acquisition, it directly affects the employees' own identity and loyalty built for the organisation. When the emotional connection is disrupted with organisational change, it raises fear, uncertainty, and anxiety. Fear about job security and career progression often appears as a resistance to change. Resistance to change can be managed with communication, interaction, and a supportive atmosphere. It is this fragile emotional atmosphere where the organisation needs internal communication the most. (Davenport & Barrow, 2009, p. 3.)

As Juholin (2017, p. 242) explains, the questions that arise through the changes should not be taken as negative, offensive factors, rather as development opportunities, the interaction between the company stakeholders, and as a place to demonstrate reliability. The way a company presents its information is critical in defining how the stakeholders feel about the changes, and thus, it is very important for the company to strategically plan all communication taking place regarding the situation. (Juholin, 2017, p. 242-243.)

Change communication means the communication that company management uses to prevent resistance to organisational change by managing the announcements towards the organisation throughout the journey of change (Cowan, 2014, p. 34). Changes in an organisation, whether those are big or small, are always something that all company stakeholders must be aware of. Communication defines the engagement the stakeholders have towards organisational change. Therefore, change communication is crucial, and can determine whether the organisational change is viewed positively or negatively among the stakeholders, such as the employees. It is expected from the management to be present, listen, and answer the questions arising from the situation. (Juholin, 2017, p. 242.) Well-managed corporation foresees organisational changes, and encourages to react positively, and innovatively, highlighting development. The approach and actions define how the change will be tolerated among the stakeholders. Different actions during organisational change can define a lot, and thus, certain models have been set. (Isohookana, 2007, p. 232.)

| | | Common action strategy in change situation | |
		Proactive	Reactive
Approach towards the change	Positive	Active anticipation of the change	Passive adaptation to the change
	Negative	Opposition to the change in advance	Defensive position in the change

Table 1. Action models in change situation (Isohookana, 2007, p. 232).

In order to successfully manage organisational change, managers should approach the change positively and proactively, leading to active anticipation of the change and thereby more likely towards successful reception of the change (Isohookana, 207, p. 232). This implies that communicating change in positive and active manner, will more likely lead to positive anticipation, than what irregular or passive internal communication would.

One of the most critical organisational changes is a company merger. When two or more independent business entities join as one business, transaction to merger happens. It usually means, that one of the formerly independent companies receives all assets from

the other formerly independent company. It is a process, where companies with different cultures, values, and visions are integrated into one unit. (Kansal & Chandani, 2021.) Even though one of the merging companies usually dominates the transaction, the mergers usually happen on a friendly basis, through equal negotiations (Soofi & Zhang, 2014, p. 10). Because change is inevitable during mergers, also strategic planning is needed. With strategic communication and planning the companies prevent risks facing the merger, such as major resistance to change among employees. The importance of communication arises during a merger especially with the company that is merging with another. For their employees it is important to assure their value, guarantee the trust, and inform the effects of the merger. Through communications, the company can clarify the next steps and prevent disingenuous speech about the situation. (Kansal & Chandani, 2021.). Thus, we further discuss M&As and the communication in them on the next chapter.

3 Mergers and acquisitions

Mergers and acquisitions (M&As) are one of the most common processes of growing an organisation (Steigenberger, 2016, p. 1). The popularity of M&As as strategies for development have increased in recent decades because of the continuous pressure for companies to change their operations, renew their processes, and remain innovative or competitive (Jackson, 2019, p. 3). Through mergers or acquisitions, company can gain competitive advantage with new technologies, products, expertise, and bigger revenue without expanding, for example, production capacity. Mergers and acquisitions can be classified into operational corporate restructuring activities because those involve changes in the company's asset structure through, for example, acquiring another organisation. (Soofi & Zhang, 2014, p. 12.) The main objective in every organisational restructuring activity is to increase the corporate revenue and profitability (Kumar & Sharma, 2019, p. 31). However, companies can seek to expand for several reasons. Some might look for geographical expansion to reach a new market area or economy, and others might desire to create a new service or product under their operations. Strategic reason for a company merger or acquisition is to keep ahead of the competitors at the minimum R&D costs, by letting others create a new solution and then buying it at the early stages to benefit from it without the R&D fees. (Steigenberger, 2016, p. 5.)

Historically, merger and acquisition activities can be divided into waves according to the economic markets. M&A waves means that in a certain time-period, the use of M&As have increased extensively. The increase of M&A activities may last from a couple of years to a decade, after which the M&A activities faces a decrease. The variable nature of M&As illustrates wave-like pattern. The first wave of mergers and acquisitions was detected already in the 1895, after which similar M&A waves have been detected steadily every few decades. (Kumar & Sharma, 2019, p. 21.) The sixth wave of mergers and acquisitions is the last recognizable one, which started in 2003 and decreased in 2009 because of significant decline in corporation valuations (Jackson, 2019, p. 4). The form of mergers and acquisitions have changed enormously over the decades and is now bigger and more around corporate governance than ever before. This means that through practices and processes, the system of mergers and acquisitions identifies clearer who is

accountable and powerful, and who makes the decisions. Corporate governance cannot work without communications, and thus, it may not be coincidence that corporate governance has increased relations in M&As in same years as corporate communication has developed and became more important. (Kumar & Sharma, 2019, p. 21.)

The M&A activities have interfaced in waves because of several contingencies related to the subject. Most of the contingencies relates to the process itself: to the attributes of the companies involved, which means their experience in mergers or acquisitions and their strategies, as well as the relations between the companies' attributes, which means their similarities, performance in pre-acquisition phase, and cultural distance between the two. Internal and external relatedness is an important success factor in the integration process and may help to predict the probability of success for the whole M&A. The integration performance seeks to implement recombination of the resources and a link between their strategic fit. (Steinberger, 2016, p. 5.) According to Ranft and Lord (2002) the size differences of companies and performance boundary line in communication between the integrated companies affected the autonomy of a smaller company and employee retention in both companies. The similarities and overlaps in companies' actions, resources, processes, or values seems to be beneficial for the M&As integration success (Steinberger, 2016, p. 6).

During a merger, the companies need to follow clear procedures and strategies to successfully execute the merger. Firstly, a project team that is intended for planning and informing the parties about the merger, needs to be organized. An integration plan covers both the communication towards related parties at the early stages of the planned merger, as well as handles the post-merger communicational factors sufficiently. Another factor affecting the organisational change is the level of understanding about cultural differences and clarity of the common vision. (Kansal & Chandani, 2021.) Both companies need to have the same understanding of the cultural factors that are merged, how the factors differ in the companies, and how the shared new company culture will be built (Iorgulescu & Marcu, 2011, p. 94). Clear targets, policies, and values will help

the merging companies in implementing the common new vision. To achieve these common goals, efficient corporate communication is required (Kansal & Chandani, 2021).

3.1 The phases of M&A process

Merging or acquiring with another organisation is a complex process, where the members and management must have clear overview of all phases. Most common way to manage the process is to divide the phases into four: strategic planning, screening, acquisition, and integration. (Davis & Kummer, 2012, p. 22.)

Strategic planning starts as soon as the idea of merging the companies arises. Successful organisations must stay several steps ahead in planning the future developments in order to adjust the changes effectively and adapt to the competition quickly. Strategic planning includes communicational strategies and financial strategies. Communicational strategies are important part of strategic planning because it ensures the engagement of stakeholders effectively. After designing detailed strategies in the planning phase, the implementation starts by screening. It involves researching, identifying different factors, and informing the stakeholders. Efficient screening phase lays a foundation for successful execution and integration. (Soofi & Zhang, 2014, p. 19.) Screening allows companies' own people-related factors to be more calculated and identified through communications. In this phase, the risks are being calculated and prevented by asking stakeholders' opinions, reactions, and thoughts. When the screening phase is done extensively, taking into consideration communication and people-related variables, the acquisition on its own can start successfully.

The acquisition phase in mergers and acquisitions involves due diligence, negotiations, and structuring (Davis & Kummer, 2012, p. 22). Due diligence means the legislative activities that are needed to confirm the strategic compatibility of the merging companies. Negotiations and deal structuring include all activities between the two companies that defines the agreement to satisfy both companies, their rights, and responsibilities in the arrangement, that hereby leads to successfully completed merger agreement. The ac-

quisition phase is in most need of strategically planned communications. Without communications being successful, detailed, and neutral, the negotiation and agreements are in danger. However, even if the communication has been strategically suitable until these phases, the most challenging phase for the merger and its communications is the integration. Integration is important post-merger for the merging companies to function successfully as a one unit. It involves human resources, and components related to strategic, operational, and financial activities of the merging companies. (Soofi & Zhang, 2014, p. 19-22.)

Integration gathers all factors related to the process together, pulling them into a merged entity. In this phase, the communication plays the main role. For integrating two companies, two different organisational cultures, the communication must be strategically perfect. It needs to be involving, but consistent, co-ordinating, but distinctive. Hereby, the communication has to be planned, worked together between the merging companies, and in cooperation with HR and management. The strategy and action plan for integration may differ each time the organisation faces a change, because matters such as a reason for the change, plans for the future of the change, as well as company size, age, and industry affect the approach of the integration, and that way also the individualized method and strategy of communication. (Davis & Kummer, 2012, p. 22.)

During the M&A phases, the company must overlook the strategical process by reflecting the effects. The company must reconsider the reasons for the process, whether those are geographical, technological, or expansion related. The reason for the process defines the whole strategy implementation, and that way also defines the direction of the strategy. In addition, the financial aspects, such as how the costs and benefits meet, must be overlooked in every phase. Also, the questions of how to integrate and what is the aim, as well as how two separate entities are unified and cooperated efficiently, needs to have clear settings in order to be delivered correctly. Any discontinuity can lead to failure, which is why it is extremely important to overlook the phases as a whole.

Company must be aware of all the factors that are affected by the process, and how the implementation will need to consider these factors. (Davis & Kummer, 2012, p. 14.) Davis

& Kummer (2012, p. 16) have defined the strategic M&A process with a graphic table model that describes all the phases, and what variables or factors those phases include. The model discusses all of the abovementioned matters as they are divided into 4 main activities: the strategy, financial business case, 100-day planning, and implementation or delivery. Strategy includes the decisions of the direction and reason for the M&A. Financial business case defines the synergies, revenue, and cost-benefit balance. 100-day planning means the integration planning, before and after the merger. Lastly, the process model defines factors that will need consideration in delivery or implementation phase, such as the people-related matters, uncertainty risks, and other. The process table can be found below.
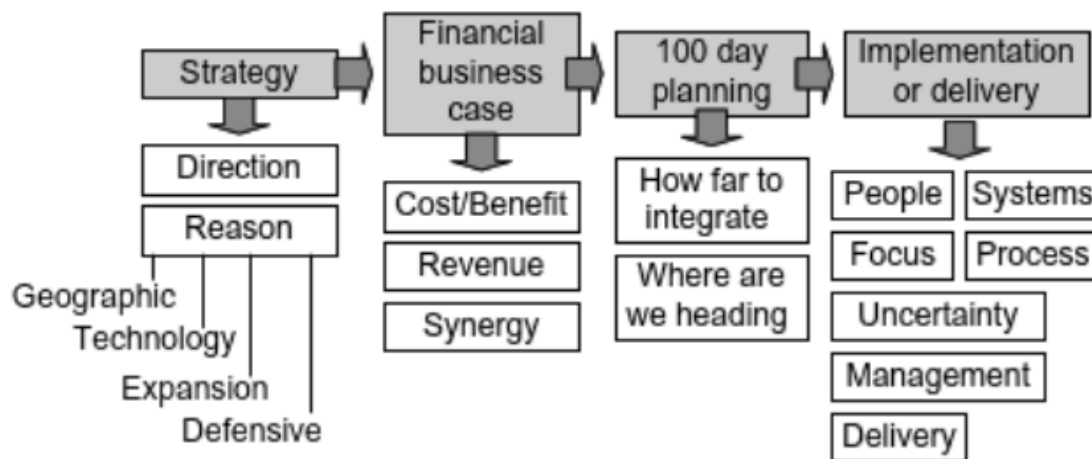
Figure 1. Strategic M&A process overlook (Davis & Kommer, 2012, p. 16).

3.2 Categories and types of M&As

Both mergers and acquisitions can be divided into three main categories: horizontal, vertical, and conglomerate. The merger or acquisition lays into one of these categories depending on the strategic purpose of the integration, and on the stage where the two companies stand before the merger or acquisition happens. In a horizontal merger or acquisition, two similar companies with same business activities integrate into one operation. Horizontal merger or acquisition can happen, for example, to take control over a potential competitor by retaining the market shares (Kumar & Sharma, 2019, p. 5). In vertical merger or acquisition, the integrating companies operates in similar industry, but

with different distribution or production operations. Vertical merger or acquisition can be, for example, a merger with the distribution network to save time, or with the supplier of the raw materials to decrease the costs. As an example, when company transporting petroleum integrates with a company distributing gasoline, vertical merger happens. Conglomerate merger or acquisition, on the other hand, means integration between companies with fully dissimilar business operations. (Gaughan, 2014, p. 14.)

In addition, mergers can be recognized in two sub-types: absorption merger and combination merger. In absorption merger all assets and liabilities from the merging company is transferred into the receiving company. Traditionally most of the mergers are absorption mergers. In combination merger, the liabilities and assets are transferred into a new separate company. (Gaughan, 2014, p. 12.)

3.3   Corporate communication during a merger in MNC

In every type of M&A, the communications play a critical role. In MNCs, the communication allows cultural and other national differences to be managed. Effective communication during a merger will help the company to reduce uncertainty, gives a clear path for the transition, increase the engagement to the unified organisation, and therefore, increase the success rate of the merger (Angwin, Mellahi, et. al., 2014, p. 2371). In effective strategic communication, the most important factors of the process are the amount of communication, including recurrence and duration, as well as the content of the message (Doplhin & Reed, 2011, p. 68). The content of the message has a significant impact on the recipient. The open and interactive form of communication compared to restricted and uni-directional communication influences the recipients' interpretation of the message into positive or negative. It has been studied in the communication theories, that interactive and rich communication always leads to more positive interpretations than uni-directional communication. People tend to need honesty and answers, which is why the communication needs to be strategically planned when companies start to plan a merger. (Angwin, Mellahi, et. al., 2014, p. 2374.)

Informing of the merger should happen in consensus with various professionals from different parts of the organisation, because there are different advantages that persons from different departments can bring to the internal communication strategy during a major organisational event, such as a merger (Davenport & Barrow, 2009, p. 7). A corporate communication manager or PR manager usually understands the importance of internal communication, knows about efficient communication strategies, and values strategic communication because they have performed it a lot. They usually also know about the situation in the early stages, and thus, have the time to plan information flow carefully. Human resource professionals, on the other hand, understand the employees' point of view, value their opinion, cultural differences, and well-being, and have knowledge of the strategic management styles of employees' attitudes. Unifying the competencies from various departments will allow for the most effective strategic internal communication of the new change, and thus, reduces the risks of failure of the change. (Davenport & Barrow, 2009, p. 7-9.)

As Philip Salem (2007) explains, several reasons can lead to organisational changes to fail. One of the biggest reasons is the lack of communication, which means that the company has not given a chance for the stakeholders to realize the situation, its effects, reasons, or targets. It must be understood that people interpret information in different ways, making assumptions of the meaning and validity of the content. The message has to be in line with previous messages, and the same message may need several occurrences to allow recipient to understand it (Davis & Kumar, 2012, p. 2089). In addition, language barriers have to be taken into consideration in communication along MNC, because it can also affect the acknowledgement of the message. When the stakeholders cannot understand the main aspects of the message, the change is hard for them to feel positive about.

Another issue leading to failure may be the inadequate communication skills of the company management. The interaction between the stakeholders, nonverbal emotional reactions, and understanding, are critical reactions that can influence the direction of the situation. (Salem, 2007; Juholin, 2007, p. 251.) When the management lacks efficient

communication during times of uncertainty, it will lead for the employees to fill in the blanks on their own in their questions, leading to worst-case scenarios and rumor mills. This leads to counterproductive manners and thus, is one of the risks where organisational mergers might fail. (Angwin, Mellahi, et. al., 2014, p. 2373.)

3.3.1 Communication approach

According to Angwin, Mellahi, et. al (2014, p. 2375-2376) communication during a merger can be divided into four different approaches, depending on the richness of the communication and timing of the communication. The four different approaches are called immersive, drip-feeding, feast or famine, and perfunctory. Companies that implement the communication with immersive approach, communicate regularly and provide an extensive amount of information with several channels. Companies with a drip-feeding approach also communicate regularly but only use formal uni-directional channels such as reports where the information sharing is lean. The feast or famine approach means that the company is not providing regular communication but when they do communicate, they use several channels to give extensive information to their stakeholders. Finally, the companies using a perfunctory approach do not implement regular communication nor provide extensive information to their stakeholders. (Angwin, Mellahi, et. al., 2014, p. 2375.)

		Communication Timing	
		Intermittent	**Continuous**
Communication	**High**	Feast and famine *Rich but intermittent*	Immersive *Rich and continuous*
Richness	**Low**	Perfunctory *Lean and intermittent*	Drip - feeding *Lean but continuous*

Table 2. M&A communication approaches (Angwin, Mellahi, et. al., 2014, p. 2375).

Angwin, Mellahi, et. al. (2014, p. 2390) researched the link between these communication approaches in M&A situations and revealed there to be extensive variations between these approaches and the outcomes of the mergers. According to their research, the companies are most likely to survive the merger, if they follow the immersive approach, providing regular and great communication throughout the processes. Their analysis indicated the most effective communication being personal and regular, building trust and commitment among the stakeholders. As Bhal, Baskar, et. al. (2009, p. 604) claimed, M&As tend to fail when employees' reactions or interests are not considered, and one of the main factors affecting employee reactions is the communication. When employees do not feel trust and commitment from the company, the reactions are stronger and more often negative. Hereby, the linkage between immersive communication approach, employee commitment, and success of the M&A is visible.

However, efficient communication is not only about the channels, regularity, or richness of the message, but also greatly dependent on company managements' cohesive view and commitment to the overall strategy. The information needs to be consistent and clear throughout the merger process, to provide a strong and plausible picture of the overall process management, but the management also needs to be jointly committed to the process strategy. (Angwin, Mellahi, et. al., 2014, p. 2390-2391.) The research supports the theoretical allegation by showing all study-subject companies using perfunctory communication approach to fail in their merger processes. The companies using a perfunctory approach viewed the M&A processes simply as a transaction of assets and did not seem to believe that communication played role in the overall merger strategy. The lack of communication, regularity or information exchange anticipated that the companies did not believe organisational mergers to be a process that should be strategically managed. (Angwin, Mellahi, et. al., 2014, p. 2384.)

3.4   Impact of culture in M&As

Culture has several roles in mergers and acquisitions because it directly affects the overall success of the integration. According to Jackson (2019, p. 6) over half of mergers do not meet their planned strategic objectives for the integration of the two companies

because of difficulties in integrating and combining the employees from different organisational cultures. Hereby, the questions of how culture may affect the M&A, how to manage the cultural differences effectively, and how to integrate different cultures together, are critical when developing a merger. (Jackson, 2019, p. 6.) The cultural differences in M&A can be viewed from two perspectives: organisational cultures, and national cultures. National culture means the culture one is born in. National culture stays the same over time, passing same characteristics from one generation to another. (Iorgulescu & Marcu, 2011, p. 94-95.) Organisational culture, on the other hand, is influenced by the national culture, and has characteristics from it (Iorgulescu & Marcu, 2011, p. 97).

Both the organisational and national culture are based on values, the core of what we believe is good or bad, right or wrong. However, the values from national culture are often unconscious, a norm learned from the childhood, and therefore difficult to change, whereas the value in organisational culture is more superficial and changing over time and through the practices. Iorgulescu & Marcu (2011, p. 97) explains the organisational culture as the workplace culture employees have in the company. It means the course of action, hierarchy, and aspects valued among the corporation, such as sustainability. Each organisation has its own unique organisational culture that has been adapted through communications, management, history, and previous experiences, but the workplace culture changes with the development of the world. National culture, on the other hand, means the culture each area and nation have, and what individuals have learned through their social environment (Iorgulescu & Marcu, 2011, p. 94). National culture is related to the history and can never be changed or modified from the outside, rather it needs to be understood and respected next to organisational culture. (Hofstede, 2011; Iorgulescu & Marcu, 2011, p. 94-97.)

Poorly managed cultural integration and consideration of diversity is directly affecting the overall atmosphere on the workplace. When two companies with different kind of organisational cultures align, the integration of those two cultures needs to be carefully considered. The employees affected in structural changes and role changes during an

organisational merger needs to be prepared for the changes so, that they also understand the psychological unifications happening through cultural aspects. (Cooper & Finkelstein, 2016, p. 3-4.) In addition, the communicational aspects during company mergers may need assessing. One part of culture, whether it is national or organisational, is that the culture has gotten used to a certain way. Certain way of thinking, certain way of acting, and certain way of communicating. It may mean matters such as how closely management communicates internally in their organisational culture, how close the management and employees all are together, or whether they should contact management through their assistants. In national cultures, the differences are even bigger. (Cooper & Finkelstein, 2016, p. 4.) For example, Hofstede's cultural dimension theory (2011) gives six dimensions where differences between nations may be major. These dimensions include subjects such as power distance, individualism and collectivism, and long-term orientation versus short-term normative orientation (Hofstede, 2011). These dimensions are good to consider in all situations where different nations meet, because these dimensions relate to the whole national cultures in different sectors.

Communication in national culture where power distance is strong, may preferably happen vertically from top-down, where employees should not contact the managers on their own. Power distance means the level of equal power, and hierarchies. High power distance means significant hierarchy, whereas low power distance means equality in decisions making and power. In national cultures where individualism is strong, the communication may not be as informative and participative, because people prefer to work alone, and take care of their own tasks only, whereas people from collectivist cultures prefer to work in groups, take care of tasks together, and closely inform one another. When two companies with national cultures of different cultural dimensions meets, the challenges in communication must be taken care of. Management must be aware of the preferable communication approach of both companies, and all employees must understand the dimensions before the integration. (Hofstede, 2011.) Therefore, training about diversity in advance before the organisational changes, have shown to be efficient method of preventing risks.

Studies show, that understanding cultural differences have direct impacts in the cooperation. Companies with high experience in diversity management and multiculturalism are more likely to succeed in handling cultural differences and communicational factors in integration, than companies where understanding of cultural differences and diversity is low (Steinberger, 2016, p. 12). This means that if the individual understands the matters of diversity, cultural differences, and different communicational approaches, they are more likely to understand and accept why the integration causes dissents between the organisational cultures, and that way be more willing to work towards finding solutions to the clashes.

According to Cooper & Finkelstein (2016), Cartwright and Cooper introduced a term of "cultural collision" in 1993. This has been used to describe the organisational issues that are related to failed cultural integration between merging companies. Oftentimes, the cultural collision happens when the employees of merging companies feel threatened by other company's organisational or national culture and by the changes these cultural differences may bring. Cultural collision can, at its worst, lead to decreasing satisfaction and engagement with the merged company. (Cooper & Finkelstein, 2016, p. 9.) However, well-managed cultural collision can turn into increasing willingness in adapting the different cultures together. Differences in national culture offers new opportunities for the opposing culture to learn, which often increases the willingness to show to the opposing culture their acceptance. Differences in organisational culture can be more challenging to integrate and is dependent on the similarities in management styles between the merging companies.

Cultural collision is challenging to manage because it is often impossible to estimate the cultural relatedness completely before the integration process starts. (Steinberger, 2016, p. 7.) Nonetheless, assessing the cultures thoroughly at the beginning of the integration helps. Encouraging the employees to socialize among each other, organising mixed teams in projects, giving detailed integration plans, and offering other ways of building unity will help to train the employees to deal and accept the cultural differences and

challenges. Cultural integration can be selective, so that companies integrate only specific characteristics of both companies' organisational cultures and build unified culture with those cornerstones together, when both cultures are taken into consideration, which helps with the acceptance and integration. (Steinberger, 2016, p. 12.)

3.5   Challenges in M&As

When unifying two separate organisations, cultures, and entities, the risks and challenges are significant. Underestimating cultural or social issues, wrong approach to the communicational matters, or incompatible leadership style are the main challenges for merging companies. These can lead to dissatisfaction, resistance to change, and failing integration. According to Bhal, Bhaskar, & Ratnam (2009, p. 604) several research shows that mergers tend to fail in achieving desired results when the employees' opinions, reactions, or interpretations are not taken into consideration on appropriate scale. The perception of any organisational change is, that the employees will have stronger emotional reactions when their needs or thoughts of uncertainty are not completed. Identifying the right approach helps to understand the reactions in terms of cognitive (which means thinking), affective (which means feelings), and behavioural factors to the situation. Common reactions to situations as mergers or acquisitions immediately after receiving the news are anxiety, uncertainty, or stress. By understanding the core of these reactions will have a significant effect on the affected members and thus, also to the whole process.

For example, uncertainty has several reasons which the management is required to answer and explain when aiming to fade the negative reactions among the members. Uncertainty may appear because of the overall fear over the significant event facing the organisation, over which the employees have almost no control at all. Another reason for uncertainty is the lack of objectives about the upcoming event. Thirdly, uncertainty can arise from the fear of changes in job, unit, or other work-related areas, that might happen because of the upcoming event. Consequently, employees' reactions to the upcoming event gives certain signals to others and may lead to chain reaction depending on if the signals are positive or negative. (Bhal, et. al., 2009, p. 605.)

According to Appelbaum, Lefrancois, Tonna & Shapiro, (2007, p. 127) many of the challenges facing M&As could be tackled with appropriate communication approach. When the communication is strategically thought through, the cultural and social matters would be more carefully considered, leadership styles would be assessed to fit the needs of integrating companies, and employees would be properly informed about the merger, supported in their reactions and feelings, and engaged towards the integration. (Appelbaum, Lefrancois, et. al., 2007, p. 127.)

3.5.1 Resistance of change

One of the biggest challenges in managing M&As, is the management and avoidance to resistance of change. Human reaction to resist change comes from natural habit of seeking consistency. Consistency implements control, with which people manage their lives and events in their lives. If an external source tries to shake this consistency, the first reaction is to resist it. The resistance of change is often one of the most critical factors when introducing organisational changes to the employees. However, the reason for the resistance of change is simple: people resist matters that are unknown for them. The reaction of resisting change comes from the uncertainty because people cannot know how the new change or development will affect their consistent life, or the reasons why this change will be happening. In other words, resistance of change appears by poorly managed internal communication.

The communication about upcoming change or development needs to be started early in the process, and it must be direct and honest, assessing the upcoming process truthfully (Appelbaum, Lefrancois, et. al., 2007, p. 129). When the reasons, aspects, and results of the change are explained and discussed interactively, the reactions often soften. People must be able to attach the new change into their consistent habits and see that the new change fits their present position. (Palmer, 2003, p. 1.) The resistance of change can be prevented by efficient communication, acknowledging the needs of the people that might perform resistance, and by investing in informing the change in the most clear, direct, and positive way possible. The information flow about the change must be continuous, and for example, during an organisational merger, inviting the employees in

planning the processes can affect the reactions. Trust plays a major role in avoiding resistance of change, and hereby active participation and interaction in the change process shows the employees that they can trust the process to serve them, and that their opinions and concerns matter. (Lundqvist, 2012, p. 4.)

A pitfall that organisation managers tend to fall into, is to think that when the change is not affecting the employees, there is no need for active communication and information exchange about it. The risk lays in forgetting the two sides of the situation: the managers knows that the upcoming change will not affect any of the employees in significant ways, but the employees may not acknowledge that if it is not clearly and actively communicated to them. Plain announcement or unidirectional communication of an upcoming change is enough to start rumour mills, stress, and resistance among the employees. When the negative thoughts and reactions towards the change has emerged, those are hard to shake off. Hereby, active and comprehensive communication on even the smallest changes must be undertaken, because employees often do not have the same overall picture of the situation and its effects as the managers do. (Lundqvist, 2012, p. 4.) Realistic evaluation of the process, its opportunities and obstacles, will reduce the risks of uncertainty, resistance and misunderstandings and that way make the change process agreeable for both the employees and managers (Appelbaum, Lefrancois, et. al., 2007, p. 130).

3.5.2 Organisational commitment

Jackson (2019, p. 220) claims, that research shows successful change process in organisations mostly happen in environments where the employees are committed and engaged to the organisation. Postmes, Tanis and Wit (2001, p. 228) suggests employee commitment to refer in employees' engagement to, recognition with, and participation in the organisation. These aspects are affected by corporate communication, where the level of participation and engagement within the organisation are strengthened. The commitment to organisation has relations to job performance, knowledge sharing, employee turnover, and motivation towards organisational development, which is why it is a critical factor in organisation's overall performance.

Commitment towards the organisation defines the reactions one might have about their work; whether they feel obligations or attachments to their work, and whether they are emotionally invested to the organisation or not. The companies often dismiss the relation and dependence that organisational commitment and success of the planned change has. (Jackson, 2019, p. 220.) Postmes, Tanis and Wit (2001, p. 240) concluded in their research that employee's commitment towards the organisation is strongly related to the communication between them and management. This interaction between the two is assessed to increase the satisfaction towards job. In addition, the quality and accuracy of the communication increases the level of employee commitment.

Employees may have two kinds of organisational commitment when change happens: the first appears as a commitment to help the change to happen, and the second commitment may appear as an absence of lack of resistance towards the change. The first performs a deeper commitment where the individual wants to show their commitment with their actions, whereas the second commitment is more superficial, related to acceptance rather than actions. To feed the employee commitment in a right way, understanding the employees' reactions and needs towards the change, and approach to use when participating employees in the activities, the management must consider both forms of commitment that the employees might perform. (Jackson, 2019, p. 225-226.)

3.6   Concluding framework

In mergers and acquisitions, as in every organisational development or change, the management of people-related variables is critically important. People among the organisation affects the company performance, workplace atmosphere, and success of the development or change, and thus, is one of the most strategically important matters in organisational operations. People-related variables in organisation can be most effectively managed by efficient and right approach of communication. Successful communication may help the company avoid challenges, whereas unsuccessful may lead directly to it (Juholin, 2017, p. 242). Corporate communication during mergers and acquisitions is a tool of engaging, informing, and motivating different stakeholders, and integrating two different cultures together. Effective communication during a merger will help the

company to reduce uncertainty, gives a clear path for the transition, increase the engagement to the unified organisation, and therefore, increase the success rate of the merger (Angwin et. al., 2014, p. 2371). Angwin et al. (2014, p. 2371) states in their communication theory that interactive and rich communication during changes such as mergers is more likely to lead to successfulness than uni-directional communication.

When MNCs process mergers or acquisitions, inevitably more than one national culture aligns, in addition to the different organisational cultures these merging or acquiring companies may have. Cultural integration is relevant in people-related variables of organisational performance because it defines the whole cooperation of company operations in merging or acquiring company. Cultural matters include both national and organisational cultures, where, for example, the right approach of communication must be suitable in combining both merging and acquiring company cultures together. Integration of the companies in M&As defines the success of the whole process and can be managed by focusing on communication and people-related or cultural management. Organisational culture often has a direct effect in employee engagement, because when the organisational culture encourages motivation, commitment and inspiration with rewarding environment, the employee's engagement towards their organisation increases (Cheese & Cantrell, 2005). However, the rewarding and motivated environment for organisational culture is created mostly with the right approach of communication.

The research gap lays over employee engagement through communication in M&As, and thus, the theoretical framework of this work focuses on researching the communicational factors affecting the success of the M&A process. Currently we know that efficient and strategic corporate communication, which consists of efficient management and right approach of communication, has been studied to affect the M&A positively by increasing the engagement of employees and cultural integration. (Angwin et. al., 2014, p. 2371.) The management and communication approach are related to the employee engagement and cultural integration, which are often the most important people-related

variables in affecting the success of the M&A process. Employee engagement and cultural integration are constantly affecting and depending on each other. (Cheese & Cantrell, 2005.)

In most of the studies, the people-related variables in M&As have been focusing on the merging company, where the changes are more significant. In this study, we examine the relation between internal merger communication and employee engagement and cultural integration in the parent company. The focus is the parent company's employees; are they taken into consideration enough, and does the employees feel engaged and motivated about the merger. Below you will find the concluding process table of this theoretical framework. The topic in yellow boxes implies the main focus of this work.
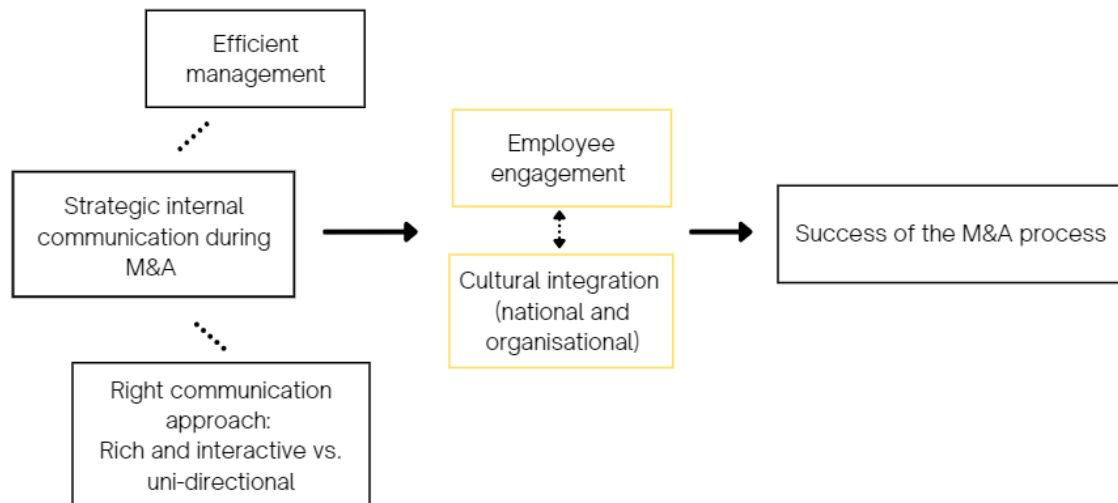

Figure 2. Concluding theoretical framework based on Angwin et. al. (2014, p. 2371)

4 Methodology

The purpose of this research is to provide an extensive analysis of the value internal communication brings to mergers and acquisitions through the perspectives of employees. Specifically, this research focuses on analysing the communicational factors in a multinational case corporation at the time of merger, in which one corporation will be merging with another through an absorption merger. In this section, the methodological choices for this research are defined and reasoned.

4.1 Research strategy

The research strategy means the general approach of how the research seeks to answer the research questions. The research strategy of this work is a case study. Piekkari, Welch and Paavilainen (2009, p. 569) defines case study as "*a research strategy that examines through the use of a variety of data sources, a phenomenon in its naturalistic context, with the purpose of confronting theory with the empirical world*". The case study strategy was selected, because this research aims to obtain profound and in-depth results for the phenomenon (the case) by a range of different evidence and within the context of the phenomenon (Yin, 2014, p. 16). The strategy remains single case study in nature because the research focuses on specific investigation of the internal communication during merger in a company.

The single case study research is suitable for this study because the research question focuses on the internal merger communication in a specific corporation for a specific target group, the employees, seeking to answer how merger communication affect the engagement of employees*.* Case study is known to support the explorative research, that focuses on the questions of *how* and *why* (Yin, 2009).

Case study is usually considered qualitative in methodology, but it might contain, or even be limited to, quantitative methods as well (Yin, 2014, p. 19). Therefore, case studies can use mixed methods in collecting the evidence. Mixed data collection methods mean the diverse use of different kind of empirical data collection methods, such as partly using

both quantitative and qualitative methodologies in research. (Piekkari, Welch, et. al., 2009, p. 567.)

Case study researches a certain case, whether it is a group, community, or institution. Eriksson & Kovalainen (2015, p. 133) suggest there to be two different natures on case study research, intensive and extensive. Intensive case study research examines one case in depth whereas extensive case study research examines commonalities in multiple cases. Intensive case study research is suitable for this study, because it emphasizes the aim of understanding the particular case, its social and cultural meanings, and understanding the perspectives and interpretations of the individuals involved in the case. In this work, we examine the aims of internal merger communication from management teams' perspective, as well as the interpretations of employees about the implemented merger communication. (Eriksson & Kovalainen, 2015, p. 133.) Specifically, the focus is on employee group who consists of multinational members, and who are familiar with company's communicational factors to a certain extent.

Intensive case study research traditionally involves qualitative data collection characteristics, and the results are not produced to be generalized to a larger extent. (Eriksson & Kovalainen, 2015, p. 134-136.) Thus, a key strength of case study is its capability to particularization. Meaning, that case study has the ability to research specific phenomenon in depth, finding its special characteristics and ways of combining the characteristics in a way that leads to a particular outcome, and then explaining the outcome based on the specific characteristics and ways. (Eriksson & Kovalainen, 2015, p. 134-136.)

The case study can be informative on its own without requiring broader examinations or comparisons (Lee and Saunders, 2017, p. 11). That is why this study does not aim to provide a generalizable result, but rather develop theorization about the merger communication in MNC from the viewpoints of employees and management. This viewpoint is currently lacking in the literature, but is essential, because of the importance of people-related variables' effect on the overall success rate of the M&As. To conclude, the case investigated in this thesis is a merger of two companies.

4.1.1   Research approach

Graneheim, Lindgren & Lundman (2017) states that in case study research, the data analysis and reasoning can be applied with three approaches: inductive, deductive, and abductive. Inductive approach, also called data-driven approach, moves from collected data to theoretical acknowledgement, searching for similarities and differences during the analysis of the data, forming the results into codes or categories. Then again deductive approach, also known as concept-driven approach, examines the existing theoretical models about the subject against the collected data, moving from abstract level into more specific. Abductive approach combines inductive and deductive approaches to some extent, by allowing movement back and forth between data collection, analysis, and theoretical understanding. Meaning, that in abductive approach, different approaches can be used in different research stages, making it possible to integrate deeper structures and surfaces. (Graneheim, Lindgren, et. al., 2017, p. 30-31.) In this research, the abductive approach is used because research on the topic of internal communication in M&As has understanding about the different approaches of communication (Angwin, et. al., 2014, p. 2375), and change management (Palmer 2003, p. 77), but still lacks theorization about ways to employee engagement in communication and management's approaches of communication during M&As. Therefore, the case study is conducted within frameworks constructed upon the research on communications in M&A more generally, while trying to explore the less understood parts. In this regard, theory and data in case study interplay over the research process.

4.2   The case: merger of the two companies

The case study focuses on researching an absorption merger of two international companies. Global multibillion company will have another company merging into them, and this case focuses on the company into which another company merges to, because M&A studies do not usually focus on that point of view, and instead investigates the merging companies where bigger changes in structure happens. The case company where another company will merge into, will be referred to as a Company A in this work. The

company merging into the case corporation, will be referred to as a Company B in this study.

The corporation, company A, is a global supplier of technologies for process industries. The company operates in more than 30 countries all over the world and has over 10,000 employees globally. Their headquarter is in Finland. The Company B merging into the Company A works in similar industry, as a technology company operating in nearly 40 countries all over the world.

4.3   Data collection

In this case study, the primary sources of data are qualitative interview and quantitative questionnaire. Primary data means one that has been collected for the certain research and which focuses on the particular case only (Steward & Kamins, 1993, p. 3). The use of both qualitative and quantitative methods allows the research to gain diverse data for the analysis from different perspectives. By inspecting the methodological choices with multi-dimensional point of view, the biases, limitations, and errors can be addressed more thoroughly compared to the use of single method or source. According to Nielsen, et. al. (2020, p. 1479) researching the same phenomenon from different methodological angles enhances the validity of the research and increases the trustworthiness of the results. The cross-checking and multi-dimensional use of methodological choices is called triangulation. (Nielsen et. al., 2020, p. 1479.) In addition, secondary sources are used in analysis of the data of this research. Secondary sources mean already existing data that has been collected previously by someone else. Secondary sources can be stud-ies, articles, or reports published earlier but which relates to and give support for the primary source of data in analysis of the results. (Steward & Kamins, 1993, p. 3.). In this study, secondary sources, such as study about employee commitment from Postmes, Tanis and Wit (2001, p. 240) were used and obtained from articles and research papers.

4.3.1 The interviews

Interviews worked as one of the two primary data collection methods in this research. Most case studies include interviews as the sources of data because of the aims in understanding human affairs (Yin, 2014, p. 113). Interviews are considered as a qualitative research method by its characteristics of holistic understanding. Qualitative research seeks to answer questions of "how" by collecting data focused on interpreting and understanding social and cultural meanings and issues without goals of numeric or statistical analysis (Eriksson & Kovalainen, 2015, p. 5). Thus, the interviews in this research allowed to interpret the management's responses in depth, focusing on their own words and responses about the topic. More specifically, semi-structured interviews were used to gather data about the aims and values of internal communication about the M&A from the project management's point of view.

Semi-structured thematic interview means that there are specific themes and specific questions stated for the interview, but during the interview session the order of the questions can be changed. Also, additional sub-questions or rephrasing the existing questions can be used during the interview to clarify aspects (Galletta & Cross, 2013, p. 75). The interview is guided with open-ended questions where the respondent has the opportunity to direct the interview through the responses. The questions are in neutral form, avoiding pre-assumptions. (Eriksson & Kovalainen, 2015, p. 96.) During semi-structured thematic interviews, the interviewee must listen closely and be quick in making estimations for aspects needing clarification or aspects where the conversation should go back to later in the interview. As in the internal change communication the engagement of employees must be considered, in interviews the engagement of the respondent must be considered. In interview it means full acknowledgement of the subject and questions, so that the respondents are fully aware of the discussed topics. (Galletta & Cross, 2013, p. 77-78.)

Because of the world's situation in between Covid-19 pandemic and remote working recommendations, the interviews were conducted online, in Teams, using recording for collecting the data. The main interview was a group interview between three members

of the project management team, based on the wishes from the team about the time management. The interviews were conducted as a cross-cultural group interviews, and thus, the official language of the interviews was chosen to be English. The corporate language in both merging companies has been English because both companies are international and has teams working together from several different countries and nations. Therefore, interviewee and interviewers had equal power distribution regarding the language matters (Marschan-Piekkari & Reis, 2004, p. 224.)

The participants for the interviews were chosen by their role in project management team in merger process. The three members of the project management team were interviewed because they together formed the internal merger communication team. The team included members from both companies. One of the members were from company A, and two of the members from company B.

In this work, the engagement of the respondents was ensured by contacting them in advance. At first, the research topic was introduced to the participants by their team member, two weeks before the interview. After that, they received calendar invitations from the researcher immediately after the introduction, where they were also informed to get more information about the interview a couple of days before the interview meeting. Then more structured and detailed information was sent to them by e-mail (**Appendix 1**) three days before the interview. In that e-mail, they received the interview questions and a short description of the topic, research, and focus areas. The respondents were encouraged to think in advance their thoughts, emotions, and knowledge on the research topics, and to give their real opinions and thoughts on the interview session. The interpretation of respondents was also ensured by explaining the key aspects clearly before the interview. With this the researcher ensured that every participant understands the purpose of the interview, its topics, and can prepare for the interview before the session. The interview lasted for 58 minutes and 13 seconds. The recording of the interview was then transferred into written form by transcribing the recording. Transcrip-

tion was important because the interview session had to be anonymized. The anonymization happened through transcribing, where all of the personal or company-specific information was removed and replaced.

4.3.2 The questionnaire

Quantitative questionnaire worked as a second part of the data collection for this research. The research aimed to compare the project management team's aims about internal merger communication to employee's interpretation about the internal merger communication and thus, both angles had to be examined. Due to the number of employees of the company, the questionnaire was used to collect the data. However, in order to receive accurate results and interpretation about the internal merger communication, specific employee groups were chosen to be included on the research. The sampling of the employees happened due to company's beliefs of receiving more accurate results from these employee groups, who had acknowledgement about company and company's communication prior the merger communication, and therefore were able to answer the questionnaire more thoroughly.

The employee groups included on the research had about 80 members from which all were working in the offices, using internal communication globally on their everyday work. These employees and their interpretation about the internal merger communication were important acknowledgement for the project management because their awareness of the communicational factors and use of that information in their everyday work. From those 80 members, 31 persons responded to the questionnaire, thus, the response rate was 38.75%. The response rate was lower than anticipated, which may be affected by the short period of time, 7 days, for responding. From those respondents, 40% of them were from Finland, 17% from Sweden, 13% from China, and 7% from Thailand. Rest of the individuals represented all different countries, which were Australia (3%), Brazil (3%), Poland (3%), Italy (3%), and France (3%). The respondents' experience in the company was divided evenly, as seen on the figure below.
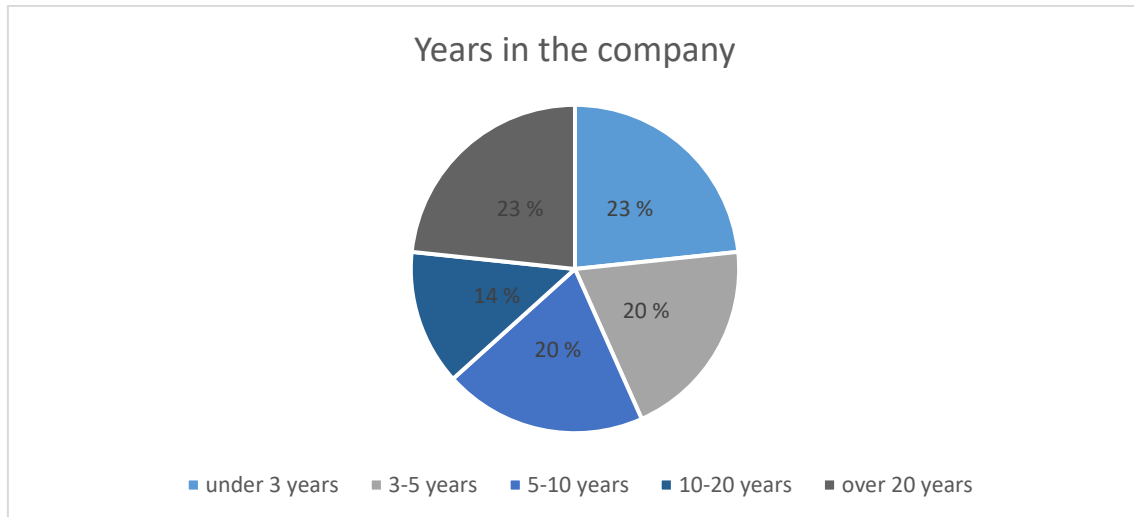
Figure 3. Questionnaire background: years of work in the company

Questionnaire as data collection method means that the respondent completes a written set of questions, online or in paper. It is effective data collection method for large groups of people. (Marshall, 2004, p. 131.) This questionnaire sought to reach people in different countries through an online questionnaire. The questionnaire had several different types of questions to add diversity to responses. Open ended questions were used to collect respondents' thoughts, emotions and opinions, and closed questions were used to gather commonalities (Marshall, 2004, p. 133).

The data from the questionnaire was measured with several different coding levels. According to Bourke, Kirby & Doran (2010, p. 29) there are four common levels of measurements in coding questionnaire data. Nominal means dividing the data into categories such as age, gender, or religion. Nominal scales, meaning the categories, are the low level of measurement because those do not include any ordering. Ordinal means putting the data into ordinal scale. Ordinal measurement offers only an "rank" order for the collected data, such as 1st, 2nd, 3rd, but do not measure differences between the responses. Interval measures the similarities in interpretations of the responses. It can be used to measure, for example, the happiness of the respondents. Ratio measurement is the most informative scale, because it can be used to several different meanings. Ratio scale has the zero point, meaning that it can measure and compare for example ages, revenues, or number of employees. (Bourke, Kirby, et. al., 2010, p. 29-30.)

In this research, at least nominal and ratio measurement metrics were used, because those allow categorisation and comparison options for the data Bourke, Kirby, et. al., 2010, p. 33). Nominal is used to gather data about the respondents' working years in the company, as well as their country of origin or current location. Since most of the questions on the questionnaire are at the form of statements, using Likert Scale as the measurement scale, the ratio will work accordingly to interpret the responses. Likert Scale as the data collection tool means that there are statements, such as "Internal information is accessible and easy to find", and the respondent needs to assess their own opinion according to that statement by choosing from five option best suited for them. The options are:

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

The type of Likert Scale is called Agreement Question Likert Scale, because the statement measure respondent's agreement on the topics. (Bourke, Kirby, et. al., 2010, p. 33.)

The questions of the questionnaire were conducted based on the responses from the interview of the project management team. Based on project management team's responses about the values, aims, and target of the internal communication, the questionnaire examined the success of those from the employee point of view. The questionnaire used English on the questions and statements because the official corporate language of the company is English, and the questionnaire was implemented in Google Forms platform because it was commonly used on the company and its internal surveys. The researcher wanted to ensure respondents entering the questionnaire at a low threshold, by allowing familiar platform for the survey to be on. The questionnaire was sent through e-mail to different global employee department groups, and the preface of the questionnaire (**Appendix 3**) was also written in English. By sending the questionnaire through e-

mail, the response rate was ensured. E-mail is used for more personal information sharing in the company, and therefore it was believed to work more efficiently than posting the questionnaire on their intranet. The preface for the questionnaire was sent by the Internal Communications Director of the company, which also increased the value of the questionnaire.

Since questionnaire happened online, the researcher was unable to predict that every respondent understood the questions or statements similarly. However, substantial efforts were made to ensure clarity and similarity of interpretations, the clarity for the questionnaire was ensured by working with several different persons within and outside the MNC by getting their opinions on the structure of the questions, as well as asking similar questions with different wordings.

Also, low respond rate is one of the biggest risks in online questionnaires, and therefore marketing of the questionnaire had to be efficient. (Bourke, Kirby, et. al., 2010, p. 32.) Potential respondents had to get interested on the subject and understand the value their responses may bring back to the company. In order to prevent low response rates, the questionnaire was sent by the Director of Internal Communications. They explained the reasons for the questionnaire and encouraged individuals to participate. The questionnaire was also conducted on familiar platform the employees to respond, and the link for the questionnaire was easily approachable on the sent e-mail.

4.4   Data analysis

The use of several sources and methods enables the content to be cross-checked and analysed in multi-dimensional point of view. This allows more accurate, diverse, and objective analysis of the data. In this research, both qualitative interview and quantitative questionnaire data sources aim to provide different viewpoint into the research question: the state of communication is studied by interviewing the internal communications project management team, and the interpretation of the employees about the merger communication is studied by a questionnaire.

According to Yin (2014, p. 133) case study analyses does not have a specific guide to follow, but the analysis of the case study rather depends on researcher's own style and preferences. However, there are five analytic techniques for analysing the case study materials, which can be used independently, or in combination (Yin, 2014, p. 136). The techniques are pattern matching, explanation building, time-series analysis, logic models, and cross-case synthesis. For a certain case study not all the techniques are valid, because some of these are relevant for multiple case studies and some for single case studies.

Pattern matching is a popular technique in analysing single case studies because of its ability to compare empirical findings made from one's own case study, to the data collected and predicted before. If the empirical and previous patterns have similarities, the results can strengthen the validity. (Yin, 2014, p. 143.) Explanation building is specific kind of pattern matching technique, where the aim is to analyse the data by explaining the case. In other words, the statements of the case study modifies and clarifies according to the explanatory data collection throughout the case study. However, challenges in staying focused on the original purpose of the research must be kept in my mind throughout the explanation building. (Yin, 2014, p. 149-150.) These two techniques were the most useful techniques from Yin's five analytic techniques according to the nature of this specific case study research, because it allowed the comparison between our own empirical findings and previously collected data by using the pattern matching technique, as well as the modifications throughout the case study process by explanatory approach.

In this work, previous data collected about merger communication and its effects to people were compared to the data gathered from empirical findings conducted for this research. Similarities were observed and that way the findings' validity strengthened.

4.5   Reliability and validity

When judging the quality of a research design, logical number of statements must be represented. The statements present the trustworthiness, credibility, confirmability, and dependability of the data of the research (Yin, 2014, p. 45). For case study research, the

test presenting those statements are construct validity, internal validity, external validity, and reliability. Those determine the accuracy and success of the study.

4.5.1 Reliability

Reliability is a measurement where the repeatability of the study, test, or experiment is considered (Yin, 2014, p. 46). As Carmines and Zeller (1979, p. 13) states, in reliability, the repeatability does not mean exact duplication of the research, since not any scientific investigation can exactly show similar results. Rather reliability seeks to show consistency in similar repeated measurements. (Carmines & Zeller, 1979, p. 13.)

In this study, the reliability has been ensured by conducting the data with more than one data source. The case study of this work included qualitative and quantitative data because of the desire to look at the issue from different angles. The research would have not been rich enough if it only focused on either the project management team's aims about the internal merger communication or employees' interpretation of the merger communication. By comparing these different viewpoints, and thus, allowing the use of triangulation, the realization of the state of merger communication can more likely be taken as the truth, with different variables considered. By the use of triangulation and several methodological angles the research enhances deeper validity and increases the trustworthiness of the results (Nielsen, et. al., 2020, p. 1479).

Also, one reason for using different methods was the requirement of the research question to investigate the matter in several different points of views. In other words, the project management team who was examined about the internal merger communication, consist of 3 members. Therefore, the interview about the communication was only limited on the opinions of those members. In addition, the questionnaire about the employees' interpretations gives an extensive insight, as many of the employees are willing to participate. The number of participants cannot be known prior the examination, and thus, the questionnaire on its own may not have given broad enough data. Therefore, the employee's perspective compared to the project management teams' aims and targets gives broader and more extensive overview for the subject.

However, the reliability has risks in a way that different corporations may have differences. Individuals inside the company may feel things differently, but also the project management teams may highlight different aspects in different companies. In addition, for example, the overall atmosphere in the company might affect the results, because in a positive and unified corporation the change may be taken more positively and friendly, compared to corporations having strong power distances or other internal already-existing issues. Another aspect which may affect the reliability and consistency of the results is the existing experiences. All corporations have different experiences about merger and acquisitions, in the amount of those happening, and in the success of those. Therefore, there are several existing factors that may affect the reliability and repeatability of the study. These differences in reliability are minimalized by explaining the background of the case as clearly as possible, stating the overall environment for the research.

However, in order to provide accurate and reliable analysis, the data must also be valid. The next section presents how validity was ensured in this study.

4.5.2 Validity

Validity means that the components and measurements of the research are rightly appropriate for this particular study (Carmines & Zeller, 1979, p. 14). Construct validity measures the correct steps taken for the study, and it can be ensured by, for example, using several sources of evidence. Internal validity is mainly relevant for explanatory studies, and thus, less attention has been given to it in this research. External validity means the knowledge of how generalizable the findings of the study are beyond the study itself. Matters such as research question or data collection methods may affect the external validity of a research. (Yin, 2014, p. 48.)

In this study, validity was ensured by designing a theoretical framework where all central concepts were defined, and based on the theoretical framework, research question and data collection methods were formulated. In analysis, validity included using variety of sources and methods such as pattern matching, allowing comparisons between data gathered for this research and previous existing theoretical insights. Evidence supporting

the validity and repeatability of the work include the attached appendices, stating the e-mails, question forms, and introductions for the questionnaire.

One aspect to state the validity of the research was ensured by focusing on theoretical references studying the communication in corporations in recent years. Because world has developed significantly over the past decades, the overview of communication has changed and gained new perspectives. For example, Rayudu (2009) and Wright (2009) have both been addressing the subject of corporate communication, but over a decade ago, which can make their theories irrelevant to this study. Major aspect that affects the topicality of previous theories is increased use of digitalisation, which only started to take its current form after year 2007 (Science & Technology Facilities Council, 2021). Digitalisation and increased use of mobile devices has changed corporate communication into more accurate, immediate, and specific, but also made it easier to communicate globally and consistently (Salvi, Vitolla, Rubino, Giakoumeulou & Raimo, 2020, p. 437). Because of these changes, the publication time of theories about corporate communication is an important aspect. Older theoretical pieces may no longer be as relevant in the modern world. (Salvi, Vitolla, et. al., 2020, p. 438.) Therefore, the validity of this study is ensured by focusing on literature that has been written after the digital tools started to increase. As an example, theoretical literature about corporate communication that has been written by Angwin, Mellahi, et. al. (2014), Kortetjärvi-Nurmi, Kuronen, et. al. (2011) and Dolphin & Reed (2011) were used in this study, since all of them already takes into consideration the current form of communication.

5 Findings

The results of the interview and questionnaire will be discussed and examined in this chapter. The findings are divided to categories based on the topics from theoretical framework. The categories are the role of merger communication, the aim of merger communication, systematic merger communication, merger communication channels, culture in merger communication, and challenges in merger communication.

5.1 The role of merger communication

As the theoretical framework of this work stated, communication during M&As is one of the most critically important aspects regarding the success of the process. Since the case corporation had already experienced acquisitions and integrations, it was necessary to examine if they already have a specific strategy for the communication for those kinds of processes and events, or if they trust that employees are easily adaptable and do not need assurance as a form of communication. In addition, whether or not the employees of the company have the same interpretation than the project management team assumes, and to what extent they value the internal communication during merger processes.

When the project management team was asked about the importance of communication in merger process, the answers were immediately highlighting the extreme importance of that.

> "Of course it's a super important part. It's a long process that involves bringing together two companies. It's very important that people understand what's happening when it's happening, why, and then what will be the outcomes and so forth. So extremely important."

> "I think that through communications we really do want, and we aim to help people to understand why the change is being made and how it will affect our employees, and other stakeholders, and help them to get the information, to receive

the information that's important to them, and give possibilities to ask questions
and say if they have something in mind regarding the situation."

According to the project management team, the role of communication emphasizes the importance of keeping people informed. One of the interviewees stated how keeping people informed is critically important because the overall business is "*really just made out of its people*".

"*If the people are uncertain about these kinds of major changes, it can affect the whole business negatively. The communication is the key that brings certainty and comfort to the people."*

"*Maybe if you were to measure the communication, the aim is that people in the company would feel informed, they would feel like they had a picture of what was coming, when it was coming."*

The questionnaire confirmed employees feeling that the communication about the merger has been informative, with the data of 33.3% of the respondents answering "agree", and 13.3% "strongly agree". However, also 36.7% of the respondents answered "neutral", which indicates that the communication is informative, but could be even more informative. None of the participants answered, "strongly disagree", and 16.7% answered "disagree". All the persons answering "disagree", has been working in the company less than 5 years, and they were all from different countries. Agreeing respondents had people with various backgrounds from different countries, but 71.43% of them had been in the company for over 5 years, most over 10 years.

In addition, when the employees were asked if they have received enough information about the merger, 50% of the respondents answered "agree", which means that half of the respondents are satisfied with the amount of information. 20% of the respondents disagreed with receiving enough information, and rest of the responses stated neutral. Also 50% of the respondents answered "agree" to confirm that the communication about the merger has been frequent enough. 16.7% of the respondents disagreed with the frequency question, and rest of the respondents stated neutral. All respondents who

have been working in the company for more than 20 years, were satisfied and agreed with the merger communication being informative and frequent enough, whereas respondents who had been in the company for less than 10 years were more commonly disagreeing with the matter. Disagreeing respondents were from Finland, Poland, Sweden and China, and agreeing respondents from various backgrounds.
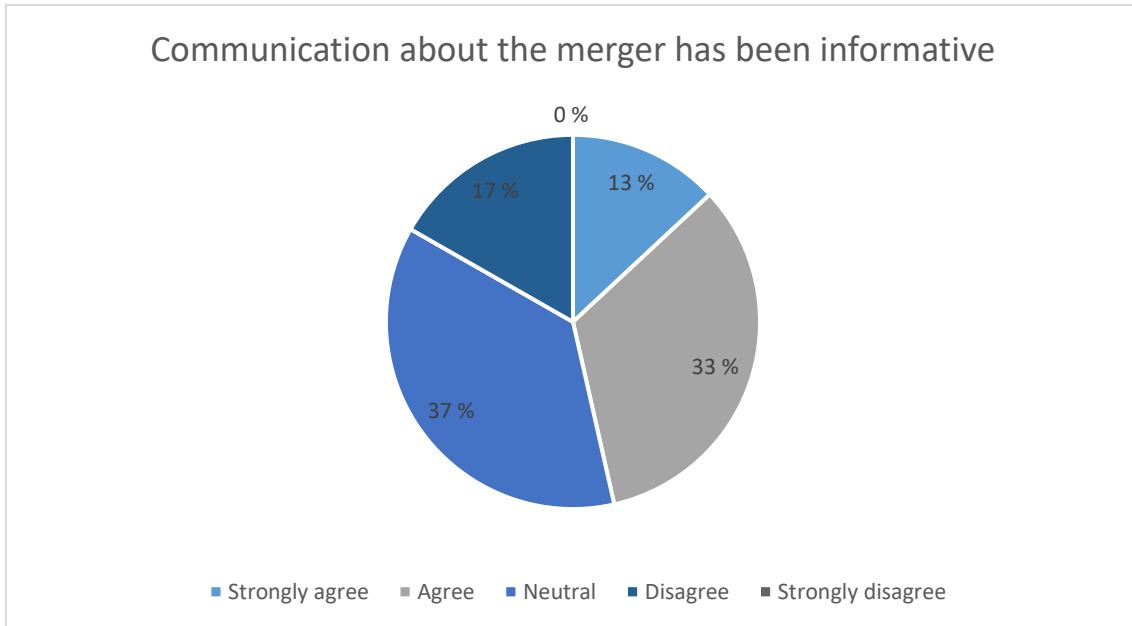

Figure 4. Questionnaire results on informativeness

The result from the employees indicates that the information is only reaching particular employee groups extensively. The employees who have been working in the company for more than 10 years, are more satisfied with the merger communication, which might be a result of many variables. These persons have experienced other acquisitions and related integrations during their time in the company and therefore may have more experience and understanding related to integration processes. Also, as the project management team stated, the communication approach and channels are similar now what those have been in previous M&As, and thus, the employees who have experienced the previous M&As, already know where the communication happens and where to find more information. The result from the questionnaire shows that the feelings towards the merger communication in regard of its informativeness and frequency divides the respondents into two with half being satisfied and half being either neutral or unsatisfied.

Considering that the biggest aim and target of project management teams' merger communication is the information flow for employees, the aspects how and where to communicate towards them, requires further consideration based on these results.

5.2   The aim of merger communication

According to the project management team, the merger communication can work as a tool of excitement by bringing up future opportunities and that way getting the most out of the situation so that the people on the companies are excited and ready to move forward as a new company. The way in which the developments are informed, and in which specific topics are brought up, will influence the engagement level and excitement level of the employees. As a result, the interviewees highlight the importance of structured communication approaches in a specific manner. The approach towards the merger being positive and excited starting from the management of the companies to increase the employees acknowledge of the merger as a positive event. The employee engagement towards the process increases by highlighting the opportunities and benefits made available to them.

In relation, the data from the questionnaire shows, that employee interest towards the merger differs between the respondents, but majority is interested and feeling positive about it. 53.3% of the respondents answered "agree" to state that they are interested about the merger, 16.7% answered "strongly agree", and 20% stated neutral. However, also 6.7% answered "strongly disagree", and 3.3% "disagree". The respondents who answered "strongly disagree" were also hoping to get internal information on their own language. In addition, these respondents stated to receive internal information through a colleague rather than the official channel, intranet. These indicate that the persons who answered "disagree", might not receive the information needed to be interested about the merger, or might not understand it fully. Also, when the main information channel happens to be a colleague, false information or twisted information might occur, which also forms their overall emotions towards the merger process.

For the statement about feeling positive about the merger, 46.7% answered "agree" and 10% "strongly agree", but also 40% answered "neutral". The variation among these answers indicates that most of the respondents are on the positive side of the process, but there are also several people feeling something else than positive about it. The persons who answered "neutral", were also hoping for more information related to their own country unit, which indicates that there is uncertainty in areas of their relation to the merger process. That is critical, because important role of communication is the employee involvement, to increase their understanding of the process as a common event to all. Even though major changes may not be visible in every employee's everyday life, the change may still be relevant to them by changes in procedures or culture, coming from the merging company's inheritance.

> *"Communication is used to engage the people. That way the employees don't feel like there is something happening somewhere, but it is not affecting me. We do this together and communication has the role to inform and engage into that."*

> *"It's super important that we communicate what we can in the right frameworks, bringing certainty and information to the people."*

The aims of the merger communication highlight the aspects which theoretical framework estimated. The communication during mergers and acquisitions aims to increase the understanding of the process, but also to engage and motivate company stakeholders to be a part of the integration of the companies.

Aims of merger communication	
	1. Understanding of the merger, reasons for the merger, outcomes and effects of the merger
	2. Information exchange ensuring questions to be answered and uncertainty to be decreased
	3. Tool of excitement -> highlighting opportunities
	4. Engagement of the employees towards the merger
	5. Continuation of the organisation operations normally during the merger process

Table 3. Aims of merger communication according to PM

One aim that the project management team set, was the understanding of the merger. According to the questionnaire, 46.7% of the respondents agree on understanding the reasons for the merger, and 6.7% strongly agree. However, also 33.3% of the respondents felt neutral on understanding the reasons, and 13.3% disagree to not understand. This means that even though majority of the respondents understand the reasons behind the merger, there are still several people who do not understand and who should be considered further. However, there are no indications of cultural or country-specific relations on the responses, because responses about disagreeing on understanding of the reasons were made by Finnish, Chinese, Swedish, and Polish. Therefore, no cultural or country-specific relations can be made. However, all of the disagreeing respondents had been on the company less than 10 years. This shows that newer employees are repeatedly throughout the research uncertain about the communication of the merger, which indicates that the newer employees who haven't experienced earlier acquisitions or integrations, would require further information flow and focus from the project management team.

5.3   Systematic merger communication

According to the project management team, the internal merger communication pursued a systematic and coordinated way of informing the company employees about the

merger process. All channels and different employee groups had to be kept in mind so that it ensured to reach everyone.

> *"The plan included the targeting so that everyone will get the information that needed and that is important to them."*

The overall merger communication divides into internal and external, as usually companies tend to share, and the interviewed project management team focused on internal communication. The communication plan for internal communication had an overview of a timeline for the overall process, with specific milestones for bigger events and achievements of the merger process, and an ongoing communication informing how the overall process performs, what is happening in certain times, and what will be the next achievements. Bigger milestones were informed when occurred, but more specific, casual information, was planned to be shared in every two weeks.

> *"There are the milestones and then there's the sort of our project-based messages what we want to share regularly. We try to time it so that we have something coming out every second week or so that goes out. So, there is a continuous flow of information."*

> *"For the plan, it was important that there weren't longer periods when nothing is communicated. The frequency of specific topics about the merger and regularity of the messages about it allows people to keep the process in mind constantly, and that way have the necessary time to adapt into thinking the two companies as one."*
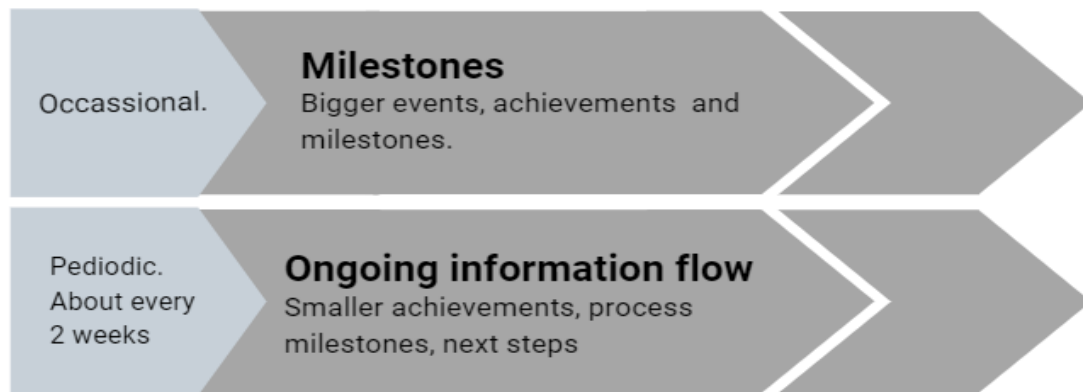
Figure 5. Representation of the timeline structuring

However, the result from questionnaire shows that majority, 40% of the respondents, disagrees that the next steps of the merger process would be communicated clearly. 30% of the respondents feel neutral about this statement and only the rest 30% of the respondents agrees the communication about the next steps being clear. The results from that are inconsistent with the statement about the overall communication in the company working well, where majority of the respondents agreed (55.2%) or strongly agreed (3.4%) it to be working well.

The most disagreeing responses were received for the statement "The next steps in the merger process are communicated clearly", which indicates that employees would wish to be more included on the process. Three of the respondents also mentioned it on open feedback comments, where they wished to receive more information related to, for example, their own country units' work after the merger. It might be so, that the company management expected employees to know the process' next steps more clearly based on previous acquisitions or integrations, and thus, this merger did not give detailed information pieces for the employees, rather focused on the bigger picture. However, the contradictive matter lays with defining what can be communicated in a specific time of the merger process from the project management team's information. Even when the employees wish to have detailed information about their specific unit or task, confidential information about specific aspects cannot be discussed before the M&A is confirmed.

Overall, the merger communication in both companies targeted the information equally to every employee and target group. As the companies are committed to cover diversity and provide every individual with co-ordinate opportunity to receive company-related information, the communication about the merger needed to be very equal for both companies and their target groups. The company B will require more detailed information about the merging process closer to the "Day 1" event because the more significant changes happen in regard with their procedures, but when the process was still in the state of engaging employees and informing about the upcoming milestones, the information was very similar in all levels.

> *"When the merger comes closer to happening, we will add more detailed information of the changes, such as changes in intranet pages, what are the tools that are used in their united company, and who are the main contacts in support functions."*

Information flow required a lot of planning, because the interviewees were aware of the "overdose of information", which may happen when a lot of new information is brought up in a short period of time. The line between efficient informing and overwhelmed informing is light in processes like mergers, where all new information is important, but also a lot to take in. However, the merger communication has been successful in informing the employees with the right amount of frequency, according to the questionnaire, when 50% of the respondents agreed the information being frequent enough.
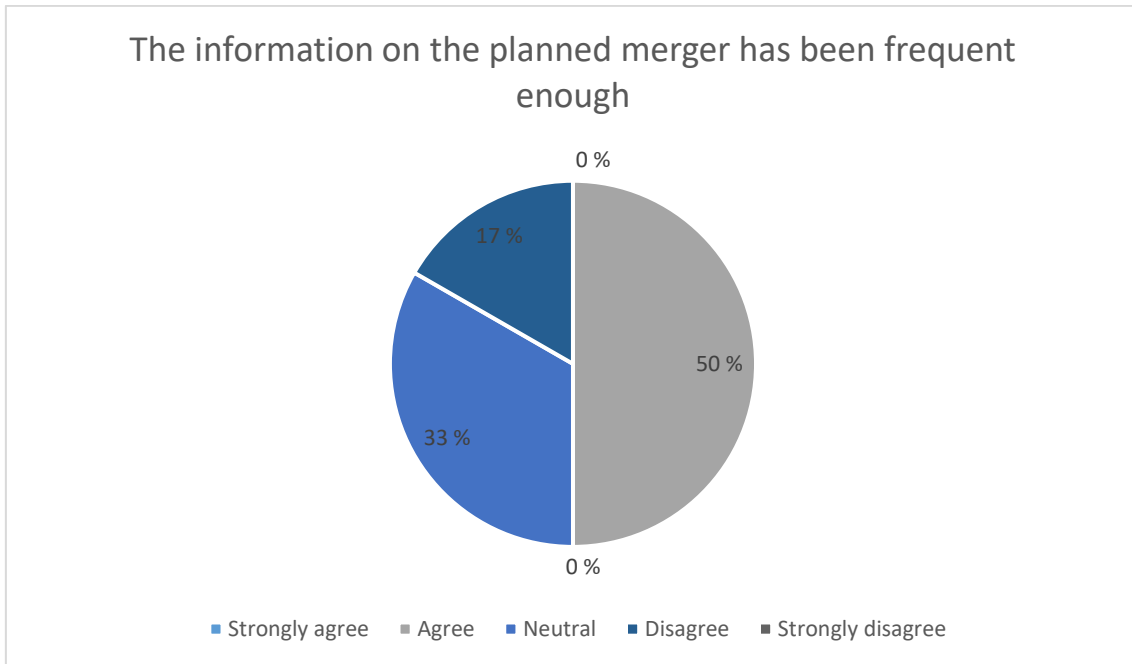
The information on the planned merger has been frequent enough

■ Strongly agree ■ Agree ■ Neutral ■ Disagree ■ Strongly disagree

Figure 6. Questionnaire results for frequency

Another critical aspect during the merger communication management was the truthfulness and honesty of the messages. In merger processes, there are inevitably aspects which will affect some people more than others. Therefore, the communication plan includes a lot of critical change management. The people in the companies must understand that the project management team will inform everything they can at that time, and to keep everyone included.

> *"We wanted to ensure that they (employees) felt like they had a picture of what was coming, when it was coming. We didn't want them to feel like it (merger) was a black box and, that they didn't know anything that was happening for them or their role."*

Yet, on the questionnaire, 33.3% of the respondents agreed on the statement of having received answers to their questions or concerns about the merger. Majority, 50% of the respondents answered "neutral" to that, and 16.7% answered "disagree". In addition, 60% of the respondents felt neutral about the statement of employees' thoughts being

heard during the merger planning process, which indicates that majority of the respondents do not feel positive nor negative about it. However, also 23.3% of the respondents answered "disagree", and only 16.7% answered "agree" on the statement.

The results compared together shows, that the project management teams' aim of offering the needed information for the employees to feel safe and informed about their role or country's operations requires further actions. Currently, the communication is good, but may not answer to the needs of the employees as comprehensively as believed. Key aspect affecting the matter might be that they are offering too minor personalized information about the merger and its effects. It seems, that employees wish to receive more personal information regarding their country, unit, department, role, and teams. However, these matters are affected by regulatory aspects since the project management team ensured to inform everything they can, when it is the time for that. Specific matters they were not allowed to inform before the merger process was accepted and confirmed, and thus, more specific information regarding, for example, specific units, received the information about further processes only after the "Day 1" event of the merger.

5.4   Merger communication channels

The communication during merger has several different variables to consider, and one of the most significant one is to use right channels for right groups of people. The communication channels vary, so that all employees would be more likely reached.

> *"Not every employee read the news from intranet, but maybe rather hears the major announcements from the line manager, and therefore the managers also have to be engaged in communication of the merger processes."*

Because the employees of the company work in variety of tasks in different places, the use of intranet or digital tools may not be the most efficient option to receive important information. Some employees are not able to use digital tools during their working hours, and for them, the most efficient communication channel may be bulletin board or the line manager. According to the project management team, the managers are enabled

with tools and details so that they can respond and inform their teams in closer levels and closer to the employees. The people might also be more willing to ask questions from and show concerns to their line managers, because they are used to working together and interacting with them. When one doesn't know the person bringing the message, they are unlikely to show their concerns directly. This situation can end up in rumour mills where the employees start discussing and fearing the change together on their own discussions, without any of the participants knowing the facts or answers to their concerns. When the line managers are aware of the situation and processes and knows how to ensure or react to the employees' concerns, they are very likely preventing rumour mills or bigger negative chain reactions from happening.

> *"We do these kind of like manager calls where we give a certain topic or message to the managers, which is a topic which the managers can then take and discuss with their own teams and that way rise the conversation about the merger but also find out if there is questions or concerns about it among the team."*

However, the main official channel for informing the merger process to employees is the intranet. In their own intranet, the company have separate site centralized for the merger communication. The site has all of the news related to the process, but also additions such as question-answer sections. By centralizing site only for the process, the project management team ensures that it is as easy as possible for the employees to reach and find information about the merger. All information is also lifted to the front page when published.

In addition, the project management team prepares the employees for the future integration of the companies by using intranet as an introductory tool. The integration of two different companies is smoother, when there already are some familiar faces or knowledge about the common management teams before the integration. Efficient engagement tools are videos, pictures, and quotations. During this merger, the project management team handled the introduction of specific persons by video introductions. The video introductions were available on the company intranet. By offering a video of

the person at the same as the topic or their proficiency is introduced, it is believed to be more comfortable and relatable for the people to understand and get familiar with.

"Our intranet is the main channel for the merger communication. The intranet, it was and is the main channel and within that we have done videos and things like that."

According to the questionnaire, majority of the respondents also confirms the intranet to be the main channel, as majority receives the information about the merger from the intranet. It was significantly more common channel than any other option, as seen below.
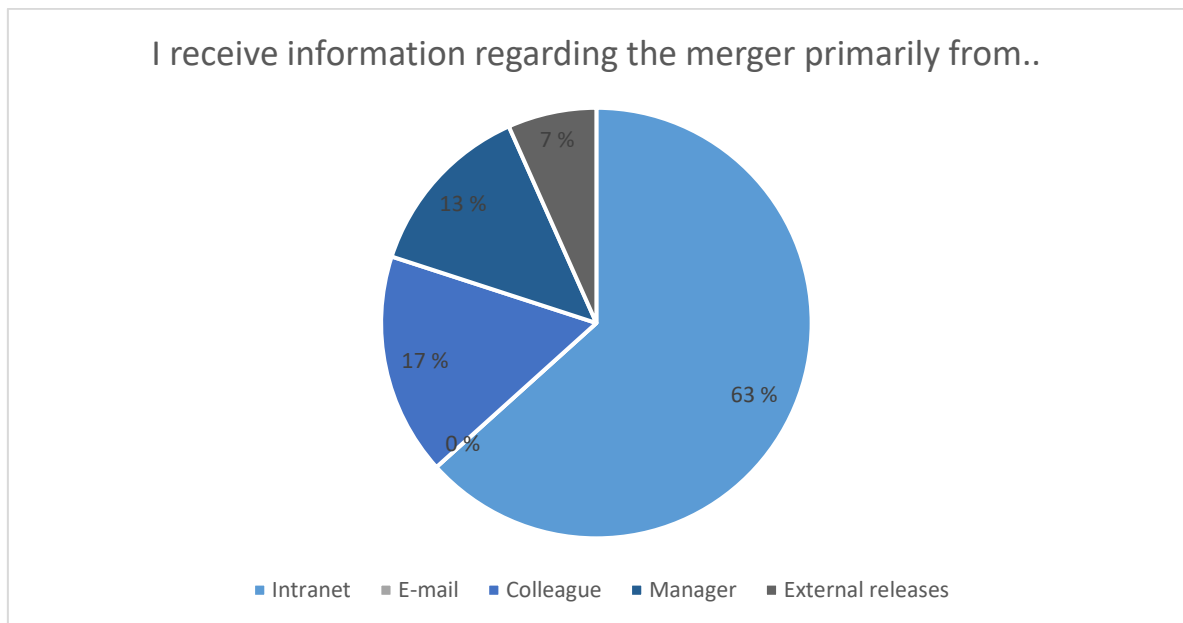

Figure 7. Questionnaire results about the channels

In addition, majority of the respondents knew that there is a centralized information site about the merger on intranet. The responses to statement of "I know where to find information about the planned merger", were focusing on the positive side more than negative, with 53.3% of the responses for "agree", and 13.3% for "strongly agree". Both "neutral" and "disagree" had 16.7% of the responses. The respondents covering the 16.7% had individuals from different countries and variety of years in the company, which indicated there not to be a connection between country or experience in that.

In conclusion from the research, the tools and channels focused on the merger communication aligned with project management team's aims and the employees' interpretations. Centralized channel in intranet seemed to be the most significant information source, but also news articles, videos, and line manager meetings were efficient and useful channels of information for the employees.

Tools/channels used for internal merger communication	Tools/Channels	Expected outcomes
	Intranet centralized channel	Easy access to updated information, engagement towards the process, information flow
	News articles (in intranet)	Frequent reminder of the events, engagement towards the process, information flow
	Videos	Engagement towards the process, introduction of the new members, start of the integration process
	Line Managers	Low threshold approach for the employees, quick respond to concerns, more detailed and individual-focused explanation of the events

Table 4. Tools/channels used for merger communication

5.5 Culture in merger communication

Culture in organisation is defined by their actions, behaviour, common ways of working, and their aims and values as a company. Every company has their own, unique organisational culture. Now when two different organisations and cultures unite, the aim according to project management team is, to further explore and take organisational culture as a term into the agenda throughout the integration process. Detailed organisational culture usually ensures the employees to understand the common guidelines more clearly.

Organisational culture ensures that different units and departments have more similar actions and ways of working.

The current state of unified organisational culture was examined by asking the employees about the common ways of working and behaving. The aim was to define if the employees feel similarly about the matters of organisational culture, or whether there are differences in the way employees feel about it. In addition, the responsiveness was examined. It is important, that the employees of the company are willing to adapt new aspects to their ways when a new company and new organisational culture merges into them, but also to be willing to show and support the merging company's employees integrating to them and their ways of working.

According to the questionnaire responses, the merger is not seen as a threat to the existing organisational culture, but rather as a positive addition to the existing ways of working, communicating, and behaving as a work community. 51.7% of the respondents agreed merger to make a positive impact on the organisational culture, and 3.4% strongly agreed. Neutral answers received 31% and 13.8% disagreed with the statement.

When the employees were asked how they would describe their company's atmosphere as a work community to the merging company's employees, the answers were very versatile. Several respondents mentioned that there are advantages and disadvantages in global corporation environment. However, positive aspects such as "Advanced and development-oriented work environment", "Great people, ambitious, willing to support and help each other", "hard-work, professionalism" and "strong performance culture" were some of the key takings from the responses.

5.6   Challenges in merger communication

In merger communication, the most challenging aspects to manage are the change resistance, uncertainty, and misunderstandings of the process. The communication plan is often conducted to prevent the emergence or growth of those risks. The prevention is handled by informing as detailed and structured manner as possible, and by giving the receiver of the message the chance to express their feelings and concerns.

"When people in the companies are feeling comfortable and trusting, but also knowing what is happening and when, they are more likely to adapt positively to the changes instead of fearing it or resisting it. Also, uncertainty is more likely to be small when communication about the merger is regular and detailed."

"In companies as big as these, there is always going to be some kind of resistance in all new things from someone. Big companies will have people with so many different mindsets. It is kind of an underlying assumption that some level of resistance will be there. It is always part of the change communication planning."

The project management team was prepared to respond to those kinds of reactions. They listen to the people carefully and try to identify comments that seems uncertain or confused, and immediately respond and explain. If the project management team notice a certain topic appearing to have more uncertainty among the people, they write an article explaining the topic or tailor the communication plan to cover the topic more thoroughly. In addition, the line managers are a big help for the project management team in handling the issues in closer level by fast responses to confusion or concerns, as well as more detailed explanation about focused topics.

According to the questionnaire, 33.3% agreed on the statement about receiving answers to their questions or concerns about the planned merger, which indicates that there still might be room for more. 50% of the responses stated "neutral", and 16.7% disagreed. Half of the respondents answering "disagree", also wished to receive the communication in their own language rather than English, which might indicate relations with these two. Language issues are often critical aspect in global corporations by, for example, the risks in misunderstanding.

Also, even though the responses for the questionnaire seemed to set the merger communication for a positive light, the open comments section gave a concerned image about the respondents. Many of the respondents wished to know more about the merger effects for themselves, their country unit, or working teams. Many said there to be

minimal amount of information available on how different teams, countries, and units will be affected with the merger, or does everything stay as it is.

> *"Information is important. Even if you don't have all the answers, it is better to say half than not to give information at all on the matter. The tailored communication for different employee groups such as marketing, sales, managerial, etc. would be important perspectives to include."*

From these kinds of comments, it can be recognized that long experience about company reforming does not mean the validation of individual needs would not be necessary. However, as the project management team explained, regulatory aspects did not allow them to inform specific matters before the merger officially happened, which explains the lack of individual tailored information flow for specific groups and units.

6 Conclusion

Throughout the concluding of the theoretical framework, the importance of people-related variables in merger process were observed. The communication was considered as one of the main managerial tools of M&As because of its effects to people-related variables and that way to the success of the M&As, but research gap laid in examining the further impact of communication in employee engagement (Appelbaum, 2017, p. 88; Bhal, Bhaskar & Ratnam, 2009, p. 604.) The key assumption when the study moved from theoretical base to data collection was, that efficient merger communication requires structuring, planning, and different methods of engagement for the employees to feel satisfied about it (Bhal, Bhaskar & Ratnam, 2009, p. 604).

The research question was based on exploring the internal merger communication in a specific case company, to find out if their merger communication was successfully implemented and what were the employees' thoughts about it. The main research question was, "*how can an MNC successfully manage internal communication during merger to gain employee acceptance and engagement?*".

As the theoretical framework predicts, people-related variables, and specifically communication, are critical in mergers and acquisitions (Palmer, 2003, p. 77). The aims and values may differ from the outcomes, and thus, even in experienced companies the communicational matters of a merger or acquisitions should be individually, according to the situation, considered.

In this chapter the results for the research question are concluded and the main aspects from the data collection reviewed. The results and analysis will be confronted with the literature review. Finally, suggestions for future research will be stated based on the research results.

6.1 Discussion of the results

Prior to the research and data collection, the acknowledgement of employee engagement in a company where another company merges into, was weak. Most of the existing

studies focused on studying the company who will merge and have the bigger changes, rather than focusing on the company who mostly continues as before. (Soofi & Zhang, 2014, p. 19-22.) However, the lack of studies in explaining the employee interpretation in the parent company showed that it should be examined further. Because communicational factors are significant engagement tool, and, as previous theories have stated, major factor in defining the success of M&A, the employee interpretation studied through the communicational factors was important. (Cowan, 2014, p. 7.)

Main aspects that arise from the data analysis of this research were the importance of structured and well-planned communication approach, frequent information flow, and the use of right channels for the communication. The empirical findings supported the theoretical framework by results of communication approach affecting the employee commitment and interest towards the merger, as well as by theoretical framework being congruent with the project management team's intentions for the merger communication. (Bhal, Bhaskar, et. al., 2009, p. 604; Angwin, Mellahi, et. al., 2014, p. 2370)

When the organisation is experienced and gone through previous acquisitions and integrations, the management might evaluate the employees to adapt to the changes more easily than they will. As in this, the case company's project management team highlighted the main aim being the merger communication's capability to keep people informed, whereas the research questionnaire showed there be improvements yet to be made. As the theoretical framework stated, and the research from Postmes, Tanis and Wit (2001, p. 240) supported, employees' commitment towards the M&A is related to the interaction and communication level between employees and management. When only a specific number of employees feel satisfied towards the communication and information about the merger, also only this specific number of employees are interested or committed towards the process.

In addition, Davenport and Barrow (2009, p. 3) explained how individual social identity relates closely to the organisation one works in. The company image is seen as one part of their personal image, and as a definition of the engagement level one has towards their work. If the person feels the company image to be directly related to their own

identity in a positive light, they are more likely to be very engaged to the company operations and development. The connection between individual identity and the company is fragile in times like mergers and acquisitions, where the image is revised. Davenport and Barrow (2009, p. 4) believes that the atmosphere of mergers and acquisitions in the eyes of employees and their social identity can be managed best with the right approach of internal communication. Therefore, the aims and target from the project management team should highlight positive, well-structured communication towards the merger.

Isohookana (2007, p. 232) introduced the different models of actions which may define the reaction towards the merger. Actions towards the merger communication can be proactive or reactive, and approach towards the communication positive or negative. By the conducted research among the case company's project management team, the approach conducted was positive and proactive, which Isohookana (2007, p. 232) states to be the most effective model. The action model of company's communication can be examined through their aims and targets, as well as through the plan conducted for the merger communication. The Isohookana's (2007, p. 232) communication model has been supported with a communication approach model conducted by Angwin, Mellahi, et. al (2014, p. 2375). According to Angwin, Mellahi, et. al (2014, p. 2375) the communication approach of the case company has been immersive, which means continuous and rich communication about the planned merger. The approach of communication can be confirmed based on project management team's statement about the time schedule and use of various channels.

However, based on the research conducted on employees, the communication approach still lacks in engaging the employees and making them feel informed to a larger extent. This approach of communication by Angwin, Mellahi, et. al. (2014, p. 2375) can thereby be only partially confirmed successful and efficient, as only half of the employees were satisfied with the conducted internal merger communication. This research showed that the approaches and models of communication can be rightly planned and conducted, but many other variables affect the end result in employees' eyes. One cannot focus on

viewing the right approaches and models of communication without individualizing the communication based on the employee needs. The findings therefore extents the study of action models and approaches further, broadening the scope of focus from right actions towards individual needs. As Lundqvist (2012, p. 4) confirmed, even smallest changes require active and comprehensive information flow because employees often need the reassurance. Employees also rarely has the same basis of information as the management has, which means that the reassurance and detailed information offers more of an overall picture of the situation and its effects for the employees, but also increases the feelings of inclusion. (Lundqvist, 2012, p. 4-5.)

Having centralized place for the merger information showed positive effects on the employee's emotions and engagement, as Dolphin & Reed (2011, p. 106) suggest with explaining the strategic need for centralized channel of information. The confirmation of successfully implementing centralized channel of information was employees' interpretation about knowing where to find the topical information related to the process. Centralized information channel also ensures challenges in merger process such as resistance to change and rumour mills to decrease because the truthful information is easily approachable. In addition, the empirical findings confirm the claims of literature regarding the emotions towards the merger more likely being negative when the communication happens through colleagues or other unofficial channels (Dolphin & Reed, 2011, p. 106). The matters of message being changed or showing a person's own opinion in the message are likely to shape the recipients' interpretation and that way, cause confusion, uncertainty, or negative reactions. That was confirmed with the research by respondents being uninterested and feeling something else than positive about the planned merger when they were receiving the information about the merger from somewhere else than official channels, such as, from their colleague.

Lastly, a clear procedure aiming to increase the unity of the two companies and clarity of common vision is the plan of introducing organisational culture towards employees as a term on the later integration phases. Kansal and Chandani (2021) explain the understanding of cultural differences and differences in working habits being critical aspects

in defining the success of M&A integration. By explaining the new, common organisational culture, the company management allows the employees to place all the matters that belong to it, such as ways of working, behaving, communicating, or handling diversity, together under one term. It ensures the employees to vision the importance of those aspects, and to explain why it is necessary to act according to common epithets. It is also easier for the employees to adapt their own social identity into the merging company when the culture is formed as a common matter for both, having shared values and aims. The findings also confirm studies from Davenport and Barrow (2009, p. 3) according to the engagement level towards the merger being related to the social identity, which can be most efficiently managed by integrating the cultures as a common ground for both merging companies, taking parts from both cultures.

In conclusion, the research collected for this study supports the theoretical framework to a certain extent. It can be agreed that specific communicational action models as Iso-hookana's model (2007, p. 232) and approaches as the communication approach model of Angwin, Mellahi, et. al (2014, p. 2375) are efficient in managing merger communication, but results show that those alone may not be enough. Individual needs and aspects focused on employees are also affecting the overall picture of the merger communication which requires further anticipation. The study provides extensive evidence between the experience level on the company, and adaptation towards the merger. More experienced employees feel more positive and informed about the merger, whereas newer employees are more likely uncertain. Finally, the merger communication and country-specific or cultural variables do not have notably linkages according to the research.

6.2 Limitations

Based on the nature of this research, there were no strong assumptions or hypotheses stated at the early stages of this work. However, one light assumption made by the researcher was, that cultural factors would be clearly visible on the results of the research, because the case company is a multinational company. However, to a larger extent, cultural matters were not visible on the research and its data. The reasoning for the lack of cultural factors affecting the communication or data analysis were assumed to be the

strong common procedures among the company, as well as the official company language being English for decades already. Also, the terms organisational culture and national culture were not used to a larger extent among the case company, which is why it was wished to not use terms as such in the research data collection. As a result, the cultural aspect of the research questions did not manage to get as much analysis and research results as wished.

Additionally, another limitation for the research is the approach of single case study. Meaning, that this study focused on single case company, and therefore only for the interpretations from this particular case company's people. As stated on the discussion about validity, the results of this research cannot be generalized to a larger extent because the nature of this work only focused on this case, and the results taken from another similar case can differ. The results are based on the company culture, prior experiences, and on the overall atmosphere of the company, which is why a company with different affecting factors may interpret the study questions differently. However, the results can work as a guiding tool for further research on similar cases.

6.3 Suggestions for further research

The research around mergers and acquisitions often focuses on examining the merging company and the employees who are the most affected by the change, instead of the company to which another company is merging into. Often the prejudice behind this is, that when the merger happens elsewhere, for example by creation of additional business line, the employees on the parent company do not have strong reactions or interpretations towards it. However, the lack of research in this area, as well as the number of failed mergers and acquisitions shows that there lays a need for further examination specifically in this point of view. Since this research showed extensive differences between the management's aims for the communication and interpretations of the employees, further research in this area of mergers and acquisitions would be relevant.

Also, the viewpoint from both companies would be an important comparison study. If the employees on the parent company would not feel engaged or committed towards

the merger, how would the employees merging into their company feel? The matters of committing to engage the new employees into united company requires the parent company employees to have interest in welcoming the employees from the other company and integrating the two organisational cultures into one. By researching the matters between both merging companies, new perspectives and linkages could be found.

References

Appelbaum, S. (2017). *Resistance to change in the case of mergers and acquisitions*. Industrial and Commercial Training. 49(2). 87-92. DOI 10.1108/ICT-05-2016-0032.

Appelbaum, S., Lefrancois, F., Tonna, R. & Shapiro, B. (2007). *Mergers 101 (part one): training managers for communications and leadership challenges.* Industrial and Commercial Training. 39(3). 128-136. DOI 10.1108/00197850710742225.

Angwin, D., Mellahi, K., Gomes, E. & Peter, E. (2014). *How communication approaches impact mergers and acquisitions outcomes.* The International Journal of Human Resource Management. 27(20). 2370-2397. https://doi.org/10.1080/09585192.2014.985330

Bhal, K., Bhaskar, A. & Ratnam, C.S. (2009). *Employee reactions to M&A: role of LMX and leader communication. Leadership & Organisation Development Journal.* 7(30). Emerald Group Publishing Ltd.

Bourke, J., Kirby, A. & Doran, J. (2010). *Survey and Questionnaire Design: Collecting Primary Data to Answer Research Questions*. Oak Tree Press.

Castells, M. (2009). *Communication Power.* Oxford University Press.

Carmines, E. G. & Zeller, R. A. (1979). *Reliability and Validity Assessment.* SAGE Publications Inc.

Cheese, P. & Cantrell, S. (2005). *Integrate corporate culture and employee engagement*. Strategic HR Review. 4(6). https://doi.org/10.1108/14754390580000824

Cooper, C. & Finkelstein, S. (2016). *Advances in Mergers and Acquisitions*. Bradford, West Yorkshire Emerald Publishing Ltd.

Cornelissen, J. (2014). *Corporate Communication: A guide to theory and practice.* 4th edition. Sage Publications Ltd.

Coyle, B. (2000). *Mergers and acquisitions.* Glenlake Publishing Company, Ltd.

Cowan, D. (2014). *Strategic Internal Communication*. KoganPage.

Davenport, J. & Barrow, S. (2009). *Employee communication during mergers and acquisitions.* Farnham, Gower.

Davis, D. & Kummer, C. (2012). *M&A Integration: How to Do it. Planning and Delivering M&A Integration for Business Success.* John Wiley & Sons, Inc.

Doplhin, R. & Reed, D. (2011). *Fundamentals of Corporate Communications*. Routledge Taylor & Francis Group.

Eriksson, P. & Kovalainen, A. (2015). *Qualitative Methods in Business Research.* SAGE Publications.

European Commission. (2021). *Employee Involvement.* Retrieved 3.1.2022. https://ec.europa.eu/social/main.jsp?catId=707

Galletta, A. & Cross, W. E. (2013). *Mastering the semi-structured interview and beyond: From research design to analysis and publication*. New York University Press.

Gaughan, P. A. (2014). *Mergers, Acquisitions, and Corporate Restructurings*. 5th edition. John Wiley & Sons Inc*.*

Gillham, B. (2000). *Case Study Research Methods*. Bloomsbury Publishing Ltd.

Gobler, E. (2021). *What Is a Multinational Corporation?* The Balance. Retrieved 18.1.2022. https://www.thebalance.com/what-is-a-multinational-corporation-5093848

Goodman, Michael. & Hirsch, Peter. (2015). *Corporate communication: critical business asset for strategic global change.* New York.

Gomes, E., Angwin, D., Weber, Y., & Tarba, S. (2013). *Critical Success Factors through the Mergers and Acquisitions Process: Revealing Pre- and Post-M&A Connections for Improved Performance.* Thunderbird International Business Review, 55, 13-35. https://doi.org/10.1002/tie.21521

Graneheim, U., Lindgren, B-M., & Lundman, B. (2017). *Methodological challenges in qualitative content analysis: A discussion paper.* Nurse education today, 56, 29-34. https://doi.org/10.1016/j.nedt.2017.06.002

Hofstede, G. (2011). *National Cultures, Organisational cultures, and the role of Management.* Values and Ethics for the 21st Century. OpenMind BBVA. Retrieved 27.10.2021. https://www.bbvaopenmind.com/en/articles/national-cultures-organisational-cultures-and-the-role-of-management/

Isohookana, H. (2007). *Yrityksen markkinointiviestintä*. Alma Talent Oy.

Iorgulescu, A. & Marcu, M. (2015). *The relationship between national culture and organisational culture.* Social Sciences and Education Research Review. 2(2). 93-98.

Jackson, N. (2019). *Organisational Justice in Mergers and Acquisitions. Antecedents and Outcomes*. Palgrace MacMillan.

Juholin, E. (2017). *Communicare! Viestinnän tekijän käsikirja*. Hansaprint Oy.

Kansal, S. & Chandani, A. (2021). *Effective Management of Change During Merger and Acquisition.* Imaa Institute. Retrieved 15.10.2021. https://imaa-institute.org/effective-management-change-merger-acquisition/

Kortetjärvi-Nurmi, S. & Murtola, K. (2015). *Areena: Yritysviestinnän käsikirja.* Edita Publishing Oy.

Kortetjärvi-Nurmi, S., Kuronen, M-L. & Ollikainen, M. (2011). *Yrityksen viestintä.* 5-7th edition. Edita Publishing Oy.

Korhonen, H. & Bergman, T. (2019). *Johtaja muutoksen ytimessä : käsikirja uudistumismatkalle.* Alma Talent.

Krlshnamacharyulu, C.S.G & Ramakrishnan, L. (2008). *Business communication.* Global Media.

Kumar, V. & Sharma, P. (2019). *An Insight into Mergers and Acquisitions. A Growth Perspective.* Springer Singapore.

Lee, B. & Saunders, M. (2017). *Conducting Case Study Research for Business and Management Students*. https://doi.org/10.4135/9781529716702

Lundqvist, S. (2012). *Searching for keys to succesful post-merger integration. A longitudinal case-study following a public sector merger*. [Doctoral dissertation, Åbo Akademi University]. Retrieved 13.12.2021. https://www.doria.fi/bitstream/handle/10024/84914/lundqvist_siw.pdf?sequence=2

Marshall, G. (2005). *The purpose, design and administration of a questionnaire for data collection.* Radiography (London, England. 1995), 11(2), 131-136. https://doi.org/10.1016/j.radi.2004.09.002

Marschan-Piekkari, R. & Reis, C. (2004). *Language and languages in cross-cultural interviewing*. Handbook of Qualitative Research Methods for International Business. https://doi.org/10.4337/9781781954331.00027

Mikkola, L. & Valo, M. (2019). *Workplace Communication*. Routledge.

Ministry of Economic Affairs and Employment of Finland. (2021). *Key points to Co-Operation Act*. Retrieved 11.12.2021. https://tem.fi/en/key-points-of-the-co-operation-act

Nielsen, B., Welch, C, Chidlow, A., Miller, S., Aguzzoli, R., Gardner, E., Karafyllia, M., & Pegoraro, D. (2020). *Fifty years of methodological trends in JIBS: Why future IB research needs more triangulation.* Journal of International Business Studies. 51(9), 1478-1499. doi:http://dx.doi.org/10.1057/s41267-020-00372-4

Palmer, B. (2003). *Making change work: practical tools for overcoming human resistance to change*. ASQ Quality Press.

Pena-Acuna, B. (2018). *Digital Communication Management*. IntechOpen.

Piekkari, R., Welch, C., & Paavilainen, E. (2009). *The case study as disciplinary convention: Evidence from international business journals*. Organisational Research Methods, 12(3): 567–589.

Postmes, T., Tanis, M. & Win, B. (2001). *Communication and Commitment in Organisations: A Social Identity Approach*. Group Processes & Intergroup Relations. 4(3). 227-246.

Ranft, A. & Lord, M. (2002). *Acquiring New Technologies and Capabilities: A Grounded Model of Acquisition Implementation.* Organisation Science. 13(4). 420-441.

Rayudu, C. S. (2009). *Communication.* Himalaya Publishing House PVT.

Salem, P. (2007). *The seven communication reasons organisations do not change.* Corporate Communications – An International Journal. 13(3). 333-348.

Salvi, A., Vitolla, F., Rubino, M., Giakoumeulou, A. & Raimo, N. (2020). *Online information on digitalisation processes and its impact on firm value.* Journal of Business Research. 124(2021). 437-444. https://doi.org/10.1016/j.jbusres.2020.10.025

Science & Technology Facilities Council. (2021). *A Brief History of the Digital Revolu-tion.* Retrieved 9.6.2021. https://stfc.ukri.org/files/digital-revolution-infographic/

Solomon, D. & Theiss, J. (2013). *Interpersonal Communication: Putting Theory into Practice.* Taylor and Francis Group.

Soofi, A. S. & Zhang, Y. (2014). *Global Mergers and Acquisitions: Combining Companies Across Borders.* Business Expert Press.

Stacks, D., Salwen, M. & Eicchorn, K. (2017). *An integrated approach to communication theory and research.* 3rd edition. Routledge, Taylor & Francis Group.

Steigenberger, N. (2016). *The challenge of Integration: A Review of the M&A Integration literature*. International Journal of Management Reviews. 1-24.

Steward, D. & Kamins, M. (1993). *Secondary Research: Information Sources and Methods*. Sage Publications Inc.

Wright, Marc. (2009). *Gower Handbook of Internal Communication.* Routledge.

Yin, R. (2014). *Case Study Research Design and Methods*. 5th edition. SAGE Publications.

Appendices

Appendix 1. The e-mail regarding the interview

Dear all,

This e-mail contains information related to the interview happening on Friday 28.1.2022. The study in which you are being requested to participate has the working title of "*The importance of internal communication during organisational M&A*". It is conducted by me, Noora Suni, a Master's student of Business Administration and Economics at the University of Vaasa.

The research divides into two parts, from which the interview you are being requested to participate in, is the first part. In this part of the thesis, I am researching the planning phase of merger communication, its aims, and values. After this first part of the research, the communication from the viewpoint of *Company A*'s employees is researched and compared.

Attached to this e-mail, you will find the official questions for the interview. Please have a look, and familiarize yourself with the topics before the interview. If something seems unclear, you can ask for clarification through e-mail, or before we start the interview on Friday. I wish to have a diverse and comprehensive discussion during the interview, focusing on your own beliefs, opinions, and thoughts. I also hope that every participant participates in the discussion. If there are any questions that you do not feel comfortable answering, please say so and we will move on to the next question.

This research is confidential. It means that in the final thesis, all information related to the companies or individuals will be anonymized so that any identifiable information will not be included. During the interview, we can discuss the companies by their names, because the anonymization will be done afterward. Company information or internal procedures can be discussed according to your own judgment, and discussed topics can

be erased from the transcript also afterward if it seems that the subject was too revealing. The information collected from you will be kept in a secure location so that only the researcher has access to it. After the data is analysed and exported to the final thesis, all gathered information is disposed of with respect to privacy. All gathered information will be disposed of upon publication of the thesis, on May 2022 at the latest.

To guarantee the quality of the accurate analysis, I would respectfully ask permission to record the interview session on Friday 28.1.2022 for purely research-specific reasons. The recording would only be used to form a reliable transcript of the audio recording. Transcript means that the recording is exported in to text format, where it is easier to analyse the topics and bring up important matters on the final thesis. The written transcript also ensures the confidentiality aspects to be fully implemented. The recording of the interview will be kept in a secure location so that only the researcher has access to it. After the data is exported to the written form, the recording is disposed of with respect to privacy.

Please answer this e-mail * if I have your consent to record the interview session.**

Thank you already for your input, see you on Friday!

Appendix 2. The interview questions

Background

1. In your opinion, to what extent and in what ways communication matters in the merger process? Why do you think so?

2. What role communication played and is playing in the merger process of **?

3. How was the project team for handling internal communications over the ** merger created?

The plan

1. How was the communication plan created and implemented for the ** merger? What did it include?

2. To what extent and in what ways the communication plan was similar or different between the two companies?

3. To what extent and in what ways the communication plan was similar or different in different M&A phases?

4. What were the main aims when conducting the internal communication plan?

5. What were the main expected outcomes when conducting the internal communication plan?

6. What were the issues that communication plan aimed to emphasize?

7. Were there specific values that the communication plan aimed to emphasize?

8. To what extent and in what ways the communication plan prepared to face resistance of change, negative reactions, or other challenges? Please specify how?

Internal communication

1. Were there different project teams for internal and external information flow?

2. Were there different target groups in internal merger communication?

   a. If so, were the communication focusing on different or similar aspects in different target groups?

3. What channels were used to communicate about the merger?

     a. Were the same channels and ways of informing used in all target groups?

4. Is there a planned schedule for publications about merger or does the communication happen when new information occurs?

5. To what extent and in what ways the communication aimed to engage employees towards the merger?

Appendix 3. Preface for the questionnaire

Hi!

My name is Noora Suni, and I am a Master's student of Business Administration and Economics at the University of Vaasa, Finland.

I am currently working on my Master's thesis, where the topic is "*The importance of internal communication in organisational mergers & acquisitions*".

My thesis studies the role of communication in the M&A processes, and as a case I have the communications regarding the *company A – company B* merger. I have conducted a short questionnaire where you can give your opinions and thoughts about it, the responses will work as a tool to evaluate the quality of the merger communication in *company A*. **I will highly appreciate your responses and time spent in this survey. It will take about 5 minutes from you.** The questionnaire can be answered through this link: ** **You have time to answer the questionnaire until 15th of March.**

The data from the questionnaire is fully anonymized, which means that I will not be able to identify the respondents, so you can freely share your opinion as it is. In addition, *company A* as a company name is not mentioned on the final thesis.

Appendix 4. The questionnaire

Background

1. The country you work in:

2. Years in the company:

    a. under 3 years

    b. 3-5 years

    c. 5-10 years

    d. 10-20 years

    e. over 20 years

Please answer to the next questions by filling in the option best describing you

1. I receive information regarding the merger primarily from..

    a. Intranet

    b. E-mail

    c. Colleague

    d. Manager

    e. External releases

    f. Other, what

2. I would prefer to receive information about the merger in..

    a. English

    b. Local language of the country unit I work in, which is:

    c. My mother tongue, which is:

Please answer to the next statements with filling in the option best describing your opinion, interpretation, or emotion about the internal communications regarding the planned merger

(Matrix table: Strongly disagree, disagree, neutral, agree, strongly agree)

1. I am satisfied with the communication about the planned merger

2. I know where to find information about the planned merger

3. Communication about the planned merger has been informative

4. The communication about the planned merger has been frequent enough

5. I have received enough information about the planned merger

6. I have received answers to my questions/concerns about the planned merger

7. Employees´ thoughts have been heard during the merger planning process

8. The next steps in the merger process are communicated clearly

9. I am interested about the merger

10. I feel positive about the merger

11. I understand the reasons for the merger

12. I think the merger will have a positive impact on the way we work, communicate, and behave as a work community

13. I feel that communication about the merger has covered issues that are not relevant to me

Please answer to the next questions by providing your own answer:

1. The overall internal communication in *company A* is working well (Matrix table: Strongly disagree, disagree, neutral, agree, strongly agree)

2. How would you describe *company A* as a work community for a *company B* employee?

3. In the communication about the planned merger, I would have wanted to know more about..

4. Open comments for feedback about the merger communication