The Role of Organizational Culture in Transformation

Two case studies in the context of retail and construction industries

Anne Lehto

The Role of Organizational Culture in Transformation

Two case studies in the context of retail and construction industries

Anne Lehto

**Aalto University
School of Business
Markkinoinnin laitos**

Supervising professor
Professor Arto Lindblom, Aalto University, Finland

Preliminary examiners
University researcher Mika Skippari, University of Jyväskylä, Finland
Professor Arto Rajala, University of Vaasa, Finland

Opponent
University researcher Mika Skippari, University of Jyväskylä, Finland

NORDIC SWAN ECOLABEL

Printed matter
4041-0619

Abstract

These two case studies aim to illuminate organizational culture's role during a transformation, more specifically in the integration process of an M&A and in the development and implementation phases of an integrated project alliance. The M&A case is situated in the environment of retailing, and the project alliance case in the context of the construction field. As a contextual theme, there is a need for studies that get into the underpinnings of organizational culture in various environments. Retail trade and construction represent quite remarkable industries, but despite their being very personnel intensive fields, there are only a few studies concentrating on people issues, or—more specifically—on organizational culture.

The role of organizational culture in transformation was described by evaluating whether the role hinders or supports the change. As a conclusion, it was stated that the assumptions of the role were not totally integrated but instead were controversial in their attitudes about the role of organizational culture during certain phases. The supportive role was most effective in situations where the values and rules of the game were in line with the learning of the history or with the culture of the other co-operating companies. It also became obvious that instead of one integration process, there were pluralist unsynchronized, parallel integration processes to be identified.

The contextual nature of organizational culture was analyzed by including aspects such as owner culture and the effect of other stakeholders, together with cultural issues of norms, values and basic assumptions. To conclude, the hindering role, or inertia, was noticed in situations where there was a mismatch between the intraorganizational business system and operating processes in case one. In case two, the hindering role was most obvious when the original organizational cultures of participating organizations and the core team were mismatched. The different background and cultural basis of owners/stakeholders prolonged the time for finding a new balance in the system. The multi-store structure and the distance between the organizational level appeared in fragmented attitudes and opinions of changes, and were factors influencing the pace of cultural turns in case one. In case two, the organizational culture of the project team emerged to be quite integrated, but the field organization was acting simultaneously according to its own behavioral rules. Besides the above observations, the most significant implications of this study were the different timing of cultural clashes and the versatile roles of the organizational culture through multiple parallel integration processes that follow the organizational design. The meaning of owner culture was also among the interesting findings that deserve further research.

Tekijä
Anne Lehto

Väitöskirjan nimi
The Role of Organizational Culture in Transformation.
Two case study in the context of retail and construction industries.

Tiivistelmä

Tämän tapaustutkimuksen tarkoituksena on valaista organisaatiokulttuurin
roolia transformaatiossa, tarkemmin yrityskaupan integraatiovaiheessa sekä integroidun
projektiallianssin kehitys- ja implementointivaiheissa. Yrityskauppatapaus sijoittuu kaupan alalle,
ja projektiallianssi rakennusalalle. Koska organisaatiokulttuuri on varsin kontekstisidonnainen
teema, tarvitaan tutkimuksia, jotka kartoittavat organisaatiokulttuurin perustuksia erilaisissa
ympäristöissä. Vähittäiskauppa ja rakentaminen edustavat merkittäviä toimialoja, mutta vaikka
nämä alat ovat henkilöstövaltaisia, niiden parissa on tehty vain vähän henkilöstöä ja
organisaatiokulttuuria koskevaa tutkimusta.

Organisaatiokulttuurin roolia transformaatiossa kuvattiin arvioimalla, oliko rooli muutosta estävä
vai sitä tukeva. Johtopäätöksenä todettiin, että olettamukset roolista eivät olleet täysin
yhteneväiset, vaan että organisaatiokulttuurin roolista oli varsin ristiriitaisiakin näkemyksiä
integraation eri vaiheissa. Muutosta tukeva rooli oli tehokkain tilanteissa, jossa arvot ja
toimintatavat säännöt olivat linjassa aikaisempien kokemuksien kanssa, tai projektiin osallistuvien
muiden organisaatioiden kulttuurin kanssa. Oli myös ilmeistä, että yhden integraatioprosessin
sijaan voitiin tunnistaa useampia eri tahdissa eteneviä rinnakkaisia integraatioprosesseja.
Organisaatiokulttuurin kontekstisidonnaisuutta analysoitiin mm. omistajakulttuurin näkökulmasta
ja huomioimalla eri sidosryhmien vaikutus sekä kulttuuriset normit, arvot ja perusoletukset.
Estävää roolia ja inertiaa oli todettavissa kaupan alalle sijoittuvassa tutkimuksessa tilanteissa, jossa
oli epätasapainoa organisaation sisäisen liiketoimintamallin ja operatiivisten prosessien kesken.
Toisessa tutkimuskohteessa estävä rooli oli selkein tilanteissa, jossa projektiin osallistuvien emo-
organisaatioiden ja ydinryhmän kulttuurissa oli epäsuhtaa. Omistajien ja eri sidosryhmien erilaiset
taustat ja kulttuurilliset perustat hidastivat tasapainon löytämistä.

Kaupan alan tutkimuskohteessa monimyymälärakenne ja etäisyys organisaation eri tasojen välillä
näkyi fragmentoituneissa asenteissa ja mielipiteissä muutoksesta vaikuttaen myös muutoksen
vauhtiin. Rakennusalan esimerkissä projektitiimin organisaatiokulttuurista muodostui melko
yhtenäinen, mutta samanaikaisesti kenttäorganisaation toimintaa leimasi varsin erilainen
kulttuurillinen käyttäytymisnormisto. Näiden havaintojen lisäksi tämän tutkimuksen
merkittävimmät implikaatiot olivat kulttuuristen yhteentörmäysten eritahtisuus ja kulttuurin
erilaiset roolit organisaation rakennetta noudattavissa rinnakkaisissa integraatioprosesseissa. Myös
omistajakulttuurin merkitys on tutkimuslöydös, joka toimisi mielenkiintoisena
jatkotutkimuskohteena.

ACKNOWLEDGEMENTS

personal challenges that surface along the process. I would also like to thank all the informants of this study. It has been a pleasure co-operating with you and sharing your views. Our conversations have been the most important ingredient for this thesis. Warm thanks also to principal lecturer Susanna Kivelä, a dear friend I have been able to trust whenever I have needed practical help and encouragement.

When a mother leaves for a voyage–meaning that for very long moments she appears to be anywhere other than present or even on the earth–it sure does challenge the family as well. The dearest expressions of my gratitude go to my husband Olli and my children Mira and Ville. Thank you for giving me support, space and understanding even during my most absent-minded moments.

The doctoral dissertation is a milestone, a practical opportunity to share one slice of the story that all the people participating in this thesis have been weaving together. I hope you as a reader will find something to ponder on in this work. I welcome all feedback as a valuable gift along my path on this exciting landscape called organizational culture

Jaana Lehto

Tapaninvainio, Helsinki 14.4.2019

TABLE OF CONTENTS

LIST OF TABLES AND FIGURES

Tables

Figures

1.   INTRODUCTION

Organizational culture as a path-dependent phenomenon reflects the organizational modes of operation, thus influencing how organizations adapt to new circumstances, and to the ability of their members to interpret and make sense of the changes. This aptitude is challenged i.e. by situations, where two or more organizations unite their resources to achieve a common goal.

This case study offers an interpretation of the role of organizational culture in transformation, more specifically during the integration phase of a merger and acquisition (M&A), and within project alliance (PA). The interpretation is based on the members' descriptions of the organizations' culture, and the influence of the cultural issues during the study periods.

1.1   Research gap and study setting

As new relationship-based organizations are gaining space (Möller 2010; Vargo, Lusch 2004, Webster 1992), and as articles concerning new organizational forms and ways of cooperating in a network reveal, the question of cultural issues has been raised (Clegg, Pitsis, Rura-Polley, Marosszeky 2002; Laan, Voordijk, Dewulf 2011). Despite pluralist research streams the role of organizational culture is still unclear or at least disputed. Organizational culture is said to be a complex, contextual and path-dependent phenomenon; something that is hard to capture in words and to make visible (e.g. Martin 2002; Schein 2004, 2009; Smircich 1983). Apart from its importance, it has no doubt interested researchers, because of its challenging nature as an intangible and complicated issue. As an embedded and contextual phenomenon, it has also served as a rich research theme of pluralistic perspectives and interdisciplinary research settings (see, e.g., Martin 2002).

1.1.1 Why study cultural issues in transformation?

Mergers and acquisitions are demanding change processes judging from their high failure rates - over half of mergers and acquisitions end up falling short of expectations (e.g., Cartwright, Cooper 1990, 1993; Datta 1991; Dauber 2012; Papadakis 2010; Weber, Tarba 2012). The cultural perspective has become the dominant paradigm in M&A studies (Angwin, Vaara 2005), and the role that organizational culture plays in the integration phase of an M&A has also been of interest from many perspectives.

Nowadays however, integrated, interorganizational project organizations are a quite a typical way of organizing the work in a construction business (Fong, Lung 2007; Keung, Shen 2013). In complex construction projects the knowledge needed is extensive and specialized, demanding the combination of competences of actors from several fields. Nowadays, new technology especially, including the opportunities of digitalization, is among the main drivers promoting interest in flexible, integrated project organizations. Respectively, along with the exploitation of new knowledge-sharing technologies and various forms of integrated organizations, the question of cultural meaning in successful projects and network relationships has been raised (Aapaoja, Herrala, Pekuri, Haapasalo 2013; Möller 2010).

The discipline of marketing, once such a purely market- and transaction-oriented theoretical frame (i.e. Williamson 1985), is nowadays enlarged toward diverse modes of interaction, and modes of organizing and managing the relationships between the organizations (Möller 2010; Möller, Halinen 2000; Vargo, Lusch 2004; Webster 1992). Although these new ways of organizing are often technology-driven, technology does not solve the challenges of collaboration - how members representing independent, separate entities unite or cooperate during projects. In this respect, the integration process of M&A and the cultural issues during the post-formation phase in integrated construction projects seem to resemble one another, which allows for comparing the developments in these environments based on the same kind of theoretical background.

Integrating organizations

Studies about pre-acquisition issues in M&A focus on the meaning of strategic and cultural fit for a successful process (Bower 2001; Cartwright, Cooper 1993; Datta 1991; Sarala 2010; Stahl, Voigt 2008; Weber 1996; Weber, Tarba 2012). Post-acquisition issues are concerned with e.g., task and human integration, and more precisely on how the intended synergies and anticipated benefits are realized (Birkinshaw, Bresman, Håkanson 2000; Cartwright, Cooper 1993; Björkman, Stahl, Vaara 2007; Haspeslagh, Jemison 1991; Søderberg, Vaara 2003).

Besides the cultural differences in the first place (e.g., Cartwright, Cooper 1993; Stahl, Voigt 2008; Sarala 2010), there is a line of other identified possible sources of acculturation problems during the integration. Inadequate attention from the management's part toward cultural issues (Jemison, Sitkin 1986; Whitaker 2011) and the parent firm or managerial arrogance (Cartwright, Cooper 1993; Jemison, Sitkin 1986) are among those. How the integration process is lead is relevant (Appelbaum, Lefrancois, Tonna, Shapiro 2007; Datta 1991; Kavanagh, Ashkanasy 2006), and turning attention more toward social integration instead of task integration is said to enhance the chances of success (Björkman et al. 2007). Besides the management team, HR (Marks, Mirvis 2011; Marks, Vansteenkiste 2008) and the integration manager (Teerikangas, Véry, Pisano 2011) are also found to have an important role.

Despite the prevailing consensus about the importance of cultural issues during M&A and the pluralist takes to understand different aspects behind acculturation issues, the results are still quite inconsistent (Dauber 2012; Stahl, Voigt 2008), even contradictory (Teerikangas, Véry 2006). Stahl and Voigt (2008) state that the meaning of cultural differences is widely acknowledged, but when they matter and under what conditions and how they matter are poorly understood. Attention should be paid to the integration process to identify the role that organizational culture has in it, and how cultural differences affect the process (Teerikangas, Véry 2006; Stahl, Voigt 2008). Yet, still in 2011 Drori, Wrzesniewski and Ellis found the role of organizational culture in M&A to be relatively obscure. This inconsistency and a lack of understanding form a research gap and a natural

source for needing further studies focusing more strongly on how organizational culture matters in the integration process of M&A.

The performance in traditional construction projects has been uneven, and in many cases the results fail to meet economic or quality expectations (Lahdenperä 2012, 2017; Lichting 2006). New forms of delivering projects and modes of organizing them have thus interested the actors, and in recent decades, various relational delivery modes have emerged to fill this gap (Chen, Zhang, Xie, Jin 2012; Lahdenperä 2012). However, the research focus has been primarily on technical and contractual issues (Chen et al. 2012; Lahdenperä 2012; Matthews, Howell 2005), plus performance and success (Aapaoja 2014; Fong, Kwok 2009; Keung, Shen 2013). The studies of cultural issues concerning integrated project organizations are limited, especially when relating to the interest raised by cultural issues in M&A. Only lately, attention has turned toward issues that are related first-hand to cultural matters (Walker, Harley, Mills 2013; Love, Ackermann, Teo, Morrison 2015).

Organizational culture as such is a quite contextual theme; thus, many studies from pluralistic perspectives are needed to develop an understanding of this important issue and its relationships to various situations. To answer the question of how culture matters, there is a need for studies that get into the underpinnings and causality of organizational culture, seeking to find firm ground under one's feet in order to build a more profound understanding of the role of organizational culture and its influence in a certain context and situation.

M&A and PA processes typically last years, and there might actually be no clear end point. Despite the time span needed to estimate the outcomes of those processes, and the aspect of organizational culture being a path-dependent phenomenon, studies are mostly cross-sectional instead of longitudinal (van Marrewijk 2016; Vaara 2003). More longitudinal studies are needed to find out how relationships and culture develop during the process (i.e. Laan et al. 2011; Van de Ven, Ring 2006). A cross-sectional approach does not allow for a deep understanding of the origins of the culture, nor does it serve as an interpretive approach to the role of organizational culture in the change process from the

beginning to the end. Long-term impacts of organizational culture would thus seem to be best evaluated retrospectively and through a longitudinal approach.

1.1.2   Research setting in the context of retail and construction industries

The first case study concerns the Finnish retailing company Tradeka, which entered an M&A process in 2005. The first decade of 2000 is an interesting era in the retailing business over all; in addition to the situation in Tradeka, these years witnessed many alterations in the competitive environment of the Finnish daily goods business, like market entry of the first international player LIDL and redistribution of the markets between the domestic actors.

Despite the changes also faced by the retailing business in other territories, it is a field where studies on the role of organizational culture—and its meaning to people in turbulent times—are quite rare. Harris and Ogbonna (1998, 2000) and Ogbonna and Wilkinson (2003) have studied organizational culture in the retail trade from a British point of view, and there are some studies concerning the cultural issues of retailing companies from an international aspect (Pioch 2007; Webster 2010). But accounting for the fact that retailing is one of the largest industries in the world, the number of studies concerning this particular field is surprisingly low.

Finnish retailing studies have focused on e.g., modes of organizing the business (Kautto, Lindblom 2004; Kautto, Lindblom, Mitronen 2007; Mitronen 2002), competitiveness (Finne, Kokkonen 2005; Lamberg, Tikkanen, Nokelainen, Suur-Inkeroinen 2009) and entrepreneurship (Home 2007; Lindblom 2006a). Power relations in the retail business are studied, e.g., from a relationship perspective by Hyvönen (1990) and from the perspective of path dependence of power relations by Valorinta, Schildt and Lamberg (2011), but studies that focus directly on organizational culture in Finnish retail companies are non-existent.

Hence, the retail sector is lacking research that would take its special features as a highly personnel-intensive field into consideration, thus acknowledging the

effects of organizational culture on its change processes. This strengthens the need for a study of the role of organizational culture in this specific context.

The second case is about the Tampere Tramway project alliance, representing the infrastructure building side of the construction business. The project's planning started in 2011, and the project will last for years, affecting a wide range of various actors inside and outside the network organization, which is built to serve this purpose. The development phase with the alliance team started in 2015 and the implementation (i.e., the construction work itself) takes about 7 years, from 2017 to 2024. The first phase, however, should be finished in 2021, which means that the most interesting years of implementation are probably 2017–2018, when the organization's ability to perform together is tested. Besides the participating organizations, this case also has a wide contact surface to a large audience of citizens and politicians. Being hosted by the City of Tampere, the network also includes servants and employees of private companies.

Although the construction industry is, like retailing, quite personnel intensive, the research on cultural issues in inter-organizational or network relationships is rather scarce. However, the new forms of relational project delivery models have turned the interest in alternative ways of organizing the projects. Culture has been approached from a communication and knowledge management aspect (Cheng, Li, Love, Irani 2001; Fong, Kwok 2009), cooperation and integration (Aapaoja et al. 2013; Fong, Lung 2007; Lahdenperä 2012, 2017; Walker, Lloyd-Walker 2015), learning and capabilities (Hietajärvi 2017; Love et al. 2015; Schreiner, Kale, Corsten 2009; Kale, Singh 2007; Sluyts, Matthyssens, Martens, Streukens 2011), and from the perspective of developing suitable cultural features to enhance cooperation and team-work (Laan et al. 2011; Aapaoja et al. 2013).

The construction industry as a whole is not evaluated as the most dynamic field of industry. On the contrary, it is thought to be quite traditional, but in this field game changers like digitalization are also triggering the changes (Castagnino, Rothballer, Gerbert, 2016). Lately, the most popular research themes in this field seem to concern sustainability combined with digitalization (e.g., Alwan, Jones, Holgate 2017; Mallick, Radzicki 2016). Still, as new relational forms of organizing construction projects, like project alliancing, are increasing in volume, there is

bound to be more demand for studies concerning this environment, with its different working modes and capabilities needed and expressed with one concept: a different organizational culture.

The selected cases have their similarities as both industries represent concrete, traditional and personnel intensive fields, but also differences like different time span and complexity—as when it comes to i.e. the variety of stakeholders. Moreover, the success rate of project alliances in Finland is extremely good, but M&As seem to produce uneven results worldwide. As such the cases are regarded to complement each other well in giving a broader look to cultural challenges during demanding organizational phases in the frame of strategic alliances and offering at the same time a similar enough environment to allow the discussion of the role of organizational culture in transformation.

This study focuses on the organizational level and on the intra- and inter-organizational context of the research cases. The aspects of the modes of organizing the business and power relations link this study not only to the discussion on organizational culture in transformation but also to the discussion on the special features of the retailing and construction businesses and, hence, to the research tradition of marketing. Aspects of organizing and managing intra- and inter-organizational relationships link this study to the discussion of the role of organizational culture from the perspectives of network relationships and interaction and hence to the research traditions of both marketing and management. As such, the work contributes to the discussion of how integrated relationships are created and managed.

1.2   Research question and aim

The need to understand how organizational culture matters during M&A and in project alliance forms the basis of this study. Together with the study setting acknowledging the intra- and inter-organizational contexts of the cases and the process view is here considered to be a grip wide enough to create a meaningful approach to the role of organizational culture. It is considered here that the

context and development of cultural issues are significant in determining the premises for the possible cultural fit or clashes in the first place, and as such they may help explain the role of organizational culture in a certain situation.

This grip enhances the nature of organizational culture as a phenomenon: its contextual nature and its path-dependent process where the history matters. Organizational culture is viewed here as a socially constructed, path-dependent and contextual phenomenon (see, e.g., Hofstede 2005), consisting of e.g., values, norms and beliefs that are shared (see, e.g., Schein 2004) or incompletely shared (see, e.g., Martin 2002). The attention here is on the cultural aspects of norms, values, beliefs and basic assumptions (Schein 2004).

Organizational culture tends to become visible and meaningful, especially during the transformational eras of organizations. Here, the temporarily integrated project organization—a project alliance—and the integration process of M&A are taken to be phases when the role of organizational culture is significant. By investigating this change process and identifying the various elements, phases and roles played during the process, more knowledge is gathered about the role of organizational culture and its manifestations throughout the transformation. How the process proceeds and how organizational culture is present in this process, is an identified research gap, and the focus of interest in this research.

Ergo, in order to answer the question of organizational culture's role during these change processes, two main issues are related to this topic that reflect themselves in the conceptual and theoretical frameworks of the study, as well as in the structure of this study report. Firstly, organizational culture is studied from a longitudinal path-dependent perspective and, secondly, from the perspective of co-operating cultures and the stakeholders. These issues also mirror the sub-questions of this multiple case study.

Research question:

What is the role of organizational culture in transformation?

The question is approached via two sub-questions:

1) How does organizational culture emerge in transformation?
2) How do cultural features of co-operating organizations support or hinder the integration?

In this study, answering the question of what role organizational culture plays is resolved by considering its impact on the organizational level in both intra- and inter-organizational environments. But as the conclusions are based on the interpretations of organization members, this study also reveals what organizational culture means to personnel.

The study aims to draw conclusions about the above-mentioned issues and their relationships in the context of the case organizations and, as a result, to provide further information and deeper understanding of how organizational culture interplays in the integration process of M&A in a certain kind of retailing company and during the construction project alliance.

1.3   Research strategy and design

Next, an overview of the theoretical standpoint and methodological choices of this study is given, along with the limitations stemming from, e.g., the chosen theme and study design. As the concept of both M&A and integrated projects, and especially the concept of organizational culture, has various interpretations, the key concepts used in this study are collected in Table 1 presented at the end of this chapter.

1.3.1 Theoretical standpoint

When trying to find a comprehensive framework to serve as an insight into a multifaceted matter, the easiest choice would be to choose one approach and stick to it. Still, as many disciplines lack traditions wide enough to build a base for a complex research question, a researcher needs to borrow from multiple traditions. This also goes for marketing, where no single tradition takes organizational or process aspects into consideration. Instead, there seem to be some traditions that offer explanations for organizational issues in reference to their contextual character i.e., governance structures and modes of organizing business (Kautto, Lindblom 2004; Mitronen 2002; Williamson 1985).

To achieve an understanding of a complex phenomenon, it might be necessary to develop approaches that include benefits from several ontologically different disciplines (e.g., Möller 1992). This borrowing between paradigms is by no means an easy task, as a researcher is supposed to be clear and coherent in their epistemological, ontological and methodological choices.

Organization theory and the various frames for describing change are logical directions in this search. In this study, organization theory lends its ideas about institutional change and organizational culture as a concept. It is integrated with the prevailing literature considering organizational culture in M&A and integrated projects and is reflected in the earlier substantive studies around this theme.

The perspective and ontological stance of this study most closely follows that of social constructivism (Berger, Luckman 1998; see also Lindblom 2006b), a kind of "middle range" approach between relativism and realism, where reality is interpreted to be socially constructed by individuals in interactions with other people. This socially constructed reality might form a quite sustainable world view of a certain group, which can, however, be influenced by other individuals.

In many studies, dealing with the question of organizational culture, an approach of either managerial/functionalist or interpretive/symbolic is adopted. Here, the role of organizational culture is approached mainly from a functionalist angle, but to widen the perspective, Martin's (2002) three-perspective theory is used as a

platform, acknowledging the path-dependent and contextual nature of organizational culture while at the same time leaving room for differentiated and fragmented views.

1.3.2   Methodological choices

In this study project a multiple case study approach is used to explain the role of organizational culture in a certain context. Because of their embedded nature, organizational culture studies have often taken the form of in-depth single case studies as the most efficient way to dive deep down into the premises of the case. Also, following the idea of social constructivism and the individual's being focused when interpreting reality, the qualitative research strategy was an obvious choice. The main part of the information was collected through in-depth interviews. The approach is abductive and iterative, emphasizing the interplay between theory and empirical evidence.

The first case study focuses on the years 2005 – 2011, an era of various profound changes in the case company: a merger, alterations in organizational structure, and a profound change in logistics organization. The aspect is clearly a retrospective one, with the focus being on five-year change period, but it also acknowledges the previous phases of the case company. The history of the company serves as a mirror to the focus period and reveals the path-dependent aspects in its organizational culture. As such, this study represents a longitudinal approach.

The data collection for the empirical material took place toward the end and after the change period. Empirical material is based mainly on 21 thematic, semi-structured interviews, along with content analysis of company documents and participant observation.

Case 2 focuses on the time period of 2015 – 2018. It covers the era of the development phase and the first years of implementation. The data collection took place in two waves in summer/autumn 2017 and spring 2018, and included 11 thematic, semi-structured interviews.

Analyzing strategies in both cases followed narrative and temporal bracketing (Langley 1999); narratives tells the story of the cases, and in using quotations, temporal bracketing determines distinctive phases of the data.

1.3.3   Limitations

Although a case study design is a strength in this kind of research, it simultaneously forms its most severe limitation. Hence, one should not overestimate the power of this study to support the results of other studies, and they should rely even less on the study to prove them. An effort has been made here to enhance the generalizability of similar kinds of environments by describing the contexts of these cases. However, the aim is not to generalize but to offer an answer to the research question in these situations.

The starting point of the study was to research the change processes in these particular case organization; thus, data were collected that concerned mostly the case organizations. Consequently, although the organizational culture of other parties in the integration is taken into account based on the gathered information as far as possible, the role of the organizational culture is mostly limited to reflect the perspective of the case organizations in question.

1.3.4   Key concepts

The definitions and main contents of the key concepts of this study are described in detail in Table 1. The reasoning behind these definitions is contemplated in more detail in chapter 2.

Table 1: Key concepts

THE ROLE OF ORGANIZATIONAL CULTURE IN TRANSFORMATION **TWO CASE STUDIES IN THE CONTEXT OF M&A AND PROJECT ALLIANCE**
ROLE – refers to the organizational culture's influence in transformation.
ORGANIZATIONAL CULTURE – Organizational culture is viewed here as a socially constructed, path-dependent and contextual phenomenon (e.g., Hofstede 2005) consisting of, e.g., values, norms and beliefs that are shared (see, e.g., Schein 2004) or incompletely shared (Martin 2002). The multiple perspective model of Martin (2002) is used to acknowledge the simultaneous manifestations of cultural integration, differentiation, and fragmentation. The attention is on values, norms, beliefs and basic assumptions (Schein 2004). The above definition is built to serve this research and is based on the definitions of organizational culture discussed in chapter 2.
M&A – Mergers and acquisitions is a general term referring to any combination of organizations initiated by different types of contractual arrangements (Søderberg, Vaara 2003). In connection to this case study, M&A refers to a situation where two companies merged their business operations and a third invested in the new company thus formed. As the latter actor later took controlling interest in the company, it is called the acquirer (see e.g. Sarala 2010). The whole integration era following the M&A agreement refers to the "during M&A period/phase/era/stage".
PROJECT ALLIANCE (PA) – a project delivery model that is based on open, relational multiparty contracting, transparent information, mutual risk and profit sharing, and common targets between the actors, who are encouraged to work as an integrated team (i.e., Aapaoja, Suvanto, Haapasalo 2012; Lahdenperä 2012, 2017; Walker et al. 2013).

1.4   Structure of the research

Organizational culture in M&A and during project alliance is the theoretical platform of this study, and the relevant literature concerning it forms the main contents of chapter 2. But as transformation in organizations is the main phenomenon here, the next chapter starts with a description of transforming the structures and relationships of organizations. Also, the empirical context of

retailing and construction businesses and how to model change related to this study has been contemplated in the next chapter.

Chapter 3 goes back to the research strategy, methodology choices and qualitative issues of this study in more detail. Chapters 4 and 5 describe the study cases and the lessons gained from each of them. Finally, in Chapter 6, the main results and both the theoretical and practical implications are discussed.

2. THEORETICAL UNDERPINNINGS

In this chapter the theoretical basis of the study is discussed. The role of theory in qualitative studies of culture is said to be somewhat informal, regarded as a framework for analysis (Alasuutari 1996). Here the research literature is used primarily as suggested by Alasuutari, as a frame for analysis. Moreover, the literature review is elementary in defining the concepts of this study. The theoretical perspectives and literature referred to in this study are illustrated in Figure 1.
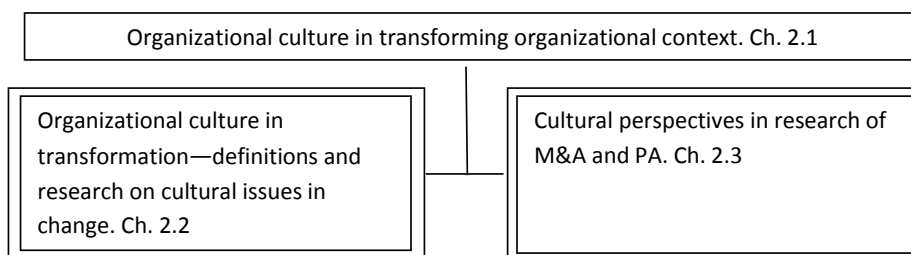
Figure 1: The theoretical perspectives and literature referred to in this research

Cultural issues are likely to become visible when the organizational context changes. Mergers and acquisitions are quite a common trigger for reorganization nowadays, but the variety of ways to interact among organizations by and large is also continuously moving and challenging the research as well (i.e., Powell 2001; Vargo, Lusch 2004; Möller 2010; Webster 1992). The first part of this chapter illustrates the changing interactions in relationships especially, in relation to M&As and integrated project organizations and research streams on these areas.

Organizational culture as a concept is interpreted in the literature in multiple ways. Hence, the concept of organizational culture and how to determine it in this study are the focus of the second chapter. Moreover, the emphasis is on the issues of change and context in relation to organizational culture and how these themes are taken into consideration when approaching the research questions.

Finally, the last chapter combines the cultural perspective to the research of M&As and project alliances (PA) as a context and scene of this study.

2.1   Transforming organizational context

The changing center of gravity from tangible goods toward intangible resources has also reflected to the organizing of business and to research streams in marketing discipline. According to Vargo and Lusch (2004), the dominant logic in marketing focuses on services, intangibility, exchange processes and relationships. Möller and Halinen (2000) point out that, besides market-based, consumer-oriented relationship-marketing theory, there is also a network-based, more interorganizational-oriented relationship theory. The focus of interest in the interaction and network tradition include, i.e., aiming to understand how relationships develop and the evolving of nets of relationships between the actors.

The knowledge of context and history are relevant in forming a deeper understanding of relationship-based interaction, with trust and commitment as key concepts (Möller, Halinen 2000). Even a more complicated new form of organizing is the emergence of new business fields, where diverse networks of, i.e., suppliers, consumers, media, political agents etc. interlink together to complex collaborative networks (Möller 2010). Next, this shift is contemplated especially from an interaction perspective and is related to M&A and project alliances.

2.1.1   Shifting organizational palette

In recent decades, there has been a trend toward more flexible organization structures, emphasizing collaboration between the organizations and teamwork. Being in the front line of development and answering quickly to changes in technology and customer needs demands pliant cooperation of specialists from various fields. (Miles, Snow, Mathews, Miles, Coleman 1997; Snow, Fjeldstad, Lettl, Miles 2011; Webster 1992).

The interaction perspective (Webster 1992) illustrates how, besides the traditional market-based transactions or hierarchies, the exchange process is organized through various kinds of relationship-based organizations, from long-term business relationships to strategic alliances and network organizations (Figure 2).
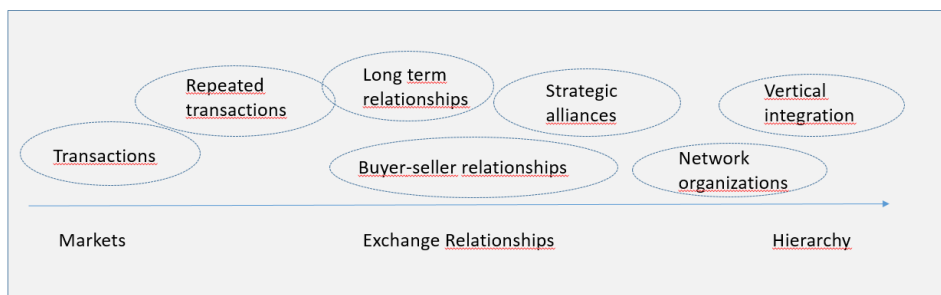
Figure 2: The interaction perspective (Webster 1992)

Between the pure market-based transactions and the owner power-based vertical integration lies the relationships-based types of exchange, labeled by mutual resource dependence, the need for an open change of information founded in trust, and cooperation that seeks unanimity by negotiating (Lindblom 2003; Möller, Wilson 1995; Toivonen 2000; Webster 1992).

The first case in this study describes the transformation triggered by an M&A, which, in relation to Webster's (1992) frame, would be interpreted here as a resemblance of the formation of a long-term relationship by a certain type of strategic alliance—a joint venture—as the intention of strategic alliance is to move all partners toward a long-term strategic goal and to change the company's competitive position. Also, in the first study case, one of the main targets behind the M&A deed was to gain more power in exchange relationships.

The context of the second case—a temporary, inter-organizational project alliance—would also reflect a strategic alliance in Webster's frame (1992), but one with a finite life by definition. A separate entity is created, which aims, for

instance, to implement a construction project. As in strategic alliances, project alliances also have shared objectives and mutual commitment. Project alliances, however, contain some features that are typical of network organizations, which could include a bunch of looser cooperation relationships with many strategic partners (Webster 1992); this, is often the case in project alliance, apart from the core arrangement with the main partners, which is to deliver a specific project.

A new organizational structure and relationship—whether the change is caused by forming a joint venture through, i.e., M&A, or by adopting new ways of cooperating with other organizations, or by emerging of entirely new business fields—is a new environment to all counterparts. The increased organizational and technological complexity, together with differences in cultural orientation, challenges the sense-making abilities of actors during these changes, which is especially visible in new network forms (Möller 2010). In complex circumstances, the actor's learning culture is instrumental in shaping the sense-making capability and vice versa; the sense-making capability entails the capacity to learn and receive new knowledge and ideas (Möller 2010), which is one focus point when striving to understand the success or failure in a changing cooperation environment.

Today, when knowledge and competences are an appropriate unit of exchange (Vargo, Lusch 2004), the challenge is how human capabilities flourish during the transformation, enabling, i.e., the realization of synergies and the promises of new technology.

2.1.2 Various research streams in M&A and PA

The popularity of M&A as a strategic option for companies to gain competitive advantage has not shown signs of diminishing, despite the fact that, at best, only half of all mergers and acquisitions could be evaluated to have reached their target, at least from a financial point of view (e.g., Cartwright, Cooper 1990, 1993; Datta 1991; Dauber 2012; Papadakis 2010; Weber, Tarba 2012). On the contrary, according to Angwin and Vaara (2005), due to widespread regulation, privatization of industries and the opening of economies to foreign ownership, the territories touched by M&A are expanding.

Mergers and acquisitions are associated with high expectations, the main motives stemming from gaining access to new markets, creating a stronger presence in markets or acquiring new capabilities (Birkinshaw, Bresman, Håkanson 2000). One of the primary reasons for M&A is synergy expectations (Weber 1996). Combining the operations of various organizations is often justified by increasing efficiency through economies of scale.

However, the results are quite inconclusive and inconsistent in the literature, whether they concern performance or factors that influence post-mergers and acquisitions performance (Dauber 2012; Ismail, Abdou, Annis 2011; Teerikangas, Véry 2006; Weber, Tarba 2012).

One source for this inconsistency could be the fact that although "M&A" has been a popular research target since the 1980s, the term is still often quite loosely defined. The term "merger" can refer to any combination of organizations initiated by different types of contractual arrangements (Sarala 2010; Søderberg, Vaara 2003); it can also refer to a combination of organizations that are rather similar in size, creating an organization where neither party can clearly be seen as the acquirer (Søderberg, Vaara 2003).

Due to its quite general and loose definition, many researchers have ended up providing case-by-case definitions of what they mean by M&A, the kind of M&A they are specifically interested in or which phase of M&A they study. M&A could be classified, e.g., according to their geographical scope (national/international) or by how actions are combined (horizontal/vertical). One typical way to refine the scope of a study is to concentrate on a certain phase during the M&A process: coarsely to the pre-acquisition or post-acquisition phase.

Pre-acquisition issues, for instance, concern factors behind the decision-making process. Judging from the high failure rates, synergies possible to achieve must be overvalued and/or the investment—whether money or time—is underestimated. Although the "official" justification for M&A is grounded in rational, strategic and economical reasoning, there are psychological factors as well. After long negotiations, management is inclined to conclude in agreement (Jemison, Sitkin 1986). A lot of effort is already placed on planning an M&A, resulting in increased emotional engagement. Besides the time spent by management in negotiations,

investments in the premerger phase are typically quite high due to the common process of employing a wide range of expensive consultants and lawyers in the situation.

However, it seems that the focus of studies has moved from pre-acquisition questions to research of the post-acquisition phase. The integration process refers to the post-acquisition phase when, through task and human integration, two companies are brought together. Task integration aims to generate synergy from value-adding activities, whereas the goal of human integration is shared identity and satisfaction. (Birkinshaw et al. 2000).

Besides the above-mentioned ways to categorize M&A research, several fragmented research streams have been identified. Haspeslagh and Jemison (1991) divide the various research streams into financial, strategic management, organizational behavior and the process of creating value after the acquisition. Financial and strategic management streams concentrate on research issues in relation to the market: organizational behavior and the process perspective in relation to people. Organizational behavior includes issues concerning the impact of M&A on individuals and organizational culture. The focus of the process perspective is on the actions of management during integration.

Vaara (2003) categorizes the research of M&As into the three themes of strategically oriented studies, human resource-oriented studies and research adopting the cultural perspective. Larsson and Finkelstein (1999) represent academic bridge builders attempting to integrate theoretical perspectives in order to see the big picture. Their conceptual framework combines economics, finance, strategy, organization theory and human resource management approaches, indicating that organizational integration is the single most important factor in explaining the realization of synergy.

Along with the sense-making perspective, discourse analysis, longitudinal research and ethnographical studies, Angwin and Vaara (2005) see a future of further development in cognitive analysis and the affective side of M&A. There is a need to connect M&A processes and practices with the other processes in merging units and their environment and, in the future, to place more attention on emotions, power games and political issues during M&A (Angwin, Vaara

27

2005). The challenges are quite similar to the situations in project organizations and strategic alliances.

2.1.3   Research on construction project alliances

The shift from transaction-based relationships to interactive ones also has its counterpart in the construction field, where relational delivery modes have started to replace transaction-based, fixed contracts (Chen et al. 2012; Lahdenperä 2012). The development is evident in the field of construction, which is recognized as being project-based and is characterized by inter-organizational teamwork (Fong, Lung 2007; Keung, Shen 2013).

Collaborative and cooperative project agreements now commonly answer the call to collect dispersed, specialized knowledge in flexible development or implementation challenges, and they resist the opportunism inherent in traditional agreements (Laan et al 2011; Lahdenperä 2012). Productivity in the construction field, which is low compared to other major fields of industry and often fails to meet the economic expectations (Chen et al. 2012; Pekuri, Haapasalo, Herrala 2011; Lahdenperä 2012; Lichting 2006), no doubt also accelerates this development.

In recent decades, various relational delivery modes have emerged to fill this gap (Chen, Zhang, Xie, Jin 2012; Lahdenperä 2012). In the construction industry, collaborative relational projects have many forms and concepts, from integrated project delivery (see i.e., Fischer, Reed, Khanzode, Ashcraft 2014; Matthews, Howell 2005) (especially in the USA) and project alliance (PA) (developed in England and Australia) to project partnering (Chen et al. 2012; Lahdenperä 2012). Project partnering resembles alliancing, but the main difference is said to be the contractual basis of project alliance. Chen et al. (2012) describe alliances to include two hard elements of formal contract and real gain-share/pain-share arrangements. Besides those hard elements, alliancing includes three soft elements of: trust, long-term commitment, cooperation and communication. Partnering instead is based mainly on the soft element of trust and mutual understanding.

Although these various concepts and definitions have their differences, described i.e., by the scope of cooperation and integration (see, i.e., Lahdenperä 2012), they also have much in common. The relational project delivery integrates actors from several entities around a common goal and shares information as well as joint practices in a temporary organization. Also, in project alliance literature, project partnering is sometimes assimilated to project alliances.

In the bibliography of Chen et al. (2012), three major themes in project alliance literature were identified: motivations to use alliancing, alliancing features and principles and alliancing benefits. Although the human perspective in managing the projects with shared information and practices is bound to be relevant, the focus of the research has mainly been on technical and contractual issues (Chen et al. 2012; Lahdenperä 2012; Matthews, Howell 2005), plus performance and success (Aapaoja 2014; Fong, Kwok 2009; Keung, Shen 2013; Walker et al. 2013). Nowadays, social and relational issues have also raised interest (Laan et al. 2011).

The latest research literature in this area reveals the questions of organizing the work, with the supply chain efficiently being the focus, combined with the tools digitalization offers to streamline the processes (e.g., Nasir, Genovese, Acquaye, Koh, Yamoah 2017). Digitalization is triggering changes (Castagnino, Rothballer, Gerbert 2016) and is also one factor behind the success of new organizational forms that exploit the opportunities of open, "integrated information" (Fisher et al. 2014). Also, sustainability combined with digitalization has risen in popularity lately among research themes in this field (e.g., Alwan, Jones, Holgate 2017; Mallick, Radzicki 2016). Lahdenperä (2017) has strived to form a holistic picture by mapping the features of PA contributing to the success of this particular form of delivering a construction project.

In this study, the term "project alliance" (PA) is used to describe a temporary, inter-organizational relationship and organization, which forms the context of the empirical case. It is also the term that this case project uses for itself. Project alliance is a project delivery model based on open, relational multiparty contracting, transparent information, mutual risk and profit sharing and common targets between the actors who are encouraged to work as an integrated team

(i.e., Aapaoja, Suvanto, Haapasalo 2012; Lahdenperä 2012, 2017; Walker et al. 2013).

Respectively, the term "organizational culture" is used when referring to the culture of a certain integrated project organization as well as the original organizations forming the new entity.

Project alliance—a process and stakeholders

The process of project alliance includes phases like formation phase, in which the alliance partners are selected, the design phase, which includes making decisions about the governance structure, and the post-formation management phase. Management issues and implementation skills needed in the after-formation phase, like task coordination, information sharing, and conflict resolution have been less researched. (Schreiner et al. 2009.) In Lahdenperä's research (2017), the process is also divided into three phases of selection, development and implementation. In the selection phase, the project organization, which typically include representatives of the project owner, contractor and designer, is formed. However, as the project alliance is often used in large-scale operations, the decision to enter into an alliance project by the project owner might demand a long strategic phase before even opening the alliance procurement.

Project organization is formed based on the actual tendering documentation; but especially in the case of project alliances, also capability-based competition, including workshops with various tasks i.e., measuring the co-operation abilities and the psychologist's statement, is a vital selection criterion. Competing teams are often already collected beforehand by the service providers. (Lahdenperä 2017.)

In the development phase the winning team plans the project in detail. Besides the actual agreement including budget, timetable, rewards system and other formal principles for the project, cultural issues are also on the table here. How the development phase is followed through also reflects the operating culture of the implementation phase. Trust and mutual respect supported by joint work and open communication are valued, and smooth collaboration is actually the only way the bottom line can be improved (Lahdenperä 2017).

The plans and principles determined in the earlier phases are then tested during the implementation phase. One of the most important key factors guiding the implementation is the joint bearing of risks (Lahdenperä 2017). This is one of the most powerful features dividing project alliance from other types of project contracts, and it is a factor designed to reduce the risk of sub optimization.

This study mainly emphasizes and follows the post-formation phase—the implementation and management of the project after it is up and running, where the role of emerging organizational culture is becoming visible. But as the cultural features also have their origins in contractual agreements, selected partnering organizations and the design of the alliance project, these earlier phases are taken into consideration, when evaluating the features of organizational culture in the project.

Quite often, however, the whole project alliance takes years and is formed from many successive and interrelated projects. Also, it might cover only part of the whole construction project, also including phases and parts managed using other kinds of contractual agreements. In this respect, managing the project is near the concept of program management (Chen et al. 2012).

Programs are characterized consisting of a set of interrelated projects with the overarching goal of focusing on integration management concerning project-to-project and project-to-organization interfaces (Turkulainen, Ruuska, Brady, Artto 2014). Actually, when considering the whole project from the first ideas until it is finalized and taking into account all stakeholders influencing a project alliance in one way or other, especially large-scale project alliances form a complex collaborative network (see Möller 2010), reaching beyond the actual inter-organizational co-operation to encompass a broader society. Besides alliance partners, actors influencing a PA might include subcontractors, media, public authorities and political agents, citizens, consultants and researchers, and the companies are also active in the area under construction, etc.

This also applies to the situation in the case study, which was already planned years before entering into implementation and which included a variety of stakeholders and subprojects. The terms used to describe the phases of the project in this study are called the strategic phase, selection phase, development

phase and implementation phase, plus the warranty period, reflecting the terms used in the actual case project.

2.2   Concepts of organizational culture

Culture as an organizational phenomenon started to interest researchers more widely in the 1970s, and the golden era of cultural study seems to have been around 1980 – 1990, when the concepts and paradigms as a whole developed and matured (e.g., Hofstede, Neuijen, Ohayv, Sanders 1990; Schein 2004). In this millennium there has been a rebirth in the research of cultural issues due to globalization and structural changes in certain industries, among other things. How organizational culture varies in different countries, even inside the same globalized company, or how to best survive and improve a company's effectiveness in times of mergers have been popular themes in recent years.

Despite the popularity of cultural studies—or because of it—the definitions of organizational culture vary. As a phenomenon, organizational culture includes many possible perspectives to focus on; the definitions of the concepts and the focus points of this study are discussed.

2.2.1   Defining organizational culture in and between the organizations

Organizational culture, or corporate culture as it is often referred to in management literature, is classically defined the collection of relatively uniform and enduring values, beliefs, customs, traditions and practices shared by an organization's members, learned by new recruits, and transmitted from one generation of employees to the next (cf. Haczynski, Buchanan 2004; Hofstede et al. 1990; Schein 2004, 2009).

Organizational culture as a collective phenomenon is defined as socially constructed and learned through complicated organizational learning processes (Hofstede 1991, 2005; Schein 2004, 2009; Senge 2006). Interpretation is done through the subjectivity of an individual, but the individual's social context

always affects the interpretations and perceptions of reality (Berger, Luckmann 1998). Individuals transfer cultural information within and between organizations. Still, the perceptions of a group tend to be quite persistent and continue to guide the group's activities, even when the individuals in the group change (Lindblom 2006b; Schein 2004). Schein states that the meaning of organizational culture for a group is equivalent to the meaning of the personality or character of an individual (Schein 2004).

In the first classic definition the path-dependent nature of organizational culture is visible. The second underlines the meaning of social context. Besides path dependency and the social context of organizational culture, the intra-organizational context as a whole is also taken to be relevant when determining the role of organizational culture in a certain environment.

Organizational culture is traditionally referred to as the culture in a certain organizational entity. Today, however, work is often done through temporary projects that unite personnel from various companies and organizations. Also, in cultural studies, other terms are used to refer to the specific temporal nature of the context studied, like the culture of collaboration (Sutton, Shouse 2016; Smith 2012) and collaborative culture (Sanchez 2012). Still, in most cases, the term used is organizational culture, corporate culture or just culture, although the focus might be especially on the collaboration of diverse actors.

These definitions are by no means the only ones or an exhaustive list, as the concept of organizational culture has been a source for several, perhaps controversial, disciplinary discussions about the right way to approach this phenomenon and define it (Martin 2002).

The dispersed field of cultural studies demands pragmatic analysis and conceptual categorization. One main watershed from the conceptual point of view is whether culture is considered to be a variable or a root metaphor (Martin 2002; Smircich 1983). The distinction respectively reflects the idea of determinist and voluntary assumptions about human nature. Defining organizational culture as a variable relates with strong determinist ideas of how behavior in organizations is formed and managed, and as such, it represents the category of the functionalist paradigm in Burrell and Morgan's (1979) paradigmatic matrix of organizational

theory. This quite positivist perspective includes the idea of organizational culture forming an integrated picture of the behavioral norms of a company (Martin 2002; Smircich 1983). Most studies accentuate the shared meaning and posit the notion of culture to be a shared or consensus-based system (Harris, Ogbonna 1998).

From a strictly relativist point of view, the existence of a uniform organizational culture as a whole has been questioned, not to mention its manageability (Grey 2005; Martin 2002; Smircich 1983). Culture as a root metaphor emphasizes the role of each individual in the social construction process of culture and would relate to the interpretive paradigm in Burrell and Morgan's matrix (1979), considering an individual to be a subject instead of an object (e.g., Vaara 2003; Vaara, Tienari 2002; Vaara, Tienari, Björkman 2003). Ogbonna and Wilkinson (2003) have stated the element of convergence to be emerging, and organizational culture to be commonly conceptualized as dynamic, multifaceted and layered.

Integration, differentiation, fragmentation: a three-perspective theory

The confusing boundaries and concepts in the field of cultural studies have led many researchers to define their own concepts (Harris, Ogbonna 1998; Hatch 1993), and attempts have been made to categorize the studies in order to find joint underpinnings and common traits in research traditions. Martin (2002) has contributed to this dilemma by describing and categorizing the analytical frames used in cultural studies.

Martin (2002) introduces three distinct perspectives or categories in cultural studies and, moreover, a perspective that includes all three simultaneously. The three single perspectives are integration, differentiation and fragmentation, and the fourth perspective is the three-perspective theory of culture, which combines these distinctive lands onto one continent. Integration clearly represents the mainstream—a functionalist or managerial approach—whereas fragmentation gives an alternative, critical view. In differentiation, there seems to be a little bit of both integration and fragmentation, and it acknowledges the existence of

subcultures. Integration resonates best with Smircich's (1983) definition of culture as a variable theme, whereas fragmentation best includes the idea of voluntarism and the substance of culture as a root metaphor theme, a more symbolic and interpretive approach.

Martin (2002) explains the integration perspective as seeing commonalities in organizational cultures. With an emphasis on harmony and homogeneity, this perspective is seen to be the top managerial view of culture, seeking efficient culture and interpreting deviations from consistency, consensus and clarity as a problem. A totally integrated culture is not to be found in real life, nor does the integration perspective assume total unanimity, but it states that, on some level, there are elements that unify personnel.

The differentiation perspective in Martin's (2002) analyses, then, focuses on cultural manifestations with an inconsistent interpretation and acknowledges subcultures. It underlines conflicting opposites, like rational/emotional, or differing notions, e.g., in various roles or departments of an organization. Fragmentation is the most difficult perspective to grasp as it focuses on ambiguity. It moves beyond the clear consistencies of the integration and differentiation views. There are multiple views of most issues, and those are constantly in flux. This worldview is full of paradoxes, shades of gray representing a postmodern style of thinking. Fragmentation is also said to be normal in the post-acquisition phases.

According to Martin (2002), single perspectives of cultural issues have their limitations. Alas, in this thesis, a three-perspective theory is used, leaving more room for interpreting and abductive reasoning and inhibiting too narrow an understanding of culture.

Martin's three-perspective approach to cultural questions is appreciated as this approach exposes potential fragmented views about the same events and their meanings in an organization's life. Moreover, using a three-perspective theory in a single point of time also offers a view of changing patterns of culture as a function of time. According to Martin (2002), a good study of cultural issues, in addition to those three perspectives, would also include, materialist and idealist

concerns, would examine the broadest possible range of cultural manifestations and would view any claim of cultural uniqueness as an empirical question.

Although shared cultural premises might have the most power or their impact might be easiest to see, one is not to undermine the influence that the interpretations of a single individual have in change situations and the meaning that organizational culture has for an individual.

Levels and elements of organizational culture

Hofstede and Schein have brought the elements and levels of culture into the discussion. In the so-called Hofstede's onion model, the layers consist of symbols, heroes and rituals, with values at the most inner core. These elements can be perceived, e.g., as existing practices and established ways of thinking in organizations. (Hofstede 1991, 2005; Hofstede et al. 1990). In Schein's model (2004, 2009), the upper-most visible level is called "artifacts", and the second level consists of espoused beliefs and values. Expressed values might or might not have counterparts with the real living values of an organization, which are actually a part of organizational culture. The core of organizational culture relates to the third, deepest level of basic assumptions, which consists of unconscious but obvious beliefs and perceptions, feelings and thoughts.

In Schein's model, values shape the priorities toward the most valued outcomes or behavior. Norms relate to how to behave and achieve outcomes, and basic assumptions relate to shared understandings behind the behavior. The basic assumptions upon which organizational culture is built in the first place and why the priorities and norms are like they are, form the basis for understanding organizations in transformation.

The definition of organizational culture in this study lies between the categories of integrated and fragmented views and the functionalist and symbolic approach (Martin 2002). Organizational culture is viewed here as a socially constructed, path-dependent and contextual phenomenon (see, e.g., Hofstede), consisting of, e.g., values, norms and beliefs that are shared (see, e.g., Schein 2004) or incompletely shared (see, e.g., Martin 2002).

The multiple perspective model of Martin (2002) is used to acknowledge the simultaneous manifestations of cultural integration, differentiation, and fragmentation. The attention is on values, norms, beliefs and basic assumptions (Schein 2004).

2.2.2 Organizational culture in change

Organizational culture tends to become visible and meaningful, especially during transformational eras of organizations. Organizational culture does not, however, receive the changes without cultural clues, suitable structures and processes, and it typically demands a radical transformation to proceed. (Halinen, Salmi, Havila 1999; Partanen 2001). The process also works the other way around; the requisite for change can be a reformation of the essence of organizational culture, and organizational culture, which has a major impact on how the learning process advances during the transformative phases of an organization (Partanen 2001; Senge 2006).

Learning reforms and reinforces culture. Cultural features form a deep learning cycle that influences cultural bases, i.e., "the way things are" and changing the pattern would require an ultimate act of leadership (Schein 2009; Senge 2006). By highlighting the development of organizational culture as an outcome of a collective learning process, the path-dependent nature of organizational culture is elicited. Cultural learning is considered an essential part of the socialization process of each member in organizations (Partanen 2001). However, learning has its pitfalls, as this institutional process diminishes the organization's propensity for quick changes, and cultural transformation is only achieved through crises against basic assumptions and core values (Nonaka, Takeuchi 1995; Partanen 2001).

Events triggering changes that have the power to reach the deep structures of an organization are called critical events (Halinen, Salmi, Havila 1999). Cultural inertia refers to an organization's tendency to maintain its deep structure and resist new habits (Halinen et al. 1999; Van de Ven, Poole 1995). A quite natural explanation of inertia could be that a system might benefit from stability (Gersick

1991). Playing according to the rules of the deep structure is something the system is skilled in, and if the organizations' strategic orientations are consistent with internal and external environmental demands, business as usual is probably the most favorable thing to do (Partanen 2001).

The role of organizational culture in changes

Reflected by the term "inertia," it is implied that the power of organizational culture mostly complicates or hinders changes. Actually, in earlier research, the notion of organizational culture seemed to be used mainly to explain permanence, but nowadays, its role is seen to be more versatile (Latta 2009; Teerikangas, Véry 2006).

Latta (2009) states that the tacit elements of culture may facilitate or create resistance to change if not given attention. This relates to the strategic management ideas of transformational leadership (e.g., Tichy, Devanna 1986, 1990), with the deviation that culture in this context is seen something that, when understood in the right way, can aid change agents in anticipating the impact of organizational culture at every stage. Hence, organizational culture is seen as a possible source of support for change.

This altering role of organizational culture is the focus of this research. The concept of critical events is used to mark the most important points or changes (e.g., Gersick 1991; Halinen et al. 1999). The role (or roles) of organizational culture during identified phases are evaluated by reflecting how culture is referred to by informants. Does it seem to align with the change, or is the targeted change challenged by the culture? Being in line would indicate that the prevailing culture has a supportive role in transformation. In other cases, the cultural features might complicate or hinder the change. But the interest is not merely on whether the role seems to be, e.g., hindering or supporting but on how cultural features are interpreted to be present during various phases.

In view of the three-perspective theory of Martin (2002), there are also other options besides the hindering and supportive roles. In the world of differentiated or fragmented views, there would perhaps be no common role, which means that

the aim to understand the possible impact of organizational culture becomes even more challenging.

2.3   Cultural perspectives in M&A and PA

The discussion about the cultural issues concerning the success of integrated projects and project alliances as a whole is rather rare. However, the leadership and co-operation in integrated projects are clearly noted to be quite different from the traditional ones. And when talking about the actual working modes during the projects, the cultural issues surface in discourse.

M&A can be quite a deep and demanding change process for the whole organization, triggering various kinds of organizational culture- and identity-building processes (Vaara, Tienari, Säntti 2003). Hence, how to describe and understand this change and the progression of an integration process is an elementary part of aiming to understand the role organizational culture has in M&A.

The cultural perspective has become a dominant paradigm in studies of M&A integration (Angwin, Vaara 2005). The importance of culture as a research target, especially related to M&A, is a sum of its supposed significant effect on the outcome of M&A, while at the time being a phenomenon that is hard to understand and manipulate. As the research area has matured over the years, qualitative studies have outnumbered quantitative studies, and there has been a shift from the positivist approach to a more interpretive and heuristic perspective. A common study design is a single case study at the organizational level.

The latest approach to cultural issues is via ethnographical studies and/or discursive analysis (e.g., Riad 2007; Riad, Vaara 2011; Tienari, Vaara, Björkman 2003; Zueva-Owens, Fotaki, Ghauri 2012). Culture is linked with language and forms a natural source for the discursive perspective. In the sense-making approach, the focus is on how people make sense and build their identities during turbulent times, with organizational culture having a significant role in the identity building of individuals (Riad, Vaara 2011; Vaara, Tienari 2002; Vaara,

Tienari, Säntti 2003). The dominance of one culture causes acculturative stress for individuals (Véry, Lubatkin, Calori 1996).

2.3.1 Organizational and cultural fit

The ingredients of a perfect fit in M&A is something that many researchers, and even more managers, would appreciate to know and master. The question of organizational and cultural fit was among the first culturally oriented views in studies of M&A. Datta (1991) studied the importance of organizational fit in terms of management styles and, as a result, stated that different management styles had a negative impact on acquisition performance. Typically, the acquiring firm's management imposed their management style on the acquired firm. Cartwright and Cooper (1993) suggested paying attention to the type of culture and the merger represented to determine if integration or cultural change are likely to have a chance to success in the first place. In other words, do the cultures fit?

Cultural "fit" refers to the compatibility of organizational cultures. To measure the fit, one should be able to define the cultural differences separating the two companies and forecast how they relate to each other (Bower 2001; Sarala 2010; Stahl, Voigt 2008; Weber 1996; Weber, Tarba 2012). The importance of selecting the right partners, resembling the idea of cultural fit (Schreiner et al. 2009), and factors necessary for the teams and projects to succeed has also been attracting attention in the research of construction projects (Aapaoja 2014; Aapaoja et al. 2013; Fong, Lung 2007; Ibrahim, Costello, Wilkinsson 2017). Sarala (2010) argues that the likelihood of conflict increases due to cultural differences and organizational cultural preservation, whereas partner attractiveness reduces the conflict.

But measuring and defining differences, and whether it is even possible to define organizational culture in the first place, are actually fundamental questions separating researchers in this field. Weber (1996) was one of the early advocates of cultural fit assessments, presenting a framework for practitioners to conduct a better corporate culture assessment during all stages of M&A (Weber, Tarba 2012). Stahl and Voigt (2008) indicate that, although most scholars and executives intuitively sense that cultural differences matter in M&A, the questions

of when, under what conditions, and how they matter are not sufficiently understood, despite the attention given toward this topic for decades.

Dauber (2012) explains the inconsistent findings by considering culture, integration and performance to be a result of unclear definitions when referring to integration or M&A success, in addition to mixed levels of analysis. Following the ideas of Jemison and Sitkin (1986) stating that strategic and/or organizational fit are factors behind the outcomes of acquisition, Dauber argues that strategic fit is a necessary prerequisite, but cultural fit is needed to realize the synergies resulting from the strategic fit. This turns the focus toward the post-M&A phase, an era where cultural differences influence performance in practice.

2.3.2   Integration process in M&A

Combining cultures, especially during the M&A integration process, can be a major challenge and a situation where cultural features become visible. It is the integration phase that determines whether the anticipated benefits are realized, and possible social problems created (Birkinshaw et al. 2000; Björkman, Stahl, Vaara 2007; Haspeslagh, Jemison 1991; Søderberg, Vaara 2003).

Cultural differences can indeed create major obstacles in achieving integration benefits as they affect sociocultural integration, synergy realization and shareholder value (Stahl, Voigt 2008). Cartwright and Cooper (1993) state that successful integration demands that both partners perceive the other culture as attractive and worth preserving. In addition to perceptions of the dominant culture's attractiveness, the willingness of employees to abandon their old culture is also a vital determinant of a successful integration program.

Jemison and Sitkin (1986) were among the early pioneers representing the process approach, focusing on the various impediments present in the integration process itself and their possible effect on acquisition outcomes. They state that if cultural questions are not given enough attention during the first phase, the sociocultural integration tasks and outcome of the whole integration process will probably have less chance to succeed than otherwise. And, 25 years later in 2011, Whitaker's dissertation considers the very same question of inadequate attention

placed by the management team on cultural issues. Nevertheless, as Cartwright and Cooper (1993) point out, high cultural awareness as such does not ensure successful integration. Also, merging parties as individuals should accept the terms of integration.

Parent firm arrogance can arise from three forms of organizational chauvinism, namely, interpersonal arrogance, cultural arrogance and managerial arrogance; it is also stated to be a force leading to the misapplication of management systems (Jemison, Sitkin 1986). Later, the issue of arrogance was discussed by Cartwright and Cooper (1993), who interpreted arrogance as the inability of the parent firm or dominant partner to value the ingredients of the organizational culture of the other party. As a whole, the manner in which the merger process is led has been signaled to have a significant impact on how the individuals accept changes during the M&A (e.g., Datta 1991; Kavanagh, Ashkanasy 2006).

Stahl and Voigt (2008) suggest that the black box of M&A integration be opened. By investigating the very process itself, the role of organizational culture and how cultural differences affect the integration process could be answered. However, it is by no means an easy task to accomplish as M&A are not alike; for instance, their different strategic intent influences the implications of the integration process (Bower 2001).

The objective to open the integration process also inspired Teerikangas, Véry and Pisano (2011) in their article about integration managers' roles. Their approach answers the demand for examining practical managerial maneuvers during the integration process. In relation to cultural issues, this perspective emphasizes the cultural carrier role of the integration manager and his/her role as a "know-how respecter." People representing different sides tend to value their familiar ways and be suspicious of others' (Vaara, Tienari, Björkman 2003). Pressure toward the prevailing culture is an evident source of acculturative stress for individuals and, according to Véry, Lubatkin, Calori (1996), it influences the outcome of M&A.

An integration manager has the ability to help the acquired firm shift gradually toward the buying firm's organizational culture—if that is the target. Besides the integration manager's role, HR could also have a more active role in preparing

and helping the organization adapt to the organizational transition (Marks, Mirvis 2011; Marks, Vansteenkiste 2008).

Literature on organizational culture in M&A mostly points to the possible difficulties during the integration process. It is important to remember that there could be several conflicting subcultures that each play a role in the complex process of post-acquisition integration. However, Björkman et al. (2007) propose that cultural differences can be both an asset and a liability. By using an appropriate social integration mechanism, the extent of interunit capability transfer can be increased. Turning the attention toward the human side of the integration process (social integration) instead of today's quite strong task integration focus, much more of the original value of the merging companies can be maintained. This also challenges the training of managers to help them deal with change during M&A (Appelbaum, Lefrancois, Tonna, Shapiro 2007).

Drori, Wrzesniewski and Ellis (2011) addressed the role of culture in M&A, studying the idea of the mergers of equals. They end up stating that equality can facilitate the creation of a new culture by mutually appreciating the original cultures, and in this way, the ethos of equality may enable a smoother integration process. Here, they also refer to the work of Vaara and Tienari (2002), affirming that a multifaceted cultural repertoire can be useful later in the new entity's life.

Shared knowledge and beliefs form a solid ground to enhance task integration, but Dao, Bauer, Strobl, Matzler, Eulerich (2016) state that this could be a double-edged sword if human integration is not simultaneously paid enough attention. Also, organizational trust is an important asset as it can transfer to interpersonal trust, which is crucial when evaluating the other party's positive intentions. Respectively, organizational distrust can influence interpersonal distrust, causing feeling of psychological contract violation and experiences of disappointment, resentment and perceived unfairness. (Yan, Zhu 2013.)

A deeper understanding of the integration process and active measures during the process with a respectful attitude would be an obvious message in a nutshell for managers when striving to turn possible cultural clashes into a source of synergy. Besides studying the post-M&A decision process and management

during the integration phase, research on the individual level is also needed to enhance the understanding of the role of organizational culture during M&A.

2.3.3   Managing project alliances—a cultural point of view

Although the number of strategic alliances in construction projects has already reached 40 in Finland (Saarinen 2016), the discussion of the cultural issues concerning the success of these kinds of projects has risen only lately (Lahdenperä 2012; Aapaoja 2013, 2014; Hietajärvi 2017). There are rather few studies of inter-organizational projects from a purely cultural point of view, and the human perceptions, along with the cultural issues, seem to be fairly recent on the agenda of academia for the most part. However, leadership and co-operation in integrated projects seem to be quite different from traditional ones (Sluyts, Matthyssensa, Martensa, Streukes 2011; Walker et al. 2013, 2015). And when talking about the actual working modes during the projects, the cultural issues surface in discourse. Actually, cultural and organizational issues are regarded as the two most critical barriers to partnering or alliancing (Eriksson, Atkin, Nilsson 2009).

Problems in construction projects are found to be related to, for instance, poor communication, mistrust and adversarial relationships (Keung, Shen 2013; Wilson Jr., Songer, Diekmann 1995). Solutions and answers are searched for from, i.e., features of partnering (Wilson et al. 1995), knowledge sharing initiatives (Javernick-Will 2012), promoting information exchange and project communication, networking and learning capability (Keung, Shen 2013). Moreover, the focus has been on factors affecting the individual's perception of working in teams (Fong, Lung 2007) and typifying the organizational cultures (Fong, Kwok 2009).

Only lately, attention has turned toward issues that are closely related to cultural matters—how things are done—like cooperation and integration (Aapaoja et al. 2013; Fong, Lung 2007; Lahdenperä 2012; Walker, Lloyd-Walker 2015), plus learning culture and capabilities (Hietajärvi 2017; Love et al. 2015; Schreiner et al. 2009; Kale, Singh 2007; Sluyts et al. 2011). The role of the alliance manager as a codifier and mediator of the alliance know-how has been recognized (Sluyts et

al. 2011). Culture is approached from a communication and knowledge management aspect (Cheng et al. 2001; Fong, Kwok 2009) and from the perspective of a suitable organizational culture as a driver for alliance management capacity (Sluyts et al. 2011).

Contractual issues, in the first place, already determine the quality of cooperative relationships in the project alliance (Laan et al. 2011). Formal contractual and process solutions, however, should be complemented by softer operational principles like innovation-driven, open and committed co-operation (Lahdenperä 2017). Commitment to the agreement of sharing profits and risks is an elementary cultural feature for a successful alliance project (Love, Davis, Chevis 2011). Building an organizational fit in relation to project alliances begins, first of all, by choosing suitable partners to form the alliance and then, carefully selecting alliance team members (Schreiner et al. 2009; Ibrahim et al. 2015). Defining the targeted culture precedes the selection. Aapaoja (2014) also stresses the importance of early stakeholder involvement to enhance collaboration and value creation in construction projects.

The approaches to support suitable cultural features, on the other hand, are formal mechanisms like team selection and incentive systems and, on the other hand, informal mechanisms such as team dynamics and communication methods (Bresnen, Marshall 2000; Das, Teng 2001). The aim for high-performing teams and cooperative relationships is the combination of both mechanisms and their interactions (Bresnen, Marshall 2002). Contracts and rules describe formal control mechanisms, but Das and Teng (2001) also emphasize the meaning of informal control that is based largely on building a suitable organizational culture by establishing shared values and norms. The relational risk of not having a satisfactory co-operation is unique in interfirm co-operation; thus, enhancing goodwill and competence trust between the partners is elementary (Das, Teng 2001). The success in alliances requires relational competencies, sophisticated team engagement and collaboration, including team behavioral protocols (Walker, Harley, Mills 2013).

Trust, open communication, coordination and goal alignment are among the identified success factors in alliancing projects (Love, Mistry, Davis 2010), and in

many studies, the focus has been on how to create a suitable atmosphere and working methods to support successful team-work with suitable cultural features. Walker (2002) studied the formation of enthusiasm and commitment, Anwuur and Kumaraswamy (2007) built a model of elements and processes of supporting a successful alliance, and Ibrahim et al. (2017) worked on creating a team integration assessment tool.

Walker et al. (2013) and Laan et al. (2011) underline the influence of incentives in reinforcing the appropriate attitudes in integrated projects. Also, elements of alliance capabilities and their meanings in various phases of project alliances have been identified (Hietajärvi 2017; Schreiner et al. 2009). In this respect, Schreiner et al. (2009) focused on the aspects of coordination, communication and bonding from an individual alliance and after-formation perspective. Eriksson et al. (2009) list ways of overcoming cultural barriers, including partner selection by executing soft parameters with all key actors. Moreover, joint activities and various collaborative instruments to facilitate the building of shared values, trust and commitment, plus striving to accumulate shared experiences, are possible measures to a smooth collaboration.

The latest approach to cultural issues in an organization is via ethnographical studies and/or discursive analysis (e.g. Riad 2007; Riad, Vaara 2011; Tienari, Vaara, Björkman 2003; Zueva-Owens, Fotaki, Ghauri 2012). Culture is linked with language and forms a natural source for the discursive perspective. The sense-making approach focuses on how people make sense and identify themselves during turbulent periods; organizational culture plays a significant role in this (Riad, Vaara 2011; Vaara, Tienari 2002; Vaara, Tienari, Säntti 2003). Table 2 on the next page summarizes the most relevant literature reviewed in this chapter.

However, at the end of the day, the interpretation of cultural meanings lies in the testimony of the actors, the individuals who participated in a change process. Organizational culture is examined through the interpretation of the informants, but at the same time, it acknowledges the effect of the environment, history and other individuals (a group an individual belongs to) on the emerging image of the culture. The social surroundings of an individual influence their interpretation,

but their interpretation also affects the views of a group (Berger, Luckmann 1998). The perceptions formed in a group are quite permanent and may be maintained as guidelines even when the group's individuals change (Lindblom 2006b). Following the idea of Berger and Luckmann (1998), from many subjective views grows a culture that is more than an image of a single subjective actor.

Table 2: M&A and project alliance literature with cultural perspectives

Research perspective	Themes (PA literature with grey background color)	Authors
The meaning of cultural fit and change	Cultural and organizational fit, defining cultural differences, factors indicating conflicts, the attractiveness of cultures, differences as assets and liability.	Datta 1991; Cartwright, Cooper 1993; Bower 2001; Sarala 2010; Stahl et al. 2008; Weber 1996; Weber, Tarba 2012; Björkman et al. 2007
Cultural issues during integration phase and change	Task and human integration, sensemaking and identity building process in integration, the meaning of cultural awareness, creating meanings, various forms of culture, subcultures	Birkinshaw et al. 2000; Dao et al. 2016; Vaara 2003; Vaara, Tienari 2002; Vaara, Tienari, Björkman 2003; Jemison, Sitkin 1986; Whitaker 2011; Martin 2002; van Marrewijk 2016
The corner-stones of managing cultural features	Efficient management styles, managing arrogance, meaning of trust, shared common ground and equality, role of integration manager and HR	Datta 1991; Jemison, Sitkin 1986; Kavanagh, Ashkanasy 2006; Dao et al. 2016; Yan, Zhu 2013; Teerikangas et al. 2011; Marks, Mirvis 2011; Drori et al. 2011
Building successful teams	Selecting team members, creating integrated teams, individual perceptions of teamwork, team behavior protocols, achieving enthusiasm and commitment	Ibrahim et al. 2015; Aapaoja et al. 2013; Fong, Lung 2007; Walker et al. 2013; Walker 2002
Identifying success factors/barriers	Features affecting the process, formal vs. informal mechanism, barriers for alliancing, fundamental factors	Love et al. 2010; Bresnen et al. 2002; Chen et al. 2012; Eriksson et al. 2009; Walker et al. 2015
Cornerstones of forming and managing cultural features	Resisting opportunistic behavior through contracts, reinforcing suitable culture through incentives, shared values and beliefs and internationalization of goals, stakeholder involvement, transparency and accountability, work processes and behavioral norms	Lahdenperä 2012; Walker et al. 2013; Lean et al. 2011; Aapaoja 2014; Wilson et al. 1995; Das, Teng 2001; Bresnen et al. 2000; Walker et al. 2015; Anwuur et al 2007
Knowledge management and capabilities	Meaning of open communication culture, enhancing trust and learning by communication, capabilities of managing PA and strategic alliances, developing alliance capabilities	Fong, Lung 2009; Keung, Sheng 2013; Javernick-Will 2012; Cheng et al. 2001; Hietajärvi 2017; Schreiner et al. 2009; Walker et al. 2015; Sluyts et al. 2011; Kale, Singh 2007; Love et al. 2015

In this study the interest in the role of organizational culture in M&A and PA combines many of the viewpoints discussed in the previous chapters. Referring to Haspeslagh and Jemison's (1991) frame, the focus is on organizational behavior and process perspectives. The process approach is a natural choice when dealing with a longitudinal study. It is considered here that history and context have meaning in determining the premises for the possible cultural fit or clashes in the first place and that the integration process is the actual test phase when the role of organizational culture becomes visible.

3.   THE STUDY SETTING

Organizational culture as a multifaceted and complex phenomenon benefits from multiple perspective approaches, which also promotes the aim of objectivity in such a subjective research issue. In this chapter, the methodological choices following the study setting are discussed, and a description of the research process is given. Finally, quality and credibility issues are pondered.

3.1   Research strategy

In organizational culture research, a holistic view and the aim to understand using a case study are ideal (Eisenhardt, Graebner 2007). Case studies enhance knowledge in organizational issues as they permit a multilevel study design and an opportunity to combine practice and theory. Alasuutari (1996) points out that in case studies, structures of meanings are always considered to be historically and culturally specific, but although their qualitative inquiries are local in nature, this kind of study can also still contribute to the academic discussion by offering new perspectives as feedback to social theory.

In a single case study, the sample is basically narrow, but rich in its multi-level nature. A considerably large number of issues can be examined. In organizational studies, interviews and questionnaires form a significant proportion of the data collection. In typical case study methods, the rich qualitative evidence can be combined with the deductive results of the study. (Eisenhardt, Graebner 2007.)

A bibliography of studies in the field of organizational culture reveals today's prevailing research strategy to be qualitative. This reflects the increasing popularity of qualitative studies in social sciences not only as a whole, but also as a humanistic approach with the need to understand the actors' perspectives promoting a case-study method (Alasuutari 2010).

In a qualitative study, data and theory are put in the dialogue, and understanding emerges through an iterative process (Moisander, Valtonen 2006). Here,

theoretical pre-knowledge is combined with the researcher's and informants' practical knowledge about the case organizations, and as such, the approach is best described as abductive. This approach combines inductive and deductive sources of information. It links the researcher's previous knowledge to perceptions of informants and literature, etc., in an iterative process. (Dubois, Gadde 2002.)

Methodological choices in this study

A case study as such is already a choice that affects the research approach and selection of methods. Interviews are an effective way to collect empirical data in cases concerning any kind of intermittent phenomenon. (Eisenhardt, Graebner 2007). Organizational culture is largely a human experience about issues valued in an organization and the behavior of leaders or the sentiments of what is right and important. Following the case study setting and the nature of organizational culture together with M&A and integrated projects as a context, interviews were evaluated to be a best method to achieve profound and versatile empirical material. Hence, the main part of research material is in the form of in-depth-interviews.

In studies about organizational culture, a cognitive approach emphasizes the role of informants and their interpretations of organizational culture. This information comes mostly in the form of qualitative and descriptive data expressed in words. Although the material in this study is largely cognitive and descriptive data and qualitative research methods are applied, some written material (e.g., company documents) is used as supportive material.

3.2   Conducting the study

Empirical material was collected mainly through retrospective thematic interviews. Informants were chosen according to the themes of the interviews, representing individuals with probably the best view of the themes in question. Also, informants outside the company were interviewed in order to reach an external view of events and developments in the organizations.

The concept of organizational culture was explained to the interviewees as a way of behaving, which follows the aim of this study to concentrate on the values, norms and beliefs. The way things are—how work should be done, valued principles, behavior and leadership, priorities, and how to cooperate—were among the themes discussed to get a picture of the culture in practice.

The first interviews were immediately analyzed in order to find out whether the questions seemed to produce the intended information. All interviews were recorded, and afterwards transcribed.

To support the objectivity of the analysis and let the voice of the interviewees be heard authentically in the research report, a narrative style and excerpts from interviews have been used when reporting the findings from empirical data. This is especially important and revealing, when trying to find out how the individuals made sense of the happenings, and the meanings of organizational culture.

3.2.1 Collecting and analyzing material in case 1

The first step to draw a picture of events in the case company's history was a desk study of public company documents like annual reports. Information about the company's main strategic actions and events was collected before the actual interviews. The elementary thing here was not to evaluate the meaning, but to collect data and present the sequence of events so that informants from the company could evaluate the events and of role organizational culture.

As the author herself has worked in the organization in question, participant observation was bound to be one form of gathering data or, at least, of gathering impressions. The personal work history of the researcher in the case company formed a solid basis for versatile pre-knowledge and enhanced an abductive grip. But to actualize the benefits of an abductive research setting, it is essential to keep the researcher's pre-knowledge-based ideas deliberately open to changes and new interpretations. Dubois and Gadde (2002) call this constant editing of information and understanding gathered from various sources a systematic combining. By comparing empirical evidence and pre-knowledge, a new, elaborated knowledge based on actual inductive material is formed. Thus, pre-

knowledge works like a mirror to the empirical material against which the data are reflected.

Interviews were conducted through four different sets of thematic interviews that took place during 2009 – 2013. The themes were not used exactly in sequence, as theme one was still going on when interviews for themes two and three started. The process and themes of the interviews are represented in Table 3 and detailed information of the themes, aims and contents of each thematic interview round is offered in Attachment 1.

Table 3: The process of collecting the empirical material—thematic interviews case 1

Thematic interviews	Aim	Participants
1. Critical events of the research period	To draw a picture of the phases during the research period when the role of organizational culture might have been the strongest	6 participants, 5 members of the management team/ board, 1 outside expert
2. Organizational culture through the eyes of an outsider	To elaborate on the cultural traits during the change periods identified in theme 1.	5 outside experts
3. Organizational culture during M&A through the eyes of the people participating in implementation	Development of the role of organizational culture during the study period	7 members of experts and middle managers representing support and field organizations
4. Development of the organization toward the end of the integration phase in relation to the earlier years	The role of organizational culture during the last years of integration	3 members from the management team/board

To support the analysis of empirical data, and comparing it to the theoretical frame, company documents concerning strategy, business models, organizational

structures, historical data and key figures were used. Also, some public records and articles from newspapers acted as support material.

During the interviews, it turned out that the M&A process was experienced at a deeper level and for a longer time, in the support organization than in the field organization. This notion turned the point of interest in this study more toward the support organization than was intended in the first place and extended the research period up to 2011. Due to this notion, a fourth round of interviews was made at the end of 2013 among people with an opportunity to closely observe the events during the last years of the research period. Thus, although the themes were partly intertwined, the characteristic of an iterative research process is also evident in the themes and proceedings of the interviews. Analysis of earlier interviews influenced the focus, questions and informants of the next rounds.

In each interview the aims of the discussion and research ethics were explained, the latter implying the principle of not revealing the source of single opinions and statements. In the interviews, open–ended thematic questions were used, and the structure of events collected beforehand was presented as a last question, to help the interviewee check if there was still something that this historical timeline could bring to the surface.

The participants in theme 1 consisted of members of the management team and the board, along with one outside expert. Their views were later supplemented by asking middle-management's and field personnel's views about the transformative phases identified here as part of the theme 3 interview. As this was the first time the interviews took place in the study, they also served as test interviews for the whole research theme and influenced the choice of informants in the following rounds.

The common opinion of the most significant events related to the role of organizational culture pointed strongly toward the M&A phase, which supported the preliminary thought of concentrating on this particular era. Based on the information from this first round of interviews a time scale of the events in 2000 – 2007 was also supplemented and used during the later phases to assist the interviewees in perceiving the research time.

Organizational culture in focus in thematic interviews two, three and four

The aim of the three following interviews was to form an idea about the role that organizational culture had during the study period. The perspective varied from the insiders' view to the outsiders' vision of the case company, and the contents of the third and the fourth round were specified according to the role of the informants. There were, for instance, a few interviews where special emphasis was placed on the implementation phase of the merger, and a few others where the focus was on how field personnel interpreted the changes happening in the company.

The way things are—how work should be done, valued principles, behavior and leadership, things not to do, power relationships, priorities in the company and how to cooperate with stakeholders—are among the issues discussed. The role of organizational culture during, e.g., integration of the M&A and its meaning to the interviewees were also directly asked. Although organizational culture is considered to be a difficult concept to determine, the informants nevertheless typically had a clear idea of the traits of the organizational culture in the company, and how it influenced the integration.

Informants

In the first interviews, the interviewees were mainly managers as a wider perspective to the events was desired. The planned number of interviews during the first two rounds was around 10, and if the results did not appear to saturate, the planned number was to be increased. The actual number of informants participating in themes one and two was 11.

In the second thematic interview, five outside experts were interviewed. Consultants, suppliers or representatives from other companies of the corporation—although outsiders—had a close view of the company during the studied period. This was anticipated to be especially important in raising the objectivity of the study setting. Although the other interviewees were members of the organization during the study period, the majority of them were no longer working in the company when the interviews were done. This could be anticipated to raise the degree of neutrality in their opinions and to decrease the

danger of image-consciousness, a possible source of biased information that Eisenhardt and Graebner (2007) also point out in cases of retrospective sense-making.

When the study proceeded, informants from other parts of the organization were also invited to participate. The research includes information from three organizational levels in addition to outside experts:

- organizational level/CEOs, members of management team, board members (8)
- support organization level/representatives of middle management and experts operating in the integration team (4)
- chain management level/field and store managers (3)
- outside experts/service providers, suppliers (6)

Respectively, informants in thematic interviews were representatives from all of levels. However, as some of their roles changed during the study period, the division between outside and inside informants or between various organizational levels, is not as strict as it would otherwise be.

The views concerning the other parties of M&A are based on the interviews as well. Three informants had also worked in the other merging retail company, but practically all informants had been in contact with the other company in various roles. There were no informants from the private equity investor participating in the M&A, but about half of the informants had personal contact with this company when negotiating, either working on the board or reporting to the members representing this other company.

Supportive and secondary material

To have support material for interviews, a content analysis of a selection of company documents was conducted before the first interviews. History data like annual reports and company chronicles were studied, as well as official information about certain key figures like market shares, turnover, number of stores and employees. Also, among secondary material was outside information from, e.g., Annual publications of the Finnish Grocery Trade Association.

In this case, as a member of the organization studied during the research period, the researcher has been a participant observer herself, although unintentionally. However, as the study itself is conducted retrospectively, this "participant observation" has not been systematically planned or reported, and as such, can only be regarded as a source of pre-knowledge and as an advantage that allows for a plausible abductive study design.

Analyzing the research material

In longitudinal research, the length of the study period—and in this case also its retrospective nature—poses challenges for the study design, as well as for analyzing the collected material. Almost ten years had passed between the first years of the study period and the interviews, which places a heavy demand on human memory. But it is also natural that changes in the long run are often best noticed and interpreted retrospectively (Drori, Wrzesniewski, Ellis 2011).

Analyzing an organization's history enables highlighting the cultural traits probable in influencing the formation and development of organizational culture. The actual longitudinal study period was directed in 2001 – 2006, but since the interviews provided a substantial amount of information also from times before and after the actual study period, this material was analyzed also in this study. Hence, as the research advanced the focus turned toward the years at the end of the first decade of 2000.

When making sense of rich process data, multiple strategies are often advisable (Langley 1999). Here, the analyzing strategies of narrative and temporal bracketing following Langley's frame (1999) were emphasized as a narrative telling the story of the company and temporal bracketing in determining distinctive phases of data. The narrative forms a general background against which the role of organizational culture is outlined. In producing the narrative of the events in company history, both empirical material as well as written material, e.g., company documents, were used. And, naturally, the pre-knowledge of the researcher herself was useful.

The empirical material of this study consists largely of qualitative material from interviews, which actually covers a time scale of many decades, focusing mainly on the 1990s and the first decade of 2000. Analyzing the empirical material

started by transcribing all the interviews. From the material of the first thematic interview, all the events that the interviewees mentioned as being critical were collected. The events were then organized along the time span, and by using temporal bracketing into specific phases, they were described in a distinctive way by informants. These distinctive phases mirrored the development of organizational culture and its changing role during the integration process (Table 6, Ch. 4.3).

Thematic interviews two and three were analyzed in the first place by gathering information related to the above-mentioned phases in order to draw a picture of how and why organizational life evolved like it did. The focus was especially on the cultural traits—how they developed and the role they seemed to play in the story, depending on the phase or informant in question.

After this first phase, the texts were once again read through to find other specific themes emerging from the data. Finally, the interviews were listened to once again just to notice any impressions and feelings they left. What was the "after–taste" of the M&A like, and what was the actual role of organizational culture during the M&A?

3.2.2   Collecting and analyzing material in case 2

As in the first case, empirical material in case 2 was collected mainly through semi-structured, thematic interviews, which were partly retrospective. Informants were chosen according to the themes of the interviews, representing individuals with probably the best view of the themes in question. Also, an informant outside the company was interviewed for their external view of events and developments in the project organization.

There were two rounds of thematic interviews. The first was at the beginning of the implementation phase of the project during autumn 2017. The second round was in late spring 2018. During the first round, experiences of the development phase of the project were still fresh in memory, and the questions were mostly retrospective. But interviewees' opinions of how the implementation phase would proceed were also placed. The second round consisted of more interviews with

the 5 main actors in the implementation phase, and the focus was on the first year of implementation and on visions for the future. The first interviews were conducted on-site, whereas the second round of interviews was made by telephone (Appendix 2).

The informants represented the senior executives of the alliance leadership team, who were not participating in operational management, and members of the project team that worked in the project daily. Moreover, one informant was an outsider who had had the opportunity to follow the project for many years, even before the decisions to implement the project had been made.

Table 4: The characterization of the informants in the thematic interviews—case 2

Role of informant (11)	Organization
Members of project team (4): Project leader (1), Representative of subscriber (1), Project manager of participating organization (1), project employee (1)	The City of Tampere (1), VR Track Ltd (3)
Members of steering group (6): Representatives of the subscriber (1), and the participating organizations (5)	The City of Tampere (1), Tampere tramway (1), YIT Construction Services Ltd (2); Pöyry Finland Plc (2)
Observer (1): An outsider with the experiences of both subscriber and participating organization.	Construction company (1)

Of four members of the project team, three work in the project office "Big Room" on a daily basis, and one works with the "Tampere Team". Two members of the project team also take part in steering group meetings. Steering group members who were interviewed are employees of YIT Construction Services Ltd, Pöyry Finland Plc, the City of Tampere and Tampere Tramway Ltd. Together with the members of the project group (from VR Track Ltd and the City of Tampere), which also takes part in the steering group, all participating organizations were represented.

Supportive and secondary material

As supportive and secondary material, the projects' websites and Facebook - group were followed. Also, the project material has been used as background material.

However, the analyses of the organizational culture are strongly based on the interviews. Besides the actual recorded interviews, some more unofficial discussions with the representatives of citizens and sub-contractors were also fruitful in having a somewhat larger view of the ideas awakened by the theme among the stakeholders.

Analyzing the research material

The first interviews were immediately analyzed to find out whether the questions seemed to provide the intended information. All interviews were recorded and afterwards transcribed. The transcriptions were first read completely through to form a general picture. The second readings were from several research angles, like critical events and distinctive phases, attributes describing the organizational culture, values, etc. Finally, the texts were once again read through to find whether there were still some emerging themes or any other points to take into consideration.

To support the objectivity of the analysis and let the voice of the interviewees be heard authentically in the research report, a narrative style and excerpts from the interviews have been used when reporting the findings from empirical data. Likewise, in case 1, this was considered to be especially important and revealing when trying to find out how the individuals made sense of the happenings and the meanings of organizational culture.

When analyzing the material, the idea was not only rationally interpret the interviews answer by answer, but to account for the whole situation itself, which is full of information as meaning is produced throughout the interview and is considered rich cultural talk.

3.3   Quality and credibility issues

Although cultural studies are not primarily concerned with producing theoretical generalizations, the quality of the study and the credibility of its results are issues worth considering. Next, typical quality issues in retrospective and qualitative research are discussed together with the measures taken in this study to increase the credibility of the results and enhance their possible transfer to other situations.

Moisander and Valtonen (2006) reflect on the question of validity in the context of cultural marketing and consumer research, which, as in this research, is an area described to be quite contextual and dependent on its culturally constructed social reality. According to them, instead of a definite solution, the validity of a study is negotiated, and the decision is ultimately made by the audience—the academic community. Qualitative research deals, by their nature, have uncertainties, and thus, attaining certainty in respect to measures of quality is quite a controversial task to accomplish (Cheek 2007).

The more strategic or random the phenomenon in question, the more important it is to obtain that part of the research data through interviews (Eisenhardt, Graebner 2007). Paying attention to comprehensive material already increases the quality and persuasiveness of the research in the first place. By carefully selecting informants, the concerns of biased results created from a sample that is too narrow and one-sided be avoided. It is essential to choose informants that can shed light on the research questions from various perspectives, such as representatives from various organizational levels and geographic areas. Moreover, one should consider interviewing people outside the company as well, like actors from other relevant organizations or market analysts (Eisenhardt, Graebner 2007).

The research periods

In longitudinal studies, the research period itself is a major factor concerning the credibility of information gathered from informants. On the other hand, while a certain distance is needed to assess the events and their meaning, in practice, the

length of time between the event and the point of its assessment is seen as a debilitating factor. In organizational studies, retrospective studies are common, but their reliability might be questioned primarily because the accuracy of data often depends on human memory. (Golden 1992, 1997; Miller, Cardinal, Glick 1997.)

In the first case, the study period was about 10 years; the second case is short in comparison but varies according to the individual in question, as some interviewees had been working with the case already before it was officially launched. Is 10 years a distant past? It is probably a relative issue, which this study also proves. For some people, the past seems clear in their minds, and they begin to remember events during the interview, but at other times, it becomes evident that it really is an era too far in the past. However, the time scale of the events was a remarkable support for memory.

Besides memory, inaccurate information might be due to inappropriate rationalization, excessive simplification, wrong interpretations of the causal relations or the informant's own need to consciously change the history to give a more positive picture about the matter (Golden 1992; Miller, Cardinal, Glick 1997). Although retrospective data include the potential for distorted information, using it to research past events is possible if sufficient attention is given to the prospect of errors, and precautions against biases and errors are taken (Golden 1997; Miller et al. 1997).

To decrease possible biases, the questions in interviews have been open-ended. Multiple knowledgeable informants have been invited to tell their story, and the interviews have been carried out until answers have started to emerge. Many questions are about concrete events, but thinking about the development of organizational culture, opinions and subjective experiences also have been given attention.

Informants

In this study the informants represent both insiders and outsiders, as well as several organizational levels and roles. The number of outsiders or informants representing the outskirts of the company in the first case is actually quite high (30 %). Consultants, suppliers or representatives from other companies of the

corporation, they are outsiders, they were people with a close view of the company during the research period. In case 2 there was only one outsider among the interviewees, representing 10% of the total.

Most informants from within the organizations held managerial positions but on various levels of the organization. When considering objectivity, one relevant point, however, is the retrospective nature of the research. This is especially true in case 1, which had a rather long research period. Most informants in case 1 were already working in other positions or companies, at the time of the interview, which probably increased neutrality and objectivity as, over time, it has been possible to reflect on the past in relation to new circumstances. In case 2, most of the informants still worked with the project, but for most of them, the organization in question was a temporary one, this was only one of many other projects in their career.

The geographical representation in case 1 is rather thin though. As the personnel in the central organization comprise the majority of interviewees, the gravitation point of interviews is naturally in the capital area where the headquarters are situated. When it comes to the field personnel, two of the informants were from outside the capital area. However, this is partly because the focus of the study shifted over time toward the headquarters which, turned out to be the actual scene of many interesting issues in this research.

The geographical representation in case 2 varied between the capital area, where the headquarters of participating organizations were situated, and the city of Tampere. As the project was comprised of people working mostly in the headquarters and on-site, the interviewees represented the division of project workers quite well.

To enhance neutrality among the informants, some outside experts and direct quotations were used. To support the atmosphere of reliability the informants were aware of the confidentiality of the answers and identity of a single respondent. Permission was asked before taping the interview. Still, this did not seem to be an issue as no one refused to speak on tape.

What about the role of the researcher as a member of the organization in case 1? It is worth pondering how and to what extent my own ideas about organizational culture in transformation might limit objectivity. The fact that I as a researcher have worked in this very organization, for example, supports formation of a deep understanding of company premises and cultural talk, as it is easier for an insider to understand the words used and the contextual meanings of what is said during the interviews. The other side is that it may also constitute a basis for possible biases, which are impossible to negate or avoid entirely.

The number of interviews and outside informants was among the actions targeted to enhance the objectivity. However, my personal experience is that over time, the worries I had at first about my own subjective attitudes diminished. The time in my new surroundings did its job, and after sharing the views of over 20 informants, my own original ideas seemed to fade into the distance, giving room for a common, socially constructed reality.

In this study, the quality issues of a qualitative, longitudinal and retrospective research, as well as the challenges of a single case study setting, have been taken into consideration as much as possible. Still, as the whole concept of organizational culture is based on subjective interpretations, and objective truth cannot even be found, one must accept that there is always room for biased subjectivity. This could also be an advantage, though, as the role of organizational culture plays out in how it is interpreted by individuals. Hence, the interpretation of many individuals together, whether "right" or "wrong" is the focus here.

4. THE ROLE OF ORGANIZATIONAL CULTURE IN M&A: a case study in the field of retailing

The organization in this case is Suomen Lähikauppa Ltd., a Finnish retailing company that is currently part of the retailing company Kesko. Suomen Lähikauppa was called Tradeka from 1989 to 2009. As that name was in use during most of this study period, the case is also referenced using the name Tradeka here.

The case company represents the governance model of a hierarchy—a vertically integrated organization. Combined with its operational business model of chain management, this particular case forms a good example of the role of organizational culture in this quite representative form of business in the field of retailing.

Organizational culture is a path-dependent phenomenon, and as such, the history and context of the organization forms the basis for understanding its culture and the frames of the individuals' interpretations. The first chapter forms a general frame against which the role of organizational culture is outlined, describing the history, competitive environment and business model of the case company. In the second chapter, the era of M&A is described based on the statements of the informants, and finally, the results of this first case are discussed when it comes to the role of organizational culture during the integration phase of M&A.

4.1 Case background

Tradeka has a long history behind it, beginning all the way back in 1917. Thus, traces from its history were still seen in its organizational culture during the research period. A description of the company's history is based on Kallenautio's books (1992, 2010), company chronicles (1997, 2008) and an interview with an expert on the history of this company and a contributor to the company chronicles, Hilkka Kemppinen.

History of the case company and the competitive environment

At the beginning of 2000, Tradeka was owned by its members, as it had been for almost a century. Being a cooperative, with a long and varied history, its owner structure had still remained basically the same, although its scale had changed dramatically over the years. In Finland, the cooperatives in the retail business were already divided into two groups in 1917, reflecting the Finnish right- and left-wing political camps. Tradeka, or Suomen Osuustukkukauppa (OTK) as it was called for most of its history, represented the cooperative of the labor movement.

In its early days the cooperative owned a significant amount of its own production of foodstuff and non-food products. This production was built up during 1920 – 1930, when there was a shortage of just about everything, and it was given up in the more prosperous decades of 1970 – 1980 when, due to increased production of daily products, it was neither necessary nor profitable to have almost the entire value chain in one's own hands.

When 39 local cooperatives merged together in 1983 to form a nationwide cooperative, it was given the name E-osuuskunta EKA (Cooperative EKA). The name Tradeka was chosen to signal the new nationwide retail company of EKA in 1989. In addition to its retailing business, the conglomerate conducted business in insurance and buildings, as well as in the hotel- and restaurant sectors. Moreover, EKA was the third-largest employer in Finland in the 1980s and the beginning of the 1990s.

Still, due to its heavy and diversified structure, EKA faced serious difficulties in many of its business fields during the 1980s and early 1990s, and as a result, it ended with a liquidity crisis in 1993. Tradeka entered into a restructuring program, which actually developed into quite a strong signpost all the way up until it ended in 2003.

During the early 2000s, the retailing companies Tradeka and Wihuri, a privately-owned retail business in T-group, faced the need for an alliance of some kind. The performance of Wihuri's retail business was deteriorating, and possibilities for Tradeka to invest in its future were considered to be rather slight. It was understood that both companies were too small to continue by themselves. The

M&A between Tradeka, Wihuri and the private equity investor IK was launched in 2005. The cooperative Tradeka maintained its position as the main shareholder with 51 %; IK got 32-% and Wihuri Ltd. 16-%. The remaining 1-% was owned by the management. However, the deal included an option for IK to obtain a majority in 2007. IK used this option, and at the beginning of 2007, the cooperative Tradeka became a minority owner of the company, with 16-% of shares, and as the main owner, IK got 66 %. (Kallenautio 2010.)

The competitive environment in the Finnish retail business in the 1990s and early 2000s was largely dominated by four domestic actors. The main players were often referred to by the letters S, K, T and E, even as late as the middle of the 2000s, when the T-group was not in the market anymore and E had long been called Tradeka. S indicated the other cooperative retailing company, S-group, which by the early 2000s had grown to be the largest retail company in Finland. K-group (Kesko) was a combination of privately-owned food stores in Finland, especially after the other alliance of private retailing and wholesale companies (T-group) practically disappeared from the market; T-group's stores were divided among the other actors, and 35 of them became part of Tradeka in 2006. In 2016, the Lähikauppa stores (formerly Tradeka) were also bought by Kesko. From a longitudinal perspective, the power game between the four "letters" offered all of them their share of highs and lows, but the years of this millennium have witnessed the ever-increasing power of S and K, which now have a market share of over 80-% together.

Still, the competitive environment can be stated to have been quite stable during the last decades of the 1900s, since it was mainly a competition of domestic surroundings and between Finnish companies. A long step toward a more international competition was taken when Finland entered the EU in 1995, and new international players became interested in Finnish markets. In 2002, the first international competitor in the grocery business, LIDL, joined the markets of daily goods in Finland.

Today, all major companies in the daily goods sector are international in one way or another. The central organization of K-group, Kesko, is an internationally-owned listed company. Tradeka's main owner in the latter part of the research

period was the Swedish private equity investor IK, and later the private equity investor Triton and finally Kesko. S-group, as well as Kesko, has expanded across borders, and LIDL is genuinely a German retailer.

The informants mentioned the main points as important events influencing the organizational culture during 2000, as well as the significant features related to them; these points were then analyzed. As a consequence, four distinctive eras in the company's recent history were identified. Of these four eras, this study focuses on the last two, but the earlier stages are taken into account when pondering the root causes of the role of organizational culture during the integration phase.

Table 5: Distinctive cultural eras in the case company during the 1990s and early 2000s

Time	Description
1993 – 1999	Mission-led chain management
2000 – 2003	Era of internal restructuring Changes in chain organization structure, building of matrix/process organization
2004 – 2006	Merger: new owners, new cultures Preparing for a merger, and implementing the merger program
2007 – 2011	Second wave of the merger: turns in management culture Changes in owner structure and management

After the termination of the restructuring program in 2003, the company seemed to be in a more unclear situation, attempting to find a new target for itself. Especially 2004 – 2006 were noticed as a time of preparation for a merger and its implementation. The year 2006 also marked the separation from Inex, a joint logistics company from SOK and Tradeka. And lastly, the year 2007 and the time after it, was described as the era characterized by the change of the main owner and alterations in management of the company. It is named here as the second-

wave period of the merger. Its distinctive characteristics were studied further in order to find their possible impact on the outcome of the integration phase.

Owner structure and business model

The owner structure in Tradeka—a single owner for all the stores—is a significant feature of the governance structure of a hierarchy (Lindblom 2003; Williamson 1985). Together, the owner structure with the choice of chain management as a business model leads to strong central steering and ownership-based control and power, where cost-minimizing, rules and administrative procedures are emphasized.

Chain management as a business model is a widely adopted way to organize market activities in the retail trade. The basic idea behind chain management is to obtain economies of scale that, for an individual store or actor, would be hard to gain. Chain management refers to uniform control of retail business where single outlets follow central steering (Kautto, Lindblom 2004).

The world's leading retail companies are operated by the chain management model, e.g., Walmart, Carrefour and Tesco. In Finland, Kesko, S-group and LIDL are all operated following the principles of chain management and are marketed through their chain brands. Despite of its popularity, chain management is not an established concept, and it is hard to define unambiguously as the retail chain can be anything between a loose marketing co-operation and a strictly-ruled chain of uniform stores by design and operations. The chains in Tradeka were clearly centrally steered and the concepts tightly followed, which further strengthened the effect of the ownership structure.

The chain brands in Tradeka were Euromarket, Valintatalo and Siwa. As all stores belonged to the same owner and followed its steering, the decision power was concentrated heavily into the hands of chain management. The tightness and coverage of steering increased toward the chains with smaller store types, Valintatalo and Siwa; thus, it reached its strictest form in the Siwa chain. Siwa represents the neighborhood store format and had a network of about 550 stores.

A company managed by the principles of chain management could have intrinsic traits likely to cause resistance to change due to its business logic. In a chain-

managed company, it is crucial to maintain a stable and well-established process as changes and interruptions in the process might reduce effectiveness. On the other hand, when people are used for planning and introducing new operations following the chain management approach, it is possible to implement actions simultaneously and systematically.

Horizontally Tradeka's chain management involved three levels. The central organization includes the support functions; it conducts the common planning of product range, prices, IT -systems, marketing, knowledge development, etc. The next level is the regional organization, which is responsible for performance management in the field. Area managers acted as supervisors for about 20 to 30 store managers, coaching store personnel in their duties. Finally, store personnel were in charge of customer service in a broad sense.

At first glance, it appears that the entire operation is controlled by the support organization, and that the store personnel are only present to accomplish the documented practices. And that is largely how it is, but when daily decisions are carried out by thousands of staff member, and hundreds of thousands of customers visit the chain stores on a daily basis, it puts doubt into how much the chain management concept actually steers customer service at the end of the day. In essence, the work in stores is quite independent inside the frame of chain-managed processes and common practices.

4.2   M&A and the integration process

The merger was evaluated as one of the most critical events in Tradeka's history from 1990 onward, especially when talking about the pressures of the events in relation to organizational culture. The M&A was followed by an integration phase, which, on one hand, was meant to last those few years during the conversion of the new stores. Retrospectively, it is clear, that the M&A triggered more sequels than were anticipated, and the integration lasted longer than planned.

M&A, or a merger as a general concept, was used to describe the selling of Tradeka's retail business to a new company. It is actually quite common for there

to be a need to soften the situation by calling the acquisition with a more equal concept of merger, or even using equality as a strategy to smooth out the integration process (Drori, Wrzesniewski, Ellis 2011; Riad 2007). This was the case here too; the acquisition was called a merger or even an alliance, although the majority was in Tradeka's hands at first and then transferred to IK. Although Tradeka had the majority for the first years, it was clear that IK as an acquirer was the one with the greatest decision power.

What actually happened was that the business operations of the two retail companies, Tradeka and Wihuri, were sold to a newly established company, and a third actor—an acquirer—invested in the new company. The organizations that managed this new joint company represented different kinds of owners: a family business, a private equity investor and a cooperative. From a cultural point of view, this differing background is referred to as the "owner culture".

The merger took place, and implementation started in 2005. The integration team consisted of 12 people in key support positions. Its task was to accomplish the conversion of stores physically as well as emotionally. In the merger, about 170 of Wihuri's stores, including the brands of Ruokavarasto, Sesto and Etujätti, were attached to Tradeka's chain brands Euromarket, Valintatalo and Siwa. The number of personnel exceeded 7000.

The three identified work packages in the integration process were:

- Converting store brands

- Changing logistics

- Supporting the formation of an emerging organizational culture

Physical integration—conversion of stores and changing logistics

During the integration process, the field organization faced the most visible transformation as all new stores were converted to Tradeka's brands and the logistics of the old network changed.

By the end of 2004, Tradeka had 572 stores, outnumbering those of Wihuri, so the choice was to use only Tradeka's brand names in the new company. This

decision applied to the business model and the organizational culture as well. Tradeka was the host company, and the stores obtained from Wihuri were to be converted to be like Tradeka's stores in every way. Converting the stores into the same brand names and store formats took about one year, followed by a new project where the former Tradeka stores were transferred to be clients of Tuko Logistic, a new logistics partner of Tradeka. The next phase in the integration process was converting 35 Spar stores into Tradeka brand names.

A manager working in the integration team commented:

> *"Yes, it must have a certain kind of world record of speed and determination."*

> *"One important issue was communication. The project team meetings were held every week, and all matters were dealt with ad nauseam. Someone might have been thinking, 'Why am I sitting here?' My starting point was that everyone sits here and listens carefully to these things, even if it does not touch them a bit. If there is one thing that is linked to another, ...at least it will not get to the point that what should be done is not known."*

By 2007 all physical integration processes were successfully completed but adapting to the new situation that the M&A brought with it continued for years after the physical integration phase.

From crisis to rebuilding—cultural differences challenge the balance

The M&A started the transformational phase, which later included changes in strategy and management. Then again, together they triggered many changes and "second waves," prolonging the era needed for the organization to regain balance. These changes were naturally not anticipated beforehand. It is probably quite common that M&A as a transformational phase includes sequences and is not planned for in the first place (see also Zueva-Owens et al. 2012), and this makes it even more demanding to consider the role of organizational culture.

Cultural differences were presumed to exist in the first place, but for most of the acquired stores they were supposed to be relatively minor.

A member of top management recalls:

"Wihuri was considered to be tightly controlled. From a structural point of view Wihuri was like Tradeka and owned all its stores, but the organizational culture was completely divided into two (between store formats). More than in Tradeka between the Siwa and Valintatalo store formats. Simply, both companies had the same type of culture - economical, efficient and hard-working. In Ruokavarasto -stores, the operations were relatively efficient, but it was not controlled in the same way; it was not given such models and tools as centrally as Tradeka stores."

And another manager complements:

"The difference may have been that, Tradeka was very demand-driven, with heavy emphasis on demand and its management, whereas Wihuri was very purchase-oriented... There were more risk-taking abilities reflected in the organizational culture."

The hardest task was anticipated to be the cultural differences in the Sesto stores, where the store managers had more say in the everyday decisions than store managers in Ruokavarasto -stores or especially in Tradeka. They were also stated to still emit traits from the former owner, described as *Stockmann quality culture*. Later, when some 30 Spar -stores were joined with Tradeka's brands, the situation was similar to when it comes to power in the stores, following the fact that the stores in Spar were mainly run by their owners.

The informants' opinions concerning the atmosphere of the first years after the merger are somewhat controversial. Some felt that the management culture was about the same in this era compared to earlier phases, but other said that they felt a change in climate. During the merger, the management culture developed a more hierarchical, authoritative style. Inflexibility increased, and there seemed to be more focus on rules than beforehand. Short-term planning and emphasis on results gained strength. There were seeds of power struggles and political games noticed among the management.

One member of the top management recalls:

"But perhaps toward the end of 2006 the pressure increased as it was noticed that the integration is done, but the job did not properly source up. It was visible, perhaps already in the autumn of 2006, that we smiled less that in the past."

The commitment of personnel was still strong, but probably because of unclear decision-making power, the ownership of activities was fading little by little. Still, the results of the supplier survey in 2006 were quite positive. Tradeka was given attributes like innovative, efficient and strong in process thinking. Moreover, its steering and targets were clear, and it was stated to have a good ability to forecast and make and implement decisions.

The organization was heading toward the merger with quite positive feelings and a strong commitment. There was, however, a lot to adapt to as the M&A started a transformation phase characterized by changing priorities. Before the acquisition, the focus was on EBITDA, which meant balancing between optimizing sales and maintaining a relatively high enough margin, and strict cost control. After the M&A managing of the working capital, increasing relative margins and efficiency of working hours grew in importance.

Hence, cultural balance was challenged by various kinds of identified changes, which influenced how the new culture formed:

- new co-workers on all organizational levels

- new values and changing priorities

- changing operative rules and decision power

- alterations in management culture

- challenges in keeping up the commitment and positive feeling of personnel

- altering strategic focus

Expending the energy of the organization to one implementation and development project after another, while also taking care of everyday work tasks was beginning to tire the organization. When the work-load increased, and the results of the merger were not what were expected, the organization was even more strained.

Besides changing focus points, in terms of key figures, the strategy was also altered more than once. After the conversion of three store brands was over, the priority in strategy was to develop business in Russia. This strategy was abandoned only a few years later, and the focus on strategy turned toward customer orientation and adjustment to local demand. The new mission was built on the idea of being a market leader in neighborhood stores, which meant that the hypermarkets—some of them just converted from the merging network—were decided to be sold. Tradeka's mission was described to offer nearby shopping throughout Finland, taking care of people in the neighborhood.

This meant striving to change the learned practices and touching organizational culture. Adjusting to local circumstances was a difficult aim to implement in the world of chain management, but the strategy also faced serious problems in financial terms. In 2008, the national economy was in a downturn, with affected sales and deteriorating profits. The strategic long-term ideas had to give way to surviving daily.

A new board and management were nominated. As a result, the financial situation was also alleviated of selling the rest of the hypermarkets among other things. First of all, management focused on the everyday functioning of the company. Finally, the situation started to ameliorate toward the end of the second wave period. Informants from the outskirts of the organization as well as inside interpreted business to be returning back to basics. The business was on a more solid base.

Quoting an outsider:

> *"I have heard that now one would have returned back to basics and at the foot of business fundamentals. They don't have anything to do with the values of Tradeka but with the values of business fundamentals. How basic*

results are done. By prioritizing, cost management and simplification of issues.”

And a representative of a field organization noted:

“Now business is back to normal and we operate it as we are supposed to.”

By the end of 2011, the confusion of the earlier years had been dispelled, and following that, the turbulent integration phase can be estimated to have come to an end. The latest era was described as inspirational, and the company seemed to be on the right track. Obviously, after a long period of bewilderment, the reforms had found their audience. This was according to informants, partly due to the changing generation of employees but also a result of clear leadership. The reforms were communicated in a way that increased trust and were considered logical in relation to the business model, and once again, there were clear rules about how to implement them. If cultural changes demand a crisis to start, this last phase could be characterized as rebuilding after crisis.

The integration project also consisted of converting the stores, training personnel and mixing the workforce from both companies to enhance the development of a new joint culture. Almost everyone got new co-workers because part of the store-keepers and store personnel changed the store they worked in. Also, the central organization faced alterations as there were some new co-workers joining the support organization as well. Still, the work itself remained quite similar, but the overall rules of the game, and the former values and priorities seemed to be emphasized.

In this development, the meaning of organizational culture and how much of its history and its intra- and inter-organizational context are reflected in the role of organizational culture, are among the questions discussed in the next chapter.

4.3 The role of organizational culture in M&A

Next, the research question of the role of organizational culture in M&A is approached via two sub questions:

1) How does organizational culture emerge in transformation?
2) How do cultural features of co-operating organizations support or hinder the integration?

4.3.1 The development of the role of organizational culture over time

The beginning of 2000 had been a time of quick development and several projects, which changed the way of working especially in the areas of the ordering and delivery processes. The implementation of these projects had gone well, and the organization trusted its ability to put plans into action. But the results deteriorated after the merger, so something must have gone wrong. Next, the role of organizational culture throughout the distinctive phases in the near history of the case company is discussed. (See distinctive cultural eras: Table 5, Ch. 4.1). The emphasis is especially on whether the informants evaluated the role as hindering or supportive.

Mission-led chain management and the era of internal restructuring

The earlier phases of the mission-led chain management and the era of internal restructuring were phases that the interviewees mentioned to be different and divided by critical events. However, when reflected against the history of the company, they were mostly based on cultural traits learned earlier. The restructuring program demanded new competences, which, nevertheless continued the already adopted value of a strong belief in technology-based development. Although the management culture was stated to be less authoritative than earlier, the company was still seen to be clearly led by few managers, and thus, the trend probably reflected a more general development in management culture as a whole than as a signpost of a cultural turn in the case company.

There were more things in common with the earlier era than not. The brands were the same, most of the personnel were the same and management was the same. There were not enough triggers to break the inertia of the stabilized chain culture, if that were even the goal. During this phase, the meaning of the organizational culture was clearly in its supportive role, but as the restructuring program was built on the corner stones of a prevailing culture, it was more like an invisible, self-evident clue than something to take special notice of. The logic and beliefs of founders, as Schein (2009) expresses it, were noticeable.

Planning and implementation of the merger and the second wave of the merger

Tradeka headed for its actual transformation, characterized clearly as a chain-managed company, with an unambiguous and simple governance structure. It was a profitable company, sales were increasing, and it was gaining market shares in the neighborhood store category. The management and personnel were content with themselves, perhaps even too content, as one of the interviewed outsiders pointed out:

> *"What one might have considered as a modest result was triumphed as a victory, we survived."*

Being a survivor of a restructuring program, Tradeka seemed to have adopted a humble personality valuing reasonability. Surviving seemed to be enough.

In the transformative years, around 2005, there were at least three distinctive corporate cultures merged together in Tradeka, and on top of that, there were also changes in corporate culture at the head office. Cooperative values met the values of a family-owned company with a history of more than 100 years behind it: Wihuri. Wihuri was a conglomerate of various industries, and it had been engaged in the retail trade of daily goods since the 1970s. IK, then again, as a private equity investor, brought international influences into the merger, with special know-how regarding capital and financial questions.

Although the initial estimate was that the influence of the merger would be strongest at the beginning of the implementation, many informants, both insiders and outsiders, commented that the change in organizational culture was visible to

them only a few years after the acquisition. The interviewees do not refer to changes in the field organization or to new colleagues that entered the headquarters as a result of the merger. On the contrary, new co-workers from Wihuri were stated to fit into their new culture *easily like a Lego block*. Instead, the interviewees refer to the management culture of the company and its overall atmosphere.

The second wave of the merger refers to the years 2007 – 2011. This era seemed to have started when the main owner changed, and the CEO and chairman of the board also changed in the year. The new era with the new main owner was commented on by some of the informants as a fresh start that influenced the image of Tradeka in a positive way. Some informants, however, noticed a turn in the value basis of the company. Profit seemed to be the number one focus, and all other things followed that aim.

Financial development challenges organizational culture

Finally, it was the unsatisfactory results that seemed to put pressure on the organizational culture. The organization was not agile enough to adapt. New measures were needed to change the direction of development, responsibilities changed rapidly, and new priorities were introduced that demanded new competences. The change in priorities caused conflicts between parties and also escalated the acculturation problems outside the company, concerning the suppliers, for instance. The acculturation problem was probably one reason behind profit development, but the opposite is also true; the unsatisfactory state of the company probably made the acculturation stress worse.

To change the poor financial development, there was a clear intent to move deciding power more to store managers, primarily when it came to the product range. But when the profits continued to fall, stricter rules about the decision power were launched. This was especially felt in support functions, but also in stores as an outcome of a new performance management system. Consequently, it was even more difficult than anticipated to implement the idea of giving more power to store managers. The struggle to get over the difficulties was hard and long. In 2012, the profit eventually rose above zero again. This positive turn was anticipated in the interviews made during late 2011, the message being that now

the company was back on track. One informant representing the field organization put it like this:

> *"One can now stop longing for the old times. And it is ok to forget them as we are heading in the right direction now."*

This statement took place six years after the merger, a time that included many changes in management and turns in strategy, together with a high turnover of personnel. Actually, in 2011, there were only a few personnel from 2005 still working in headquarters. The aftershock of the merger was high and the winds turbulent.

Dual role of organizational culture

During these phases the organizational culture seemed to play a dual role. The physical integration process benefitted from the efficient and disciplined organizational culture, and the transformation was supported by the prevailing culture. But as the organizational culture was noted to have changed from the beginning of the merger, and especially during the second wave era of the merger, it indicates that there were pressures deep enough to alter the learned organizational culture (c.f. Halinen et al. 1999; Partanen 2001; Van de Ven, Poole 1995). Logically, the role of organizational culture also must have been something besides supportive; otherwise, it would not have changed.

During the second wave period the role of organizational culture turned from supportive to hindering. At this point, the cultural problems were already noticed inside the company, and the old organizational culture became villainous and was blamed for the problems.

Many informants—from the inside as well as from the outside—saw a rise of different attitudes in the company at this point. They commented on the number of new people and consultants working in the company and the development of opposite cultures that took things in different directions. Quoting a representative of management,

"The fingers of outside consultants were in every pie. Although there was no strategy, the projects of Valo and Salo were going on (lean management projects). Someone else directed the change."

The issues that formed the basis of the prevailing organizational culture could not be noticed clearly enough. The idea behind the simple ground rules and resources established was no longer explicit, or as one informant representing the management put it:

"One could not comprehend the resources created in the past. The starting point of the navigator was missing. The idea of the simple rules of the game was not understood."

This resonates well with this outside opinion:

"Those factors that formed a certain culture were not seen clearly enough. An opposite cross-culture was born, where people drove different issues."

The premises of the organizational culture were unclear. As people did not seem to understand what was expected of them, they did not move, which made it necessary to bulldoze the wanted change. The activated cultural talk also generated opposing opinions. When others seemed to interpret the culture as a hindrance to development, others still reckoned the organizational culture to be "the hero of the story", the thing that is required to keep the wheels turning. Cultural talk of this kind resembles the idea of organizational culture as a sensemaking frame and an element in identity-building (e.g., Søderberg, Vaara 2003).

The role of organizational culture in the M&A from the longitudinal perspective appeared to be supportive as long as the values and rules of the game were in line with the views of the history (see Table 6). The most powerful rules and values seem to stem from the strongest memories and feelings, from times that included either the biggest successes or threats (see Schein 2004). As successful survival had been based on efficiency and incremental development, rationality, humbleness and long-term planning, the crew did not always seem to have time to adapt and follow the new ideas when the goals were more ambitious, with quick turns in orientation.

Table 6: The role of organizational culture during distinctive phases

Phase	Role
The mission-led chain management	Invisibly and self-evidently supporting
The era of internal restructuring	Mostly supporting
The planning and implementation of the merger	Supporting/hindering
The second wave of the merger	Hindering/supporting

4.3.2   Compatibility of organizational cultures

Considering the owner and organizational structure, which reflect themselves in a division of power and decision-making procedures, the company faced many changes during the research period, even changes that can be described to represent the actual extremes in circumstances.

In 2005, Tradeka entered into a situation where the ownership of the company was divided between the cooperative (51-%), IK (32-%), Wihuri Ltd. (16-%), and the operative management with 1-% ownership. Although IK only gained a minority at this stage, it actually exercised the power of the main owner on the board, as agreed, even from the very first day of the merger. From 2007 onward, the ownership was divided between the owners IK (66-%), Wihuri and the cooperative (16 % each) and the operative management. (Kallenautio 2010.)

Owner culture of cooperative meets family business and private equity

At the beginning of 2000, Tradeka was owned by the members of the Cooperative EKA. It had a history of almost 100 years in the cooperative retailing business, aiming for reasonable profits and long-term profitability. A cooperative of thousands of member-owners together with a restructuring program is a

combination of circumstances when the steering of owners is typically rather mild and indirect.

The members of a cooperative in the role of owners, although present in everyday business as clients, are still quite far from management. Even the representative body of members is seldom in contact with the actual operative management. Cooperative management tends to have quite a strong power situation in steering the company, reinforced in this case by the accumulating nature of power in a chain-managed organization and the strong personal position of the director general of the cooperative. The M&A formed a renewed situation in relation to owner power, and Tradeka was also controlled more in operative questions by its board.

Altering the owner structure affected the power situation primarily in the headquarters. Changes in the owner structure were not felt to the same degree in the field organization, but there, the shift of power from the field organization to the central organization was a recognized ongoing back-and-forth movement throughout the whole research period.

Besides shifts in ownership structure and power between area and store managers versus central coordination, the organizational structures also changed dramatically during the research period. The organization just did not seem to find its place, and this was all reflected in the continuous movements of the whole organization and responsibilities. Who actually had the power to make decisions or was responsible became more blurred as these changes escalated. Slower decision-making, and an obscure situation were noticed both in the support and field organizations and outside the company.

One informant with an outsider's view of the company described the situation:

> *"Of course, I know approximately what is happening at any given moment, but some kind of curtain exists. When I make a suggestion, the curtain comes down, and at some stage, the curtain rises up again and I get the answer, but I don't know what happens meanwhile. Earlier, I got the answer straightaway."*

"But maybe it showed—it could be related to this merger—that people lived in two different worlds concerning our cooperation as well as inside Tradeka... A fairly big contrast in strategic and operative work... was like driving on different lanes of the motorway."

When the rules and actors in decision-making multiplied, it was feared to jeopardize the former flexible way of making decisions. Flexible decision-making refers to how decisions could be made at the same time for all the stores by one decision-maker, which is actually one of the competitive advantages in nationwide chain management.

Completely different and just the extremes

From these numerous changes, the change of ownership was stated by many interviewees to be a remarkable cultural issue to be considered when evaluating the role of organizational culture in transformation. The values and mission of a cooperative in relation to a private equity investor were evaluated as quite controversial. This issue was pointed out by many informants, especially by outsiders expressing a view of the work of the board. The situation was described, for instance, in this way:

"Completely different, just the extremes."

 Or

"Three owners with completely different backgrounds...three entirely different worlds."

This difference was further explained by several points, such as referring to the time frame of ownership, to the difficulties finding a smooth way to collaborate or the power of different attitudes and values. Listed below in Table 7 are the set of expressions the informants used when describing the different organizational cultures cooperating in the M&A.

Table 7: Characteristics of organizational cultures in organizations of the M&A

Tradeka	Cooperative values, traditional, strictly centrally controlled chain-managed company, clear, avoidance of risk-taking, demand-oriented, humble, technical, efficiency highly appreciated
Wihuri	Family business, traditional, centrally-controlled chain-managed company, more freedom in stores concerning range and prices, dual organizational culture dividing store formats, greater ability to take risks, purchase- and marketing-oriented
IK	Short-term planning, balance sheet- and profit-oriented, controlling and reporting valued

The meanings of the values advocated by the owners for were described to be very important, whether the commentator was an outsider belonging to the top management or a board member, as the following quotes from three informants' evidence:

> *"In Finland we thought for a long time, at least up to the 1990s that owners should keep their possessions forever. Especially one could believe this from a cooperative, where ownership is divided. So, it is a quite radical change when a pure equity investor becomes an owner."*

> *"The fact that there was a family-owned business, a cooperative and a private equity investor was visible even when the co-existence had been going on for some time. I wonder how much work was done in order to find a joint intent. This is a quite relevant point here."*

> *"When there is one strong main owner, the values of the other owners don't count for much...When the owner changed, the company went out of position."*

Moreover, the historical trait of Tradeka's representing the ideas of leftist parties, compared to the world view of a private equity investor that could be described to be quite capitalistic and representative of the right-wing political atmosphere, could not be more separate.

The concept of time changed toward more short-term acting. Thus, the owner structure had a significant effect on the length of Tradeka's planning period and was certainly changing the agenda and priorities of the management as well. The balance sheet grew in importance related to the earlier focus on cost control and the income statement. And, as earlier investments were targeted at technology supporting efficiency, the investments then were mostly targeted at capital management and later at building new behavioral traits via lean management, remuneration and training programs and communication. Reporting to the board became a major task for the management.

To quote one of the managers:

"The management style developed more toward a form of governance related to the IK mode of reporting. In a way, IK became the client instead of our actual clients."

The effort necessary to readjust to a new power structure was not anticipated beforehand. A lot of energy was put into reconciling the possible acculturation problems between the merging retail companies and their field operations. As no one raised the discussion of different ownership and its potential to alter the management culture, it is also probable that this dilemma was not noticed as soon as it could have been. It was one of those issues that were only visible afterward, except for the outsiders, as it turned out that especially the informants from outside the company commented on this development.

Although Tradeka and Wihuri also had different owner backgrounds, the one being a member-owned cooperative and the other a family-owned business, this point did not seem to have as much relevance when evaluating the outcome of the integration process in practice. The interviewees witnessed that it had little effect on the field—the field operations being quite distant from the owners—but it also did not have a remarkable influence on the board either. This is probably due to the fact that the real decision power was in the hands of the third player, IK, who was waving the baton at the board.

Organizational culture: a strong supporter of operations and a seed of inertia

The organizational cultures of both Wihuri and Tradeka actually supported the merger from an operative point of view, as the steering and governance models were quite similar despite the different owner cultures. Here, the meaning of cultural fit materialized in a supportive way, following the suggestions of Cartwright and Cooper (1993). In stores where profit developed in a favorable way, it was also understandably easier to adapt to changes. The worries concerned, e.g., the target of raising labor efficiency and transfers of store managers between stores. From a personal point of view, interchanging the stores between managers to raise labor efficiency were worries in the first place.

The only point in the relationships of these merging companies where the role of organizational cultures as such was not supportive was the very question of local product range and marketing. The clash was most visible in Sesto stores and in some larger Ruokavarasto stores. Especially in Sesto, the store manager was used to having more decision power in everyday operational situations. But also, in Ruokavarasto stores, the store manager could act more on a "commercial basis," maybe ordering something extra for locals or making their own deals, the latter being something that, in Tradeka's stores, was not done at all. Contrary to the differences in the management cultures of owners, this difference in Sesto stores was anticipated beforehand, and a lot of thought was given to handling the differences in a way that would not affect the outcome of the merger. It did not succeed well after all, and in a few years, the former Sesto stores were almost all closed down.

Although there was a need for changing operations to increase sales, it was hard to find the right way to do it and to implement it throughout the whole organization. This was partly because the structure of small stores following a nationwide concept set strict limits on how to operate profitably, and evidently, this was partly, because the learned way of operating was already part of the deep structure and basic assumptions of the organization. For instance, knowledge from the store brands representing the minor party did not reach the emergent entity. Regarding the knowledge of the chain management in the daily goods

business or the private equity investors' ability to master working capital and the balance sheet, it is also questionable how profoundly these exceeded the border zones of cooperating companies. This enhances the importance of the active identification of new and different knowledge accumulating in a merger and the measures envisaged to exploit the information (cf., e.g., Vaara et al. 2003).

The premises of chain management are exactly the same as the hierarchical form of the organization from the beginning of the 1900s, and the stated core values of E-group in the first place. The culture thus reproduced something that already formed the deep structure of the organization. Hence the role of organizational culture was quite a significant supporter of the integration, while simultaneously forming a basis for inertia.

4.3.3 The compatibility of intra-organizational cultures

Harris and Ogbonna (1998, 2000) stated that, in retailing organizations, the organizational members' perceptions of culture correspond with their hierarchical positions. Following this, it was anticipated that the meaning of organizational culture might not be the same during the transformation through the various levels or parts of the organization. This also proved to be the situation. Next, various reactions in the field organization are pondered in contrast to the support organization and management. Also, the variation of reactions in time is noted.

Field organization

The initial integration of the field organization was planned and managed as a technical process quite well and in planned time. The acculturation problems born in the field operations were mostly due to different priorities in business practices and decision power. This resonates well with the research on the retail field, where power issues have proven a major concern in organizational culture change (Ogbonna, Wilkinson 2003). Moreover, the path dependence of power relations in the Finnish grocery trade is considerable, with the decision-making authority closely following the ownership structure (Valorinta, Schildt, Lamberg 2011).

Maintaining most of operative processes like before and the familiar behavioral norms in the first phase of implementation were probably the main reasons for the actual converting program to be successful. This is something that the organization could do well, and the organizational culture supported it. Also, the important role of the integration manager (Teerikangas et al. 2011) was recognized in the actual integration process concerning field operations. A person widely trusted and known to understand "both sides" was a significant asset in this role and he was one reason for the positive outcome of this process together with his group.

The field organization got confused once again during the second wave of the merger when certain reforms were expected from them. The basic processes did not change much though, so there was hardly a reason for the culture in the field organization to change, at least in the short run. The target of the changes—a more customer-oriented culture—was not denied, but it was stated that the link between how business is successfully done and the new ideas, was not evident.

Thus, the next points supported the smoothness of the integration process in the field organization:

- the same kind of chain management business model in integrating stores

- profound planning, attention and resources placed on the process

- keeping most operative processes the same as before

- familiar behavioral norms during the first years

- the positive role of the integration manager and the integration team.

The feelings felt by a member of an integration team were quite positive, though the restricted time resources that limited opportunities to work with people were recognized:

"The openness of Tradeka's organizational values was seen in the way the new people were welcomed to the company."

"Clearly it can be stated, however, that if one thing has to be put on the table, it is the time and resources required for adaption, training and taking people with you...Surely there were discussions afterwards because all people didn't feel that the approach was right to fulfill their own personal needs."

Another member of the integration team working with store renewals expressed the situation like this:

"I didn't have any problems with anyone, everything went well. And I took the attitude from the very beginning that the situation could be reversed – someone could come to change our Siwa stores to be Ruokavarasto stores. People had done their job well, but it just happened this way."

Although a lot was done to welcome new co-workers and mix the personnel in the field in order to enhance integration, it could still take time before the difference between the representatives of the two merging parties faded away. In the first place, the gap was felt during joint training days.

An informant participating in training sessions recognized the situation:

"People from Wihuri felt our organizational culture to be tighter and more strictly controlled."

"Yes, it took quite a long time before—with the full classroom of 25 people— one could really say that we are in the same boat. Yes, there were cliques for a very long time. Wihuri people in their own group and Tradeka people in their own."

Issues challenging the integration process in the field organization, on the one hand, were the different priorities in business practices and decision power due to the altering degree of central steering and focus points. These variations were due to both different organizational cultures as well and alterations in strategy.

The chain management as a business model includes strong behavioral norms, which colored the organizational culture of the business. When it becomes a learned way for thousands of employees to follow, breaking the rules of the game obviously demands profound reasoning and a strong and clear leadership. The

learned system and structures ruled. Thus, when striving to alter one piece, notice should be taken of how it affects the whole system.

Various interpretations of organizational culture

When in some parts of the organization the organizational culture in stores was interpreted to be hindrance to success in some parts of the organization, some informants felt that, thanks to the strong organizational culture, the field organization maintained its capacity to perform, while the action in the rest of the company faded during the deepest crisis. Here, the meaning of the organizational culture was specifically seen in how it supported operational actions—how to keep moving and continuing with the everyday tasks. The discussion about how to behave was generally not felt on a personal level but more as a part of the the business model.

In small stores like Siwa, everyone is involved in almost all jobs. The internal structure in stores is not hierarchical; the success of the operations is largely determined by how well the team operates as a whole. In addition, besides centrally organized practices, many situations in stores demand local decision-making and independent attitudes. Moreover, the personnel live near the customer and market, which makes the organizational culture more outgoing and allows it to concentrate on the present.

In the field organization, connections to the support organization are mostly indirect, and personal contacts are rare. Thus, it is no wonder that the informants representing the field organization had partly dissimilar views as to when it comes to the meaning of the organizational culture in transformation. The acculturation problems felt in the support organization were hardly noticed on the area level and were especially not felt on the store level. The changes were more connected to the next superior in line or to his/her supervisor.

As a whole, the representatives of Tradeka as a host company seem to have had a good feeling about how the M&A was perceived in the field. Memories from the integration process were mostly positive for the informants of the case company that took part in the practical implementing project. It was actually stated to be one of those joint efforts that united people, supported by the organizational

culture. The organizational culture of the main owner, Tradeka, however, was taken for granted as the right culture to follow.

Although views in the field organization might be different from the support organization, also the store managers seemed to sense the atmosphere in the headquarters in one way or another. During the last years of integration, steering was stated to be developing into a clearer direction; decision-making was getting faster, and the support organization was felt to serve the field instead of the owners.

An informant from the field organization expressed the prevailing atmosphere as follows:

> *"Nowadays, during the last year or year and a half, we co-operate a lot with the support organization. I have just been in one of the best trainings I ever attended. We implement now the material we made for store managers. All is written down. What we expect from each other."*

To have a common idea of what we expect from each other is a prerequisite of building a cultural basis for a new turn (Schein 2004).

Support organization and management

In the support organization, the cultural issues were felt on a more personal level as it became a question that divided opinions between new and more experienced members of the organization. There were informal and invisible sub–groups, with different kinds of attitudes toward the prevailing or former organizational culture.

What was lacking was the know-how respecter role (Teerikangas et al. 2011). As well as new initiatives, the prevailing culture also needs an advocate. It is not something that anyone without a mandate is safe to do as defending something prevailing always includes the risk of being interpreted as an opponent of change. Still, if not stated aloud and handled, the old habits seemed to form a greater risk of resistance than when evaluated as one possible platform of development. In Latta's (2009) process model, organizational culture is seen as an asset, aiding change agents in anticipating the influence of organizational culture at every

stage. Using the organizational culture could be enhanced by recognizing the know-how respecter role.

On this level of the organization, the deepest cultural turns were related to relationships with suppliers and to the shift of the decision-making power on the axis between owners, management, professionals and the field organization. This was also noticed by outsiders. The role of organizational culture varied depending on whose point of view was reflected.

One problem in headquarters seemed to be the loss of a joint mission, which had already been a subject for a few years as a member of the top management here describes:

> *"Perhaps there was a little confusion in the group. When we had lived kind of with the knife at her throat—can the company survive to the end of the restructuring program or not? Yes, it looked good all along the way, but it was kind of a goal. And then what happens after the finish line? It was all a bit unclear. You had to start thinking what the mission of the company is in the future."*

After the M&A the mission was no clearer. The cooperative as an owner stayed in the background; there was no restructuring program to win or perhaps not even any of their own jobs to keep. The organization was seeking a good new purpose for its existence. From cooperative values, it is a long way to the objectives of a private equity investor.

The long distance between the owner culture of a private equity investor and a cooperative is actually one of the major findings in this process. The management of the case company at the beginning of the merger phase stemmed entirely from the owner culture the cooperatives represented. The focus points, decision power, concept of time, attitude toward profit-making and values seemed to be different in those distinctive owner cultures. The private equity investor deals with this dilemma by inviting the management to be owners, with a small fraction of the equity aiming to enhance the joint target for the operative management and the owners. Still, the learned idea of how business is best done and its priorities, might not change as fast.

Acculturation problems at the management level directly affect only a few people, and as such, these are highly personal questions. They are issues that are also handled at the individual level and are often solved by changing the management. However, problems at this level have a tendency to escalate to other levels of the organization and are capable of retarding the integration process (Weber 1996). Suspense at the managerial level might convert to power games. Regarding Williamson's (1985) views, it seems that, especially in hierarchies, political games and power issues are emphasized and may cause, for instance, slower reactions to changes, and sometimes resistance to change if one's own power status is at stake. In this case, the planned integration era was three years. On a cultural level, the change process can be interpreted to have taken about six years, as only then the company seemed to be on a positive track again, and the confusion following the M&A was dissolving.

The support organization and management are positioned between the field organization and the owners. Together with the pluralist connections to different stakeholders (e.g., suppliers and service providers), it is a field receiving a variety of cultural influences. Besides this, there seemed to be four distinctive issues characteristic to reactions at the organizational levels of support and management:

- cultural issues felt on a more personal level

- many formal and informal subgroups in relation to perceptions toward the organizational culture

- a longing for a clear common mission

- a need for a know-how -respecter role to smooth out the development of the organizational culture

The different reactions reflect issues that are distinctive at various organizational levels. Altering reasons and the nature of the reactions also leads to variations in the time scale of cultural integration.

Parallel integration processes

Integration was first referred to as the physical changes of the chain brands and the altering operative processes. When forecasting the possible acculturation problems in the merger, attention was given to the different chain brands and features of field operations that were supposed to be possible seeds for cultural clashes. This is probably quite a common practice when entering M&A, but in this study, it was perceived that the experiences of the sources of acculturation issues differed considerably depending on the organizational level the informant represented. Moreover, evaluations of the significance of events and changes varied. While the senior managers tended to describe the changes as transformational, the store personnel could regard the same events as mostly incremental.

It became obvious that the integration phase of the M&A is so differently experienced among the personnel, whether thinking about the time scale or the points to consider, that instead of one integration process, we should talk about pluralist parallel or layered integration processes. In this case, there seemed to be at least three parallel integration processes going on, related to different subgroups, namely, management/owners, personnel in headquarters, and the field personnel (Figure 3). The role and meaning of organizational culture concerning these processes altered, as well as the acculturation problems and their timing.

The integration of owner cultures could be stated to last longest as there seemed to be different views about the strategy and priorities up until the last years of integration. Only in front of the most severe financial difficulties did the owners as a whole seem to find not only each other, but also a clear common target. The acculturation issues in the support organization appeared to be related to changing strategies and generations rather than to the M&A as such. And in the field organization, the first phase of acculturation issues refers to the very beginning of the integration, and the conversion of stores and the next phase to the confusing time of searching for a new way of dividing the tasks between the support and the field organization. Of these phases, only the store conversions,

and integration of owner culture, could be anticipated as straight consequences of
M&A.
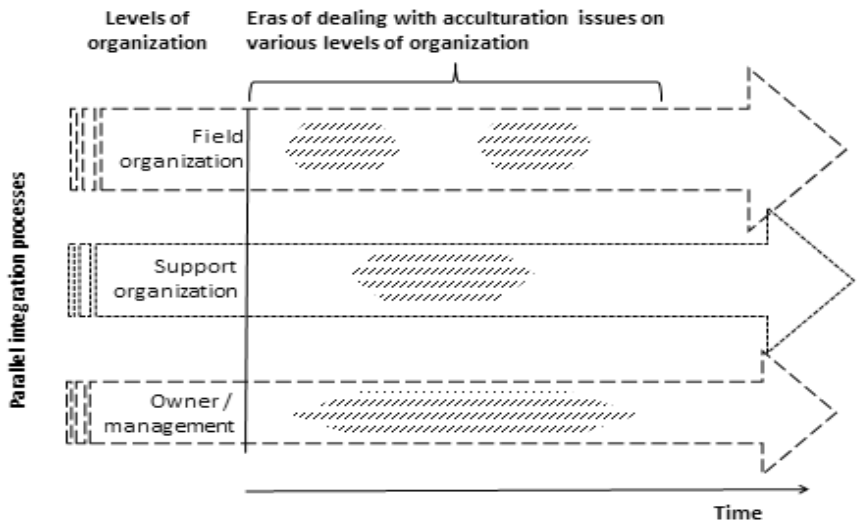
Figure 3: Parallel integration processes and eras of dealing with acculturation issues on various levels of organization

Besides the level of organizational structure, parallel integration processes could also be divided according to the extent of their impact. The integration of owner cultures and acculturation issues at the top management level tend to be issues focusing on the personal level, although apparently, their effect might be wider. The acculturation issues of the support organizational level presented themselves in different opinions of incumbent and new employers or generations. The integration processes in the field organization mainly included operative measures, and as such, they were issues of the chain brand or business model level.

Dividing the level of integration into owner/management, support and field organizations, and with their respective focuses on the personal, sub-group and business model levels, is of course a rough generalization. There are always, e.g., personal feelings related to every change in all parts of the organization. This division is used here as an illustration of the focal points of the integration

process. When considering the identified clashes, whether in stores or in the support organization, they all appear to include personal emotions. How these feelings were handled must have affected the time needed for recovery. The energy needed to develop the organization was partly linked to emotions, and it was probably one thing preventing the organization from rising to the next level.

An informant who had worked with the field personnel during the M&A, noticed the power of feelings:

> *"There were substantial fears based on images and prejudice…sense of inferiority or…how are they going to survive from all these changes."*

As the support organization and management were the same at the beginning of the integration phase as before the merger for the most part, the time and thought required to build a joint understanding and the feelings that would be aroused during the integration phase, were not accentuated. The feelings among the people in the support organization were actually never even recognized aloud, which might have been one point leading to using culture as a way to express personal feelings. When referring to the tacit and invisible role of organizational culture, the feelings of the members of the organization are probably partly difficult to identify, especially as they are so personal. And still, in the transformation, all kinds of emotions from frustration toward the old stubborn ways, anger or sorrow for losing something previously possessed, etc., are inevitably present.

In the support organization, the turnover of personnel started to increase during the second wave of the merger. The increased turnover of the personnel was not only due to acculturation stress but there were also voluntary withdrawals and lay-offs due to the decreasing profits. In conclusion, it seems that acculturation stress mainly hit the organization only a few years after the merger, having been first felt among the management from the beginning of the merger, and transmitting after a few years to the rest of the support organization.

The acculturation issues concerning the owner cultures, however, should be paid the most attention. Those issues seemed to last longest and, although not always

visible to the organization as a whole, they have probably quite a few consequences as a reflection of the strongest decision power in a company. The long history of two of the merging companies and different priorities among the owners must have also had an impact on this development.

4.4 Summary of case 1: How is culture present during M&A in a retail organization?

Retailing as a traditional field of industry has gone through a long and varied evolution (Miles, Snow 1986; Miles et al. 1997). There is no doubt that this evolution will proceed as retailing, like any other industry, reflects the development of society. Organizational culture is influenced by, e.g., intra- and inter-organizational developments, but on the other hand, it also affects how organizations adapt to new circumstances. As the role of organizational culture in M&A has been stated in many studies (e.g., Stahl, Voigt 2008; Weber, Tarba 2012) to be important when striving to reach the aims of this business operation, whether the organizational culture hinders or supports the changes is respectively an aspect of utmost significance.

The hierarchical governance structure relates with the description of standardization and chain management as a business model. Hierarchical transactions rely on administrative mechanisms, and in the most hierarchical transactions, centralized planning is dominant. (Stern, Torger 1980). Hence, how culture is present in retailing organizations varies presumably in accordance with their phases of evolution and history, governance structures and business models, among other things. Chain management as a business model was a relevant element in this study, but it could also presumably tell something about the retail field as a whole as it represents quite a widespread model.

Integrated, differentiated and fragmented views

Cameron and Quinn's (2006) cultural profiling of the retailing industry as a whole showed that there are organizational traits inside the retail business that are linked also to the market, hierarchy, clan culture and adhocracy types of

organizational culture. In this case, many informants mentioned the case company to be somewhat inwardly bound and hierarchical, but when talking about the field operations, the focus was stated to be more outward. So, if the typologies were used, it would be advisable to also take into consideration the possibility that the organizational culture would be different in various parts of an organization.

In this study, the message from Martin (2002) and Harris and Ogbonna (1998, 2000) was heard, indicating the need to present an approach that would also acknowledge other cultural evidence apart from the integrated ones. The three-perspective theory of Martin (2002) reflected the actual situation, as integrated, differentiated and fragmented ideas of organizational culture were all noticed. Harris and Ogbonna (1998, 2000) observed this approach to serve the retail field well, as attitudes concerning organizational culture are different in various levels of a retail organization. The results in this study support this notion as the level of organization seemed to be a clear watershed dividing the experiences of, e.g., the integration process.

Basic assumption and beliefs

Basic assumptions and beliefs are ideas, the organization has learned to trust: the source of its success, survival and safety (Schein 2004, 2009). In this case, values stemming all the way from the co-operative history, and also from the success of chain management as a business model seem to be forming a set of basic assumptions, strengthened by the governance structure of a hierarchy.

Small is beautiful in terms of profits and so is a humble mind; this seems to be one basic assumption. One should not rock the boat with big, risky movements. Rather, it is prudent to stay on the safe side, obey your supervisor and respect your colleagues. Power is not in the individual but rather in the concepts, teams and chain of stores. So, do not go solo. Bea part of a group, cooperate with others, take care of your own link in the chain and follow the rules. And whatever you do, do not mess up the effectiveness! Maintain smooth processes and strict cost-control. Make sound decisions and implement them with efficiency and discipline.

Basic assumptions tell about the integrated views of the organizational culture and the observations about the role of organizational culture during different phases are mostly based on the integrated level of the culture. But, for almost every point, there were also controversial opinions. Moreover, the issues that seemed to be important for part of the organization might not have been visible for another part, and even the same words had various interpretations.

Differing views and interpretations

The difference between the field and support organization in feeling the power and reason for cultural clashes was among the points that revealed the differentiated views on the organizational culture. Altering the relationship with suppliers, for instance, was only felt in the support organization as it concerned how to cooperate with them, which turned along the merger from long-term development projects toward a more short-term profit-seeking.

The divided opinions of innovativeness also reflect a division from integrated views in organizational culture. Certain parts of the central organization were gathered to have a more innovative culture than others. In the field organization, the stated innovativeness was not as clearly felt, probably because the development work mostly supported efficiency, but it was not something that a customer would notice as innovative. Here, the organizational cultures had differentiated traits or, at least, evidence of the existence of various subcultures. Hence, the aspect of innovativeness seems to be related more to certain personalities, leaders or strategic phases than to the deep structures of the company.

Although seemingly integrated views disclose valuable information about the organization, it is likewise important to notice the differing views and interpretations. Even similar words do not mean the same thing around the organization. For instance, one of Tradeka's official values was customer orientation, which was explained as the ability to offer the most wanted products with the help of sophisticated information systems. For many informants, this rather technical perspective meant something quite opposite of customer orientation, and the relationship was described to be a distant one. In a study among the suppliers, on the other hand, customers were felt to be strongly

present in negotiations as decisions were based clearly on customer information. And, especially in small stores, customer orientation included close personal relationships with frequent clients—they got to know the neighborhood.

The organizational culture in headquarters appeared to divide the co-workers into different camps: the "olds" with the history, and the new recruits. The views about organizational culture were related to personal history and were therefore relatively differentiated or fragmented. When those with the "right history" were playing first violin, the history itself became a burden to "the old ones" throughout the years.

It is only natural that the traits of the history were strongest among the people who had worked in the company or were in close cooperation with the company. But actually, the history visibly got its meaning only during the merger when the cultural talk began. Before that, for instance, the mission-led era was not given such a halo. The time did its job, and memories grew more golden along the deteriorating results. Respectively, the intensifying cultural talk reveals that the more confusion there was among the personnel, the more important the role of the organizational culture in individual sense-making became.

The role of organizational culture in the case company

Culture was considered in the first place to influence change by supporting or hindering it (Table 6, Ch. 4.3) during the distinctive phases of company history. Table 8 combines the most meaningful issues in the history, including those related to the context of the case company that influenced the role that organizational culture had during the integration.

Table 8: Influence of the history, structure and business model on the role of organizational culture in the case company

Elements	Meaningful issues	Influence	Role
History	Long cooperative background and values Phases of severe survival struggles	Less ambitious attitude toward optimizing the profit: a humble mind Low risk-taking abilities and capacities	Hindering the formation of common strategy and values
Structure	Pluralist organizational levels with long geographical distance High personnel intensiveness	Prolonged implementation of cultural changes Altering interpretations and reactions in various parts of the organization	Hindering the formation of new common culture Supporting stable performance in the field
Business model	Tradition of chain management coloring both operative and behavioral norms	Ability to implement quickly Value of following the agreed ways to operate	Supporting implementation in practice Hindering new ways not in line with the business model

When reflected together with the role organizational culture had throughout the integration process, it is obvious—and quite natural—that the meaning of history diminished as the integration proceeded. This also applies to the meaning of owner culture, although it took quite a long time before the cultural clashes were mitigated (Figure 3, Ch. 4.3.3). Then again, the organizational structure with the

support and field organizations and the business model of chain management, was quite a resilient context, and its influence, respectively, lasted throughout the integration. For the retail business as a whole, it is worth noting that these most resilient elements are quite common features.

To summarize, the main points in relation to the history and context are discussed.

- **The power of learned practices clearly causes inertia—but also supports implementation**

From at longitudinal approach, the organizational culture had a supportive role as long as the operations followed the learned ways of performing. The supportive role was quite invisible, though, as it was not given attention until new demands brought the deep structure of organizational culture to the surface. In this respect, the supportive role was clear, and the usefulness of the longitudinal approach in anticipating the possible strengths and weaknesses of the integrated views of the organizational culture proved to be worthy of appreciation.

- **Shifts in power structure are a significant cause of acculturation issues**

Shifts in power structure—whether the decision power between the board and management or division of power between support organizations and field organizations—caused clear acculturation issues. Also, when attempts were made to change the culture, for instance, by encouraging store personnel to take more entrepreneurial risks, did not feel familiar to the informants. Referring to the words of a representative of the field organization,

> *"I was wondering to myself, too, that—is this job really done this way? My own learned principals of how profitable business is done were questioned. One had to operate against one's own morals."*

- **A shift in the balance within the elements of a business system weakens the supportive role of the organizational culture**

If behavioral norms were balanced with the business system as a whole, the organizational culture supported the operations. The power of learned practices

and the business system are apparently fortified by the traditional retailing field of business and the long history of the case company.

- **Personnel intensiveness and organizational distance challenges the speed of alterations**

Moreover, the retailing business as a fairly personnel-intensive field means that renewals must be accepted and turned into practice by many people, the key question being how the new behavior is noticed by the customers. Personnel intensiveness is also shown in how the profit is closely related to the competences and attitudes of the store personnel in the end.

Quoting one of the top managers,

> *"It is interesting how those really good store managers always perform fine. They always find the way to get the shop to work well and to look good. It is the same, whatever the system."*

The distance between headquarters and personnel was one thing that was also mentioned in the interviews as a possible issue prolonging the cultural changes. In the retail business, it is quite typical that between headquarters and the actual service personnel, there are pluralist organizational levels and also long distances in the geographic aspect. This distance, together with the high number of personnel, further slows down the implementation of new systems. The development of the culture was also stated in this case to be more like slow evolution than revolution, and in some cases, the role of organizational culture was anticipated to hinder the progress overall. A member of the management team describes it this way:

> *"Now when one looks backwards, the development was proceeding only step by step. At that time, one always imagines that something really changes, but actually it was step by step, and by small steps for that matter."*

These issues clearly affected how the case organization adapted to new circumstances, but whether the influence is interpreted as positive or negative depends, at the end of the day, on one's personal values and incidental

conditions. For instance, as stated before, the distance between the support and field organizations slows down the speed of cultural changes, but it also hinders possible acculturation issues from being transmitted from one part of the organization to another. And when it comes to cooperative values, it is actually an ideological issue, whether optimizing the profit is considered to be a negative or positive value. In this case, though, the values that stemmed from the company history seemed to be mismatched, prolonging the time needed to find a common understanding.

The role of organizational culture could also be both supportive and hindering at the same time if following the differentiated and fragmented views. Also, organizational culture was not only promoting or preventing the changes, but it seemed to possess personal meaning in the eyes of the informants. In sum, whether the role is hindering or supporting is a combination of inter- and intra-organizational circumstances together with behavioral norms, plus individual perceptions and attitudes coloring the sense-making process.

Weber (1996) described culture as a social control system where shared beliefs and assumptions are internalized. He emphasizes the effect of this potential control device and the importance of the awareness of cultural differences, especially in service companies. This seems to be an essential notion also in this case. The whole culture was built on maintaining efficiency and control. When control was questioned efficiency suffered, and vice versa. The retailing business as a personnel-intensive and solid industry is not the most agile type of business. The mere physical distance between store personnel and management limits the pace of initiated change. In this case, the nature of the retailing industry, chain management as a business model and painful memories of lost control and its consequences all acted in parallel, causing cultural inertia; thus, the inertia was based on anxiety and would need a convincing plan to be conquered.

Changes that require abandoning a long history and/or new knowledge obviously need to be given a lot of support through resources and commitment, enabling the new operative models to grow into permanence. In this sense, the chain-managed company does not differ from how people generally react to any type of change. Perhaps, the labor-intensiveness and the long history of a chain-managed

division of labor, however, are to be given special notice and understood when changes are planned. As long as the operative process and values of efficiency were the basis, the implementation phase proceeded smoothly. But when the organization is expected to behave differently and the rules change, then clear and plausible plans, actions and justification for abandoning the learned behaviors are needed.

5. THE ROLE OF ORGANIZATIONAL CULTURE AND PROJECT ALLIANCE: a case study in the field of construction

Nowadays, project alliance is quite a common way to organize large construction projects in Finland, and the organizations in this case more or less have experience with this kind of cooperation. However, the Tampere Tramway, is the first tramway implemented as a project alliance in Finland. The tramway is also the first in the city of Tampere and is therefore a target for wide attention with high expectations of its meaning for the development of the entire city.

The alliance is a combination of four actors called the Tramway Alliance. The client is the City of Tampere, and the other members are VR Track Ltd., YIT Construction Services Ltd., and Pöyry Finland Plc. As a single organization, the partners would represent the governance model of hierarchy, a vertically integrated organization. However, as a project alliance organization, these actors form a temporary alliance organization.

Next, the descriptions of the case and the participating organizations are given, along with the timeline of the project itself. The data are based on the information gathered in interviews but also on the support material available, i.e., on the organizations' websites. These two first themes form the frame for interpretation of the discourses that are aroused in interviews. Toward the end of this chapter, the attention turns to the role of organizational culture in this case: how the culture and its meaning developed over time in this case and what was the meaning of the compatibility of co-operating cultures.

5.1 Case background

Tampere, with its 232,000 inhabitants (2017), is the third-largest city in Finland. The forecast for the year 2030 is 250,000 inhabitants. It used to be an industrial

town but has already long been characterized by service industries. As Tampere is situated between two lakes restricting the city in the north and south, the town has developed toward the east and west more or less in the form of a line. Now it is somewhat linear, but loose urban structure is summarized by building new housing areas between the existing ones and by weaving it all together with new logistic solutions.

The project alliance of the Tampere Tramway has its roots in the long-term plans of the City of Tampere to develop its infrastructure to meet the needs of the growing city and to enhance its attraction. The idea for tramlines in Tampere began in 1907, but the plan was abandoned at the turn of 1920–1930. The first report of the tramway was prepared at the beginning of the 1990s, and a second one at the beginning of 2000 when the plan was introduced to politicians.

As the project is a major public investment affecting the population of the whole city and its surroundings, there have been many steps to take before decisions could be made to start the actual implementation. The planning of the current project started at the beginning of 2010. The preliminary master plan was approved as the basis for the follow-up plan in 2012, and the general plan was approved by the city council in 2014. This meant the kick-off for planning the alliance based on a cost estimate and a limit of 250 billion euros.

The Tampere Tramway phase 1 includes two tram lines that form a 15-kilometer-track (Figure 4). The other line extends to the Central Hospital and the other to the suburb of Hervanta, where the Technical University is situated. Traffic is expected to start toward the east and south-east in 2021 (blue lines in the map). The second phase, the west-northwest line, is anticipated for 2021 – 2024.

Figure 4: Tampere tramlines

Partners in the Tramway Alliance

The tendering for the alliance project started in December 2014, and by June
2015, the alliance partners were selected. The team consists of the City of
Tampere as a subscriber and three service providers: VR Track Ltd., YIT
Construction Services Ltd. and Pöyry Finland Plc.

The Tramway Alliance is planning and constructing the tramway and the depot.
The client organization is the municipality of Tampere, called the City of
Tampere. It is a public entity, whereas two of the service providers, YIT
Construction Services Ltd. and Pöyry Finland Plc., represent private, limited
companies operating in the fields of construction and real estate. The fourth
member and the third service provider in the pack, VR Track Ltd., is a limited

company as well, but it belongs to the VR Group, which is a travel, logistics and infrastructure engineering service company wholly owned by the State of Finland. As such, the alliance is a mixture of political steering both local and national levels, administration, private company operations and the interests of hundreds of thousands of civilians together with multiple subcontractors.

Besides the central administration, the organization of the City of Tampere comprises three service areas: 1) Well-being, 2) Growth, Innovation and Competitiveness and 3) Urban Environment and Infrastructure. The Tampere Tramway is the responsibility of the Urban Environment and Infrastructure sector. The City of Tampere is managed by a politically elected mayor, together with three deputy mayors. The service areas are operated by executive directors and their team of civil servants. (http://www.tampere.fi/en/city-of-tampere/organisation.html). However, as the project proceeded, a new actor entered the field: Tampere Tramway Ltd., the future owner and operator of the tramway and the actual end customer. Tampere Tramway Ltd. is fully owned by the City of Tampere.

The City of Tampere has also been a main partner in another logistic project, the building of a motorway tunnel to pass under the city. VR Track Ltd. has experience in project alliances too, which is outlined on its website, as well as the news of its participation in the Tramway Alliance. VR Track Ltd. is a railway and tram builder and maintenance provider, as well as a supplier of railway systems and materials. The number of its personnel is 1700 employees, of which about 100 are participating in this project. In the Tramway Alliance, its role is to manage the project and provide construction and planning services.

On its websites, Pöyry Finland Plc. also outlines the tramway as a reference of its knowledge and success in alliance projects. Pöyry is originally a Finnish family business, but it quickly grew into an international consulting and engineering company (www.poyry.com). Pöyry Finland Ltd. employs approximately 1400 people, and for the time being, about 35 of them participate in the project. The tramway is a project of Pöyry's infrastructure sector, which, among other things,

specializes in planning, design, project engineering and tendering of rail-bound traffic systems. In this project, Pöyry's role is to act as a planner.

The Tramway Alliance's core team consists of representatives of relatively large companies by Finnish standards. This also applies to the YIT Construction Services Ltd., which represents the constructor, as its name implies. It is part of the YIT Group and specializes in building roads, bridges, railways and metro stations, as well as, ports and parking facilities (www.yitgroup.com). From YIT Construction's 3000 employees, about 100 are now involved with the case project.

Organization and decision-making in the Tramway Alliance

The decision-making has already gone through many steps before the actual implementation started. When the project moved to the implementation phase, a new organization was established, comprised of representatives of both the client and the service providers (Figure 5). However, the alliance organization for the implementation phase from an operational perspective was much like the organization for the development phase. Also, the personnel in both these phases remained mostly the same. The only significant difference was in Tampere Tramway Ltd., which was a one-man organization at the beginning of the project. In October 2017, a managing director was nominated, and he started to build up the organization of Tampere Tramway Ltd., in order to be ready to receive the track line and start operations in 2021.

The highest decision-making power is exercised by the alliance management team, which is led by the representative of the City of Tampere. From its 12 members, 5 are employees of the City, one of them being the proxy of Tampere Tramway Ltd. The service providers have two representatives each. Moreover, the meetings are followed by a representative of the Finnish Transport Agency.

The alliance project team is responsible for day-to-day management, and the project manager in charge is from VR -Track. The members of the project team, as in the alliance management team, also represent the City of Tampere, VR -Track, Pöyry Finland Plc., YIT Construction Services Ltd. and the Finnish

Transport Agency. Cooperation between the alliance project team members takes place more or less on a daily basis, and the whole team meets weekly.

Besides the alliance management and project teams, the construction group and the design steering group meet on a regular basis throughout the whole project. Moreover, there are many work groups that are responsible for certain parts of the project, such as interaction and communication, safety issues, time table, risk management, etc. Construction and planning are divided into technology types that each have persons in charge of representing planning, construction and the City.

Tramway Alliance Steering Group				
Tramway Alliance Project Manager				
Tramway Alliance Project Group				
Representatives of Service Providers		Representatives of the City of Tampere		

	Construction		Planning	
Zones 1 2 3 4 5	Responsible for technology types of construction	Responsible for technology types of the City	Responsible for technology types of planning	Planning management
	Technology types			

Figure 5: The organization chart of the implementation phase
Source: Raitiotieallianssi_toteutussuunnitelma_osa1_20160905.pdf

All in all, over 120 people take part in one or more groups. The precise number of employees is hard to estimate as most planners work on a part-time basis for this project. Moreover, there are about 250 people participating in the operational activities of the project in the field. This includes personnel of all cooperating members of the alliance team, as well as the employees of subcontractors. When we think about the stakeholders of this project, the picture becomes quite versatile. Besides people working for the project, the stakeholders include politicians, media, and the personnel of participating organizations, citizens and people visiting Tampere, local entrepreneurs, state representatives and

consultants, which is a vast audience for the interaction and communication team. The importance of communication is clearly recognized in the project as the information about the project through its websites is quite active, and moreover, the citizens and other stakeholders are also encouraged to participate in planning and communication through various open events.

Goals and incentives

The alliance team shares common goals of the project, which is a typical feature in project alliances (Lahdenperä 2012). Goals in this case were negotiated together in the development phase, and to support the achievement of the objectives an incentive scheme was agreed upon. An elementary part of the objectives are the costs, but the quality of implementation is also highlighted. Everyday fluency, quality of the tramway system, a safe site and positive public image are important key performance indicators. As there are common goals, the possible cost overrun is also shared with the team. On the other hand, if the objectives are met, the bonuses are shared, and there is a possible benefit of undercutting.

Informants highlighted the importance of the alliance agreement, where the goals are clearly defined, as a prerequisite for its success. This requires profound collective negotiations. The meaning of the alliance's common goals and special contract structure was expressed by an outside informant, who compared it with the traditional model by describing it as follows:

"In a traditional work model, we kind of sit on the opposite ends of the table, with a slight mistrust. On the other end, we have ten-year trial proceedings, and on the other end successful alliance projects."

However, although the criticality of a special contract structure of an alliance was recognized, there is still something even more important, as stated by an outside informant:

"In a way, that contract model is not after all the issue, but the most important aspect is the way of working."

Next, the alliance project as a process is described, and in chapter 4.3, the role of organizational culture during the project is discussed.

5.2   Project alliance as a process

The alliance process in this case is divided into four phases:

1) Strategic phase

2) Development phase

3) Implementation phase

4) Warranty period

The strategic phase includes preliminary planning and decision-making in the City of Tampere, which culminated in a political decision and permission to start the tendering and launch the further planning of the project. During the development phase, the actual planning of the project is made by the selected Alliance Team, but it is preceded by the tendering phase, when various consortiums are expressing their plans to compete for the final decision of the implementing team. Implementation refers to the construction of the tramway, which is also the responsibility of the Alliance Team. The implementation phase is followed by the warranty period, meaning that the Alliance Team is responsible for its quality of work long after the construction project is finalized. In the Tampere Tramway Project, the length of the warranty period is five years from the date the traffic starts.

The cultural issues are supposed to have the most significant role during development and implementation phases when earlier separate organizations unite their forces. Here, the term "implementation" refers only to the construction phase. Next, a description of these phases considering the study case is given. The focus is on the development and implementation phases, firstly, on the challenges and special features during the process, and finally on pondering the role of the organizational culture related to these phases.

Distinctive phases in the alliance project

The planning of the Tampere Tramway as a construction project started in 2015 by the Alliance Team (see Figure 6). The development phase included not only further planning of the actual tramline but also the recruiting of the Alliance Team. The implementation started in 2016 with the nomination of the Alliance Team for the implementation phase, and the actual construction started in 2017. The nominated Alliance Team was the same one that oversaw the planning phase. The first phase of the project will last, according to the plan, from 2017 to 2021.

The step before the actual decision—the preliminary plan for a tramway—was completed in 2011. The City Council approved the master plan in 2014, after which the planning rose to a more sophisticated level. In 2015, the final plans for phase 1 were approved, and the Alliance Team for the development phase could be nominated. This is also a starting point for studying cultural issues as, from this date on, the earlier separate organizations started to work together as a team.

Figure 6: The phases of the tramline project
(http://raitiotieallianssi.fi/in-english/)

The decisions for phase 2 are yet to come. The idea is that the phase 1 implementation simultaneously starts the development phase of the second construction entity, the northwest -bound tramline.

In this research, the focus in on the first year of implementation. The experiences of the development phase are taken into account through retrospective interview questions. As the personnel in the implementation phase are almost identical to those in the development phase, the data collection of the earlier stages was supposed to be quite easy. It is also interesting to learn how the ideas of the development phase become true in practice. As the interviews took place near the beginning of the implementation and again after the first year of working in practice together, it was also possible to gather information about how the expectations and first impressions were met. As in the implementation phase, new actors enter to the project, and it is interesting to see if and how this influences it.

The complexity of the project challenges the culture

The tramway is the number one topic in Tampere. The media is continually reporting on it, and its progress is of interest to city residents, business people and politicians. Everyone has an opinion about the matter. Actually, the tramway of Tampere is a nationally recognized project.

Besides the typical cultural challenges, that stem from combining people of various organizations to work together in the Tampere Tramway, the nature and scope of the project also increases its difficulty.

The work is being done in the city center, in the middle of stores, offices, pedestrians and motorists. It impacts city dwellers and businesses, which usually has a negative effect in the construction phase. Work includes many different types of technologies, with hardly any previous experiences to utilize. It requires several authority permissions to proceed, from rescue authorities to the National Board of Antiquities. Zoning issues may generate complaints, and moreover, many city stakeholders might have different expectations for the project, which actually has already generated multiple extensions.

The political decision was a hard one, but after all, about two-thirds of the councilors supported the project. After the first decisions were made, the number of defenders has increased. Although there are a lot of challenges the common feeling these days seems to be on the plus side. The project, however, was a long-awaited dream for many citizens, authorities and politicians; for many, the focus is on the future when the tramway operates and brings more vitality to the whole area.

5.3   The role of organizational culture in PA

The main research question—What is the role of organizational culture in the project alliance— is approached via two sub-questions:

1) How does organizational culture emerge in the transformation?
2) How do cultural features of co-operating organization/s support or hinder the integration?

Transformation, in this case, refers to the project alliance co-operation.

In chapter 4.3.1, the formation and role of organizational culture during the distinctive phases is pondered: whether it is supporting or hindering and how the emergence of the organizational culture is progressing. In the following chapter, the view expands to include the co-operating organizations.

5.3.1   Development of the role over time

In a project alliance, the organizational culture has a clear starting point. When the procurement process begins, the participating organizations collect a team of actors to draw up a joint tender. The team may consist of, different types of construction companies or builders and designers. Of course, sometimes the representatives of co-operating companies have already been working together. This might help when forming a new culture, but nevertheless, the team is new, and the tendering partners are only part of the new organization.

Strategic phase

But even before the tendering, during the strategic phase, measures have been taken that impact the co-operation in the future alliance team. The strategic phase is a period when the subscriber is working out the plan. Considering the Tampere Tramway, an impact analysis was made during the preparation phase; the City's employees from various parts of the City organization, political decision-makers, companies situated along the planned tram line and educational institutes, etc., were extensively involved. The long planning phase and the wide involvement already created firm ground for working together from the subscriber's side, including its stakeholders. The impact is described by a representative of the project group this way:

"It was the meaning already in the general planning stage that this is not only a public transport project, but it is about developing the whole city structure. I would see that this is a key issue, which is why the implementing of the tramway has shown to be City's favor also in the city council."

Besides working together and widely involving people during the strategic phase, other critical events in this stage were the choices of the contract model—the project alliance—and the decision to start the further planning of implementation.

The development phase—step one

The development phase was a two-step process consisting of tendering and finalizing the implementation plans. The decision of the actual alliance partners was made only after the tendering phase.

The tendering process was a very intensive one and was mentioned by many informants as one of the most critical moments in the projects, starting from the selection of consortium members. In the words of a steering group member,

"The critical strategic moments are in hand when partnerships are sought and teams are formed. It is the most important moment."

Another steering group member highlights the competences of co-operating organizations:

"One of the most critical and meaningful phases is the formation of the Alliance Team. We have two strong construction competence areas and skilled planners."

The tendering process itself was also mentioned as a critical and memorable moment in the process. It was described as a hectic half-year, including dynamic workshops in which, plans were discussed and offers worked-out, and the teams learned to co-operate. Work-shops were facilitated following the premises of alliance culture and included open work spaces, sharing information, working in cross-professional teams and various kinds of group situations. How teams worked together was observed by professional coaches, and the team members were interviewed to find out their competences to perform in an alliance culture.

One project team member characterizes the co-operation in work-shops:

"It was surprisingly easy, taken that most people didn't know each other beforehand. We teamed up well. Quite intensive days, though, being the whole day in a closed space solving problems."

The other view of a project team member also underlines the stressfulness of the process:

"Bidding processes are very hard. Besides making a competitive offer you also must make the best impression in the work-shops. The preparation is exceptional, but it is also very inspiring to be involved in something that is so educational and enables you to learn new skills."

Still, as the above quote indicates, being part of an alliance process is also something that is often appreciated, and even some internal competition may

arise as to who is chosen to be a part of the team. Participating organizations bring a large crew to the work-shops, and during the process, the core set is selected. Personalities and the co-operation skills of future team members are analyzed apart, from their professional competences. Being "chosen" is thought to be a statement of one's ability to work in a demanding project.

After a half-year tendering process, which began by gathering the consortium and was followed by participation in the work-shops, the final written offer, including prizing, was made. The grand finale was choosing the winner. As the tendering process tends to create a commitment to the project, the day the decision is made is a meaningful moment, as two steering group members remember:

"It is an e-mail of critical importance - have we won or lost. Because this process goes so under your skin. In a way, it is so great to win, but losing is unimaginably miserable and recovery takes time."

"The day you get the tendering result is **the highlight of this project. If you win, it is one of the best days ever."**

Commitment from all parties is said to be one of the most important prerequisites for the alliance project to succeed. Already, the tendering process itself seems to support this end.

The development phase—step two

Step two of the development phase meant the kick-off of the subtler implementation planning produced by the winning team. The political decision process in the tramway differed from the norm as after the development phase, a new decision was needed to get the permission to implement. Hence, this stage was done in cooperation with all the alliance partners and the subscriber to win one more fight.

From a cultural point of view, this stage was the era of the conscious building of an organizational culture. Commitment was strengthened by widely involving the

City of Tampere employees, who represented various departments of the development work. The alliance team received new premises: a "Big Room"-office. Rules for working together were established, and new team members were introduced on Thursdays in a weekly get- together, a "Big Room Party."

The common work-place is an open, big room office, where all participants are together and visible to everyone; entering this space for the first time is a meaningful point. Everyday works starts, and team members seek their own roles within the community.

The sense of belonging grows as the subscriber and other alliance team members work together to finalize the implementation plan. Now, when all participants work together daily, a sophisticated plan is progressing, and a solid foundation for an efficient implementation is created.

The given cost limits were too challenging for the desired quality level. Without a multi-professional and competent work group looking for the right solution and being able to justify it to decision makers, the project could have seen its end even before it got started. This was the point when all participants defended the project together. To quote one of the representatives of the City of Tampere,

"Good thing was that the experts were extensively involved. The top professionals in construction could tell directly what this is all about. We officials would not have been able to convince decision-makers alone."

Although the multi-professional team was appreciated, and a lot had been done to enhance a common culture, the cultural journey was still only beginning, and cultural differences were still visible as a member of the steering group describes:

"Well, it could be that the differences were kind of early-stage stuff. I wouldn't use the word business secrets, but, well I said it already - that kind of thing. But I suppose that we are over those now."

The alliance team completed the implementation plan in September 2016, and in November, the political decision was made to construct the tramway, and an alliance contract was signed. This was an important turning point—a watershed, one informant put it, as from this point on, one could no longer doubt if the tramway was to be a reality.

Implementation phase

The start of the implementation phase was a quick one as all plans were ready, and the atmosphere was full of enthusiasm. More people were recruited, and the project was divided into diverse subgroups depending on the type of technology. However, in the middle of all the hurrying, it was noticed that the working methods easily slipped back to the traditional ones. Alas, it was decided to launch a new round of alliance culture trainings, which targeted both new and current employees and, moreover, the stakeholders outside the core alliance team. Such groups were, i.e., the alliance steering group, employees of the City of Tampere, and Tampere Tramway Ltd. Moreover, written job orientation material was made available for new comers.

Working together daily, sharing a common space, kick-offs during the development phase, the implementation phase, gatherings in the Big Room, safety sessions and weekly meetings of the project group and steering group, not to mention trainings, were actions that deepened the feelings of togetherness and trust. A member of steering group remembers:

"It helps a lot when you work with others daily. You get to know each other and learn to trust them. But that's what this working life is about—trusting. Sharing the same coffee table means that you get tacit knowledge of the other person."

This perception is shared by a project team member:

"It was special that we came to this same space and we heard what each other was saying—subscribers, other service providers, anyone. First it felt that we whispered, but now it is different."

The means to create and maintain a desired common organizational culture were diverse. A visual planning tool called "Last Planner" was used for scheduling, meaning that the timetables were drawn up in joint workshops and were visible to everyone on the office walls. The visibility was in focus. In addition to the timetables, the Big Room walls were covered with organizational charts with photos and descriptions of what each sub-group was up to, as well as the decision model. It was all color-coded facilitate perception.

Making decisions about the timetable together enhanced common knowledge of what happens next, but it also strengthened commitment. It means a thorough reflection and personal responsibility when you stick a Post-it Note on a timetable yourself, indicating that this is the time when you and your team are going to handle the job.

The importance of good communication was underlined. This also goes with regard to communication with media, citizens, companies, etc., as in-house information. The principles for information were already an issue in the work-shops during the development phase, and the methods included printed information, briefings, social media, and gatherings for all citizens during "Tram-days" in Tampere.

Nevertheless, maintaining the agreed modes of operation demanded continuous repetitions. The challenge was not primarily on the people in the core team but the changing personnel and those who worked outside the permanent staff. Of course, the culture developed and matured over time; the acculturation issues that emerged when co-operation was learned were a different phenomenon than the need for on-going maintenance of culture due to new actors.

However, in the big picture, the beginning of the implementation phase went very well. The targets were reached, and probably at least partly due to that fact, there were not any seeds of deep crises, but the regular problems—like resource issues—were handled by following strictly agreed-upon alliance culture methods and spirit.

The role of organizational culture during distinctive phases

The role of organizational culture during the development and implementation phases by informants was regularly stated to be of importance. This is referred to as the organizational culture among the Alliance Team and in the workshops. The cultural features were shared and identified by many of the informants. Table 9 summarizes the roles as supportive or hindering during distinctive phases.

The most common attributes that were linked to the organizational culture of this alliance project were

- openness (5), trust (4), continuous learning (4), being on the same side of the table (4), best for the project mentality (3) plus honesty, commitment and togetherness (2).

These are quite similar attributes that are linked to the alliance culture in the literature (see Ch. 2.4). These cultural features were assumed to support the project during the whole process, especially when they were learned and internalized.

Table 9: The role of organizational culture during distinctive phases of the Alliance Team

Phase	Role
Strategic	Not yet developed/supporting
Development, step 1	Supporting
Development, step 2	Mostly supporting
Implementing	Supporting/in some points hindering

Although, the alliance culture was not yet developed in the strategic phase, a typical feature for organizational culture in alliances—the wide involvement— was recognized as something that supported the acceptability of the project. At that

time, the alliance was already a strong option for a contract model of the tramway.

During the development phases, the working methods and values typically related to alliance culture—openness, trust, togetherness—were interpreted to play a major role in successful tendering and planning processes. As one member of the project team stated,

"We would never have survived the decision-making process or anything else for that matter without choosing the alliance model."

In many interviews the meaning of cultural learning was stressed. The alliance culture was seen as something worth striving for and a practical recipe for performing successfully. In the words of a steering group member,

"I feel that this is a huge chance to learn and find a new way to operate—how can we do better? There being no border between us when pondering better solutions with various professionals is one of the best parts in this project."

The implementation phase was said to be the real test of the functionality of the organizational culture in this project, as only then, the actual problems and crises might have risen. During step two in the development phase, there were already tougher challenges for individuals to adjust to working methods of the alliance. But when the actual work started, contradictory issues also surfaced. These points were mostly due to differing organizational cultures of co-operating partners, the focus point of the next chapter.

5.3.2   Compatibility of organizational cultures

The ecosystem of the Tampere Tramway consists of many nested and intersecting organizational and stakeholder levels. The core group of the alliance project consists of 9 people and, the Big Room staff of about 50 to 60 people, and 9 people representing the City of Tampere also work in the alliance at the regular basis. When referring to alliance culture, it means the organizational culture of this group of people. They are employees of four partnering organizations,

namely, the City of Tampere, Pöyry Finland Plc., YIT Construction Services Ltd. and VR Track Ltd.

Besides these organizations, for project alliance works with other officials in the City of Tampere as well as with construction workers and subcontractors. With one subcontractor, Ratatek Ltd., The Tramway Alliance had a sub-alliance contract during the development phase. The number of people working in the field—construction workers of partnering organizations or subcontractors—was about 250 in the Autumn of 2017. Officials representing various departments from the City of Tampere numbered about 30 people participating in the project part of the time. Toward the end of the project, Tampere Tramway Ltd. is strengthening the number of its project personnel. A rough estimate of the average number of people taking part in the project is 400.

Organizational culture in partnering organizations

Interviewees were asked if they could identify cultural features not only in in the Alliance Team but also in partnering organizations. The recognized features are summarized in Table 10. The overall image was that differing cultural features were noticed, but their impact was estimated to be rather small, especially after the alliance culture was learned by the project workers. However, there were few issues where the differences were stated to have a major impact on the project work, and some things were even felt a threat to success.

When the organizational cultures were related to each other, the informants pictured the partners as follows:

- YIT Construction Services Ltd. and VR Track Ltd. are both primarily construction companies with a clear focus on task, work, timetable and cost.

- Related to multinational Pöyry, YIT Construction Services Ltd. is a national company in nature.

- Pöyry Finland Plc. omits a planner's identity.

- The planners of Pöyry Finland Plc. and VR Track Ltd. have much in common.

- There is a difference in how visibly dedicated the top management is to this project in each organization.

Table 10: Featuring partnering organizations

The City of Tampere	Public actor with a somewhat formal and rigid culture. Clear limits for own responsibilities, the civil service culture. Complex decision-making: a mix of political decisions and officials' responsibility. An organization of competent officials, and rapidly changing culture toward more flexible and co-operating modes of operation.
YIT	A limited company with systematic—specifically short-term—accurate monitoring. Regular reporting to superiors. Culture of task/ work/ costs. Extensive freedom of actions, decision-making is relaxed and fast.
Pöyry	Large international company with multinational modes of operation. The managers come from various countries. Focus on capital area. Quarterly and interim reporting to superiors. Coaching and rather soft leadership styles.
VR Track	Semi-public actor with mission to support functioning society. A superior expert in its own field. Systematic, efficient, minute scheduling. A tight project and lean management culture. No written reporting chains, but careful background studies of public operator. With most "local identity."

The identified differences were partly named as reasons for some acculturation issues, but they are also a fruitful source of learning. The differences were also estimated to be minor ones when reflecting on their influence on the project. But there was one issue that was most commonly identified as having an effect on the project: the dissimilar decision-making model between the municipality and the actors with the other kind of owner cultures. To quote the litigants,

"The other partners may think that when the decision is made you can proceed without further questioning. But the decision-makers of the City of Tampere want to participate throughout the project." (a steering group member)

"You must be a step-ahead because of the decision-making system. The company time will not stop during the pending decisions." (a steering group member)

"For instance, the decision model, it has demanded a lot of teaching in the project team level to learn it." (a project team member)

"Sometimes the decisions must be circulated somewhere else in the city organization, and loops can take months. We, then again, are used to acting immediately when we have found the solution." (a project team member)

The problem is a genuine one as the project has very strict time and cost limits, but it is also a common one, something that all partners share. On the other hand, every step you take in a city environment has major consequences and affects many parties. The partners have had a hard time dealing with this issue but have also learned to anticipate the possible pitfalls beforehand and understand the interests behind different views. As a project team member puts it,

"Politicians want to hold their decision-making power and they have the link to the public, but not the alliance's cost and time limits."

Although the common target for all participants in a project alliance is an important prerequisite for success, the aims under the surface differ. City council members have their own political missions and voters, city officials target a high-quality urban environment and companies need to meet their financial objectives. And still, as a steering group member testifies,

"The Tramway Alliance has to succeed, and our own business has to succeed—there is no either/or."

Differing decision models and speeds were an often-discussed phenomenon in interviews and an identified acculturation issue that had influenced the project. Various professional identities were also in focus, typically referring to planner-

identity against constructor's identity. This individual-level issue partly surfaced because the decision model and project extensions especially challenged the planners and caused some tension among the representatives of both professions. It was also reflected at the organizational level as the partners were typically identified to obtain either a "planner identity" or a "constructor identity."

The interpretation of "openness" diverged from publicity to open information between the partners. Moreover, the concept of time was among the varied cultural features. Two members of the project team describe,

"Land-use planners' concept of time is a long one (years), while for constructors, one month is a long time."

"At one end of the continuum is a referendum, and at the other doing at once."

In the end, the root causes of differences seemed to be either the various owner culture or professional identity (see Table 11). Owner culture is referred to here as a culture that is a consequence of the differing organizational background.

In summary, the origin of differing cultural features can be expressed as a continuum of two variables:

Owner culture: private, semi-public, public organization

Profession: constructor identity, planner identity, officials' identity

Table 11: Features originating from differing owner cultures and professions

Feature	Difference	Root cause
Objectives/mission	Quality of city environment and infrastructure vs. shareholder value	Owner culture
Openness	To public actor, openness is publicity; to private actor, it means open information between alliance partners	Owner culture
Decision model <- power structure	Political decisions and official decision structure vs. private company model <- political power/ official power/ executive power	Owner culture
Concept of time	Political and official decisions demand more time than decision-making in private companies. Long- time concept of land use planning vs. ad hoc mentality of constructors	Owner culture/profession
Management culture	Expertise management/job management	Profession
Professional identity	Planners/constructors	Profession

The compatibility of intra-organizational culture

Some personnel in the Tramway Alliance work in a "Big-Room community," which includes project management from all participating organizations plus planners and other experts. Other field personnel work on-site constructors and subcontractors. Personnel of the City of Tampere co-operate closely with alliance personnel. When discussing alliance culture, the informants refer to the organizational culture of the "Big-Room -community."

The working culture of field personnel and subcontractors is a traditional one described as a hands-on labor perspective culture. Alas, it represents a completely different organizational culture, but this seemed to be quite alright for the informants, and it is good practice for when it comes to the proceeding of the project.

However, some interviewees pondered whether enlarging the circle of the alliance culture would be fruitful. In fact, alliance practices have been introduced to a few major subcontractors, and features such as openness and genuinely striving to find solutions to emerging problems were evaluated to have a possible positive impact also in more traditional modes of contracts. During the development phase, one subcontractor operated a sub-alliance contract. This can be a challenging role, though, as being in the inner circle of decision-making is important in order to have an equal opportunity to influence the progress of the project.

In the Alliance Team, the differences in adopting the organizational culture of an alliance were mostly the result of being new on the team or participating only now and then on a part-time basis. It was also partly related to personality and an absence of rapport. Despite the careful recruiting process, working in this project alliance might not have been "one's own thing," after all. Or there might have been different views of appropriate leadership styles. Also, the more the organizational culture of "the original alliance personnel" matures, the more obvious the risk for the organization's new members to see themselves as outsiders.

Although the principalities of working in a project alliance follow the common organizational features of alliance culture, the culture of partners also colors the everyday working culture in an alliance. Inside the Alliance Team the original organizational culture of one actor, VR Track Ltd., was identified as the major cornerstone of the prevailing culture. Although quite natural, it also places a challenge in convincing personnel that originate from other co-operating companies to be on the same line.

As a summary, Figure 7 shows the integration of the alliance culture during the process on the three levels. The first adopters are the core alliance team: the project team and steering group. The possible acculturation issues were mostly related to different rhythms of decision-making. The second level consists of the "Big-Room personnel," who were mostly early adopters but also includes people that joined the ranks only later. The acculturation issues here are predominantly caused by personal predicament issues to the dominant leadership and organizational culture, plus the different nature of the work of various occupational groups, namely, planners and constructors. And finally comes the field level, which lived its own life and worked following an organizational culture of its own.
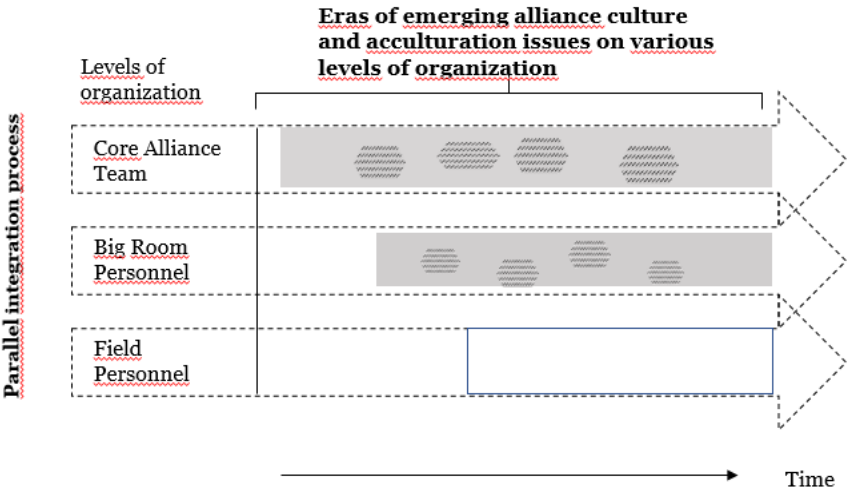

Figure 7:   **Parallel integration processes and eras of dealing with the acculturation issues of various levels of organization**

The informants anticipated that, so far, there has not been a critical event alarming enough to have shaken the learned organizational culture and cause a deep crisis. After all, it was stated that if the implementation phase were to fall behind the goals, then the culture would really be tested. However, after two or three years of co-operation and a one-year implementation, there were no such problems to be seen; despite this, there had been many things to learn about how to co-operate. The informants were rather pleased with the organizational culture in this project alliance. Toward the end of the first year of implementation, the partners had learned to co-operate better and better, and—most importantly— they had learned to effectively solve problems together. The common decision-making ability was clearly the point that supported the success of the project.

Interaction between the Alliance Team and stakeholders

Such a massive construction project has a broad impact on diverse actors. Besides the alliance team, field personnel and participating organizations, the project is of major interest to citizens and the business life of Tampere. Moreover, media, politicians, consultants, educational organizations and current or future tramway towns closely follow its progress. Along with the implementation phase, new actors also enter the stage: subcontractors, various officials in the City of Tampere and Tampere Tramway Ltd., the actual end-customer of the project alliance. Considering the organizational culture of the project alliance, the stakeholders that work together with the team at large are the ones that, possibly influence or are influenced by the alliance culture.

When it comes to the subcontractors, the informants of the core alliance team evaluated that they have hardly any contact with them, except for a few larger local subcontractors. Consultants and constructors in the Tampere area have a network that forms a loose contact between them.
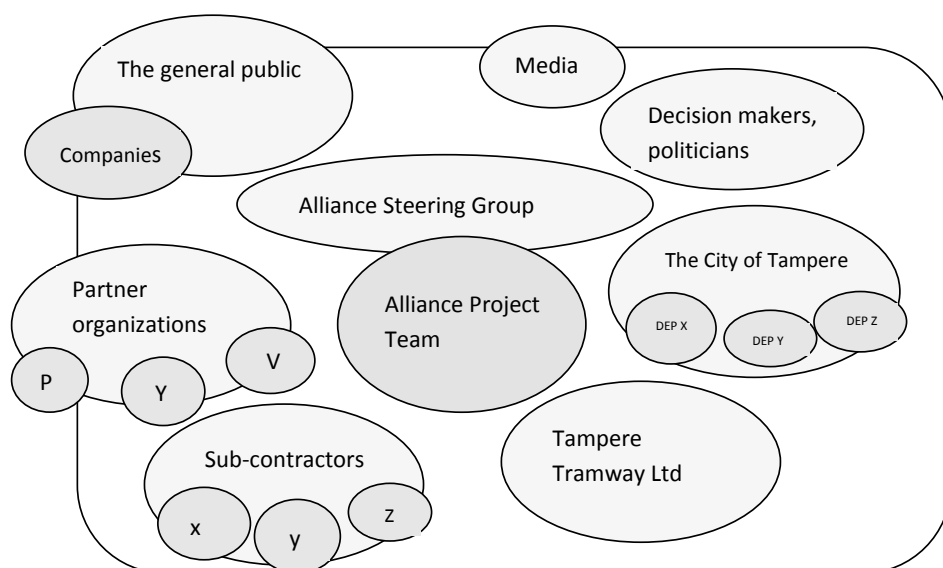
Figure 8: Stakeholders in the Tampere Tramway Project

Tampere Tramway Ltd. was anticipated to be quite an important new actor, and in the first interviews, it was pondered how the cooperation would develop. After about a half a year of experience, however, the statements were quite positive. Tampere Tramway Ltd. had integrated well into the working culture of the project alliance.

There were hardly any points about the consultants that participated in the project; the atmosphere seemed to be that they assimilated quickly to the work as well. Regarding the various officials of the City of Tampere, the views varied somewhat. It was partly because of personality traits, but co-operation with some offices was also considered to be tougher than with others. The passing of time however, had a positive impact on all co-operation. Also, for Tampere Waterworks, the tramway was a challenge as the establishment itself widely impacted the progress of the tramway, but the project placed a great financial burden on it, which otherwise could have been postponed a few years prior.

However, as a big picture, the project has been evaluated as converging different compartments into one another. As a project group member sees it,

"Well, my experience is that various departments have grown nearer each other along this tramway project. We have had intensive meetings and we must have solved problems."

This also applies to other railway cities. Tampere has benefitted from the experiences of Helsinki, and on the other hand, the metropolitan area can take advantage of the learnings of this project when new railway lines are developed in the urban area.

With media, citizens and business life, the contacts were continuous and versatile. The communication was mentioned by many informants to be very well handled and something that really promoted the progress of the project. The large audience was updated all the time. One could not avoid the construction work that posed problems to business life, citizens, motorists etc., but the mission was to inform as much as possible and solve all the problems that could be resolved immediately. The media were evaluated to be mostly supportive of the project. There were all kinds of talks, of course, but at least during the first implementation year, there were no big crises that would raise noise.

Regarding the views of politicians, it was stated that the situation improved along the project. When the decision for the project was done in the City Council, about two out of three council members were in favor. There was a loud choir of opponents, though. With new municipality elections, the number of opponents decreased. Also, the new major model facilitated the progress of the project when it comes to the decision-making. And one could also assume that, as the project matured and reached it targets one by one, there might not have been so much to resist. The decision to go ahead with the project was made, the construction work proceeded swiftly, and the political decision held.

5.4 Summary of case 2: How is culture present in PA?

Next, we come back to some theoretical aspects and link them to the findings of the interviews. First, Martin's (2002) three-perspective theory is used as a framework, and secondly, the values, basic assumptions and beliefs are pondered following Schein's (2004, 2009) concepts. Secondly, the hindering and supporting roles of the organizational culture are evaluated together with the views about the interaction of the alliance culture with the other parties in the project. And finally, to sum up the learnings, the main points surfacing from the data are discussed.

The alliance culture through the eyes of Martin and Schein

From the above reasoning, it could be deduced that, within the project team, the organizational culture was quite an integrated one. It was something that the project strived for, from the tendering process through recruiting and during implementation. The desired organizational culture was defined, and much was done to build and maintain it. The most integrated cultural views seemed to be among the project management.

The next circle, where culture is mostly integrated but with some hints of differentiated attitudes, is that of the "Big-Room personnel." These are the ones that work full-time in the project and probably had the most integrated attitudes, but differing ideas also prevailed, e.g., against people from various kinds of organizations. People working in the project part-time originate from participating companies or represent the various offices of the City of Tampere. The looser the contact, the more differentiated the cultural attitudes probably were. And, on the outer-most circle are the field personnel who, according to the informants, had quite fragmented cultural views related to the alliance culture. But, on the other hand, they seemed to have a clear cultural core of their own.

The integrated views could also be described by the values, basic assumptions and beliefs that were most common and that united the project personnel. The ideal that most informants believed in seemed to be the importance of being on the same side of the table and to make decisions that were best for the project. It was also something that was important to the interviewees as a people, allowing them

to work without quarrels, which are otherwise common in the construction field. Alas, smooth co-operation in the project was an important value, something that the participants believed in and, moreover, a source of their personal job satisfaction. It was also stated that the project alliance is the only way the project can be handled successfully.

In many interviews, the informants described how they managed to deal with possible disagreements by talking things steadily through together. They also mentioned how much they valued the decision-making abilities of the steering group or the employees of the City of Tampere, who could anticipate possible decision-making bottlenecks beforehand. It sounded like the hero of this story is the one that can avoid the courtroom, with discussion skills and the ability to negotiate resilience known colloquially in Finland as *sisu* as weapons and/or bring in the decisions in a timely manner to support the smooth process.

Besides the success of the project, the motive to avoid disputes stems from motivational issues as one representative of the partnering organization implies:

"People are so tired with the constant fighting, which is stigmatizing many other types of project deliveries. They are mentally very stressful for our personnel."

The other most common attributes related to organizational culture, together with profoundly negotiated common goals, support the same aim of smooth co-operation and progress: openness, trust, continuous learning, honesty, commitment and the value of working together.

These values were so deeply rooted that not one of the informants denied them. The basic assumption and belief seemed to be that if we follow these values, the project has the best chances of success, and if we do not, we are failing, and that is something we should fear and resist. In many conversations, though, there were doubts that if things went too wrong when it came to the financial risk of participating companies, then the alliance project values could be replaced by something else.

Cultural interaction between participants

In the times of crisis, the organizational culture in the alliance could be replaced by the values of participating organizations. As there had been no such deep

crisis situations, there were no such signals. On the contrary, as the project alliance in this case and in previous cases had shown its power as a contract model supported by its culture, the alliance culture seemed attractive in the eyes of the partners.

The project alliances interested people in participating companies. Alliance projects attracted employees, and there were even statements that, if you had worked once with the project alliance, you would want to continue with them. So, little by little, a group developed with alliance experts that were in quite a good situation when it came to their market value as an employee. Also, some major construction and planner companies began to stand out as alliance experts.

So, the alliance culture was actually powerful enough to have an impact even on the culture of participating organizations. This was seen, for instance, in practices that partners omitted from project alliances.

As described by a representative of a partner,

"We strive to extend the alliance procedures also to other projects. For instance, the communal work modes like working all together in a Big Room and using workshops are concrete examples you hear are in use. But also, the value of 'for the best of the project' has been widely discussed in the organization and with the subscribers."

As the project alliances are often quite valuable and desirable projects, being a part of them is something that many actors are strive for. The participating organizations are often among the biggest companies in the industry. Alas, it is to be stated that it is not only the organizational culture of an alliance project that is leaking into the culture of participating organizations, but through these organizations, it can also have an impact on the whole field and its operational modes.

Supporting and hindering features in the alliance culture

Next, to come back to the success of this project, the role of the alliance organizational culture is contemplated by listing the features that support or hinder the implementation.

Table 12: Supporting and hindering features

Supporting	Hindering
Culture of cooperation Attractive culture with good atmosphere, team spirit, common work-space	**Differing owner culture** Mission of companies and public actors differ Openness means sharing information with companies and publicity for public actors
Learning culture Continuous learning from top experts and officials with know-how to anticipate the needed decisions	**Differing professional identities** Appreciated issues varies by professions
Leadership Coaching of the modes of operation and culture Fast reactions to problems surfacing in the work atmosphere survey	**Leadership** Strict project management vs. how to lead experts Experiences of being outsiders
Communication Everyone is updated Wide involvement of stakeholders Interpreter role between various groups	**Different conception of time** Conception of time varies according to profession Time needed to get official decisions, plan or construct differs
Decision-making Decisions are made fast and as near to the operations as possible The good decision-making ability of the steering and project group Decisions that hold	**Decision-making** Political decision structure alongside decisions made by officials and alliance project Differing aims and schedules Executives' power against officials' power Slow processes of appealing and city committees

These issues are also among the main points discussed in relation to the role of organizational culture. The effects of these points, however, are not unilateral.

For instance, although cultural differences are an identified source of acculturation problems, they also have another side:

- **Differences cause acculturation issues but also form an appreciated change to learning**

Among the phenomena mentioned to have been carried along with them, some important lessons are professionals representing various fields, the operating mode of a municipality vs. companies and how to deal with different cultures and thought patterns.

- **The importance of constant communication and cultural work**

The danger of falling into old habits is always present, if not considered and worked with. Much communication is needed on every level and on and on again.

- **The alliance model is a good concept for dealing with many things, but some things must just be accepted**

Officials have their legal responsibilities; the ultimate purpose of companies is to generate profits for their owners, the municipality is responsible to taxpayers and politicians to voters.

- **There are many circles and layers of influence when the role of the organizational culture is outlined**

The impact on the personal, project and the stakeholder levels is one perspective. The further away from the core team, the less impact the organizational culture has. Ways of influencing stakeholders are manifold.

6.   DISCUSSION AND CONCLUSIONS

As a contextual theme, there is a need for studies that get into the underpinnings and causality of organizational culture in various environments. In the industries of retail trade and construction, despite their clearly representing a very personnel-intensive field, there are few studies concentrating on people issues. As a path-dependent phenomenon, the research on organizational issues tends to be cross-sectional instead of longitudinal. However, a longitudinal case study approach offers a way to dive deeper into the premises of a certain organization.

The motive and justification to conduct a case study related to such an ambiguous and complex notion as organizational culture stemmed from a need to understand, in a broad sense, the role that organizational culture has in the transformation of retailing and construction organizations. The cases represent the phase when separate organizations form a common group by combining personnel of co-operating organizations. As a theoretical frame of reference, this action serves Webster's interaction frame, in which these relationships-based modes of organizing would be closest to strategic alliances (see Figure 2, Ch. 2.1.1).

The study aims to build a picture of what kind of role the organizational culture plays in M&A and project alliance, how the role manifests itself and how the organizational culture of co-operating organizations interacts. The M&A case is situated in the retailing environment, and the project alliance case represents a project delivery model used in the construction industry. The aim was approached via the following main research question and two sub-questions.

Research question:

What is the role of organizational culture in transformation?

Sub-questions:

1) How does organizational culture emerge in transformation?
2) How do cultural features of co-operating organizations support or hinder the integration?

Considering the elements of organizational culture, the emphasis here is on values, norms and basic assumptions and beliefs. The concept was defined as follows: organizational culture is viewed here as a socially constructed, path-dependent and contextual phenomenon (see, e.g., Hofstede) consisting of, e.g., values, norms and beliefs that are shared (see, e.g., Schein 2004) or incompletely shared (see, e.g., Martin 2002). From a theoretical standpoint, this means that, besides integrated views, possible differentiated and fragmented manifestations were also acknowledged.

Next findings related to the research questions are introduced, followed by their implications for organizations co-operating in transformation.

6.1   What is the role of organizational culture in transformation?

To answer the first sub-question of how culture forms, the concept of a critical event (Gersick 1991; Halinen, Salmi, Havila 1999) was chosen to mark the possible relevant turning points in organizations' life-span and to separate the phases of distinctive types of actions in which the role of organizational culture could be observed.

Organizational culture during identified phases was evaluated by reflecting on how culture was referenced to. Did it seem to be in line with the change, or was the targeted change challenged by the culture? Being in line would indicate that the prevailing culture has a supportive role in transformation. In other cases, the

cultural features might be complicate or hinder the change. Thus, the organizational culture could be anticipated to cause inertia—a tendency to maintain the deep structure and resist new habits (Halinen et al. 1999; Van de Ven, Poole 1995). The third option would obviously be that the organizational culture did not have any identified role in the change process.

6.1.1 What is the role of organizational culture in M&A?

The idea was to approach the research question from the cultural standpoint quite open-mindedly and to let the informants determine what changes to include in the study. Still, as one of the recent changes in company life was an M&A, it was anticipated that this incident would be a trigger for the most significant phase from a cultural point of view. This also proved to be the case. Although there were many feasible triggers for revolutionary change, the incidents that changed the rules and had the most visible influence regarding organizational culture were all related to the M&A, not necessarily to the M&A as an operation but to the altering priorities and the new ways of doing things. (Table 6, Ch. 4.3.1).

These partly unanticipated changes evidently had an impact as a prolonged integration phase and acculturation problems. The changes in owner culture versus the prevailing management culture, the transforming relationship with the suppliers and the intended increase of decision power in the field organization were among these.

From this point of view, it is stated that the only actual critical event that interplayed in versatile ways with the organizational culture was the merger. Thus, the other critical events preceding the merger were able to raise incremental changes, but the time of actual revolutionary upheaval was due to questioning the premises of business logic and the culture itself (cf. Schein 2004). It also seemed that company history determined which changes became critical. Hence, it is stated that the change process can be, if not forecast, at least anticipated knowing the history and basic assumptions—deep structure—the power of learned practices and values.

Various roles of organizational culture

The role of organizational culture during the M&A was evaluated to be partly a hindrance and partly supportive. As a whole, it was noticed that

- the assumptions of the role were not totally integrated, but there were controversial attitudes as to what comes to the hindering or supportive role of organizational culture during certain phases;

- the supportive role was most effective in situations where the values and rules of the game were in line with the lessons learned from the history;

- when the organization could not interpret what to do or could not be sure if the plan was not threatening the basic elements in the deep structure of the company, the hindering role of the organizational culture was most visible.

The path-dependent nature of the organizational culture was visible, especially as an outcome of a collective learning process. The strongest cultural trails as a whole are stated to be the outcome of a deep learning process, which actually can also lead to becoming a seed of inertia (Partanen 2001). When considering the organizational culture of the case company, the most persistent attributes seemed to be one of the following:

- a result of its long history as a cooperative

- related to the business model of chain management

- an outcome of the biggest traumas in company history.

Likewise, the greatest victories in company history colored the way changes were dealt with.

The role of organizational culture in the M&A from the longitudinal perspective seemed to be supportive as long as the values and rules of the game were in line with the lessons learned from the history. The most powerful rules and values stemmed from the strongest memories and feelings, from time including either the biggest successes or threats or from the long history as a cooperative.

This notion resonates well with Schein's (2004) point about the roots of cultural assumptions coming from an early group experience and in the pattern of success and failure. The money-making logic behind chain management is also the point that was rooted in the deep level of culture. Respectively, the inertia was best noticed in subjects where the organization could not interpret what to do or could not be sure whether the plan was threatening efficiency, —the basic element in the deep structure of the company.

Values change slowly, if at all. It is extremely difficult to merge companies with deep values and a different management approach (Bower 2001). In this case, the history and meaning of the path-dependent nature of culture were clearly underestimated. Afterward, it is easy to see that the difficulties could have been anticipated if attention had been given to the company values, as well as to the fears stemming from history, and the lessons learned from its greatest victories.

The role of cultural features in co-operating organizations

The change in ownership was stated by many interviewees to be the most remarkable cultural issue to be taken into consideration, as the values and mission of the three organizations participating in the joint venture—a cooperative, a family-owned business and a private equity investor—were evaluated to be quite different. The influence of different owner cultures during the integration process was also one of the most important findings in this study.

Owner culture it is refers to the organizational cultures of merging businesses but also to the organizational culture of an acquirer as an active party in managing a merger. As the owner culture, priorities and power structure changed, it challenged the management culture. Datta (1991) has studied the importance of organizational fit in terms of management styles and, as a result, stated that different management styles had a negative impact on acquisition performance. Typically, the acquiring firm's management imposed its management style on the acquired firm.

The role of organizational culture in integration was most visible in learned behaviors and in the context where the link between the business model, behavioral norms and profit was solid. Respectively, the interventions that only

considered one angle would not presumably possess equal opportunities to succeed. Organizational culture seemed to support the integration process, especially if the elements were in balance, or it seemed to hinder it if the links were threatened. The power of learned practices also reflected the limited ability and willingness to learn from other cultures cooperating in the merger.

Chain management as a business model seemed to include strong, joint behavioral norms, which colored the organizational culture in the case company. When they become learned behaviors for thousands of employees to follow, breaking the rules of the game demands profound reasoning and quite strong and clear leadership. The learned system and structures ruled. Thus, when striving to alter one piece, it should be noticed how it affects other elements in the system.

The meaning that context had when evaluating the role of organizational culture was most visible in the following:

- the hindering role or inertia was noticed in situations where there was a mismatch between the elements of the intra-organizational business system

- the different background and cultural basis of owners was one reason for a prolonged time in finding a new balance in the system

- the power of chain management as a business model, which was noticed as well in the strong cultural norms and values, as in the way to make decisions and operate

- multi-store structure and distance between the organizational level showing in fragmented attitudes and opinions of changes and being a factor influencing the pace of cultural turns

In the first place, there seemed to be a balance in which the hierarchical, one-owner chain structure, business model with chain-managed processes, and the working culture of an efficient division of labor all supported each other. Chain management with an emphasis on efficiency, smooth processes together with strict cost control, and an overall careful consideration of financial matters

seemed to be the most persistent part of the organizational culture in this case. The business model also largely dominated the leadership style. Later, in some points, the desired organizational culture was felt to be unbalanced with the business model of chain management.

The integration process differs in various parts of the organization

Basic assumptions (Schein 2004, 2009) especially expose the integrated views of organizational culture, and the observations about the role of organizational culture during different phases are mostly based on the integrated level of the culture. But in many aspects, there were also controversial opinions. Moreover, the issues that seemed important for part of the organization might not have been visible for the other part.

In conclusion, it seems that besides the integrated views on the organizational culture of being, whether supporting or hindering, there are always differentiated and fragmented ideas about the culture, roughly speaking. In Harris and Ogbonnas's studies (1998, 2000) in the field of retailing, the perceptions of organizational culture were stated to be quite fragmented at the store level, differentiated in the middle management level and most integrated at the top management level. In this case, there were some integrated assumptions that permeated the whole organization, but as stated earlier, the views on various organizational levels also differed as to what was considered meaningful or even noticed as a change (cf. Kavanagh, Ashkanasy 2006).

In practice, this was reflected in how the integration process progressed on various levels and parts of the organization. It is quite typical to refer to the integration process in M&A as a single, joint process, but in this case, there seemed to be at least three parallel integration processes going on in relation to different subgroups. The role and meaning of organizational culture concerning these processes was altered, as well as the acculturation problems and the sense-making processes of the individuals.

6.1.2   What is the role of organizational culture in the project alliance?

The second case, the Tampere Tramway, is the first tramway implemented as a project alliance in Finland and the first in the city of Tampere, making it target of wide attention with high expectations of its meaning in the development to the whole city. As such, it is a complex project, challenging participating organizations and the common organizational culture of the project organization.

How does organizational culture emerge in transformation?

The critical events mark the phases when the meaning of cultural aspects were acknowledged, but it is also quite relevant that, in project alliances, the critical events mentioned by informants are included in the pre-planned cultural process and, are therefore, important steps in the purposeful formation of the organizational culture. The events mentioned by informants comprised the tendering process, including the common workshops and moving into a common workspace (the Big Room), the successful ending of the development phase and weekly gatherings later during the process.

Workshops were not only for working with the practical issues of offering but also included cultural talk regarding how to behave in a project alliance, the important values in an alliance and how to reach common goals. This cultural talk was so powerful that there was hardly any difference in how the interviewees from the core team talked about how to work together. The most important attributes describing the deepest values and basic beliefs, as well as forming the practical norms for co-operation, were the importance of openness, trust, continuous learning, being on the same side of the table and what is best for the project mentality.

Besides the pre-planned process, the importance of skillful individuals was recognized. The meaning of the most important phase, the tendering process and workshops, was not only in building the culture by learning how to behave in the project, but it was the era when certain individuals and how they worked together could be observed. This forming of teams was considered to be one of the most important prerequisites for a successful project. The smooth and open co-operation, with the ability to put aside one's own targets for good of project, is something that is built along at suitable culture but demands a personality that

supports this development. The project alliance was also stated to demand a constant learning, changing the views and acting flexibly in new situations, the plus side of this being an opportunity for an individual to learn new skills, which was mentioned by many informants as one of the best things in a project alliance.

The development and implementation phases were eras where it was important to continue enforcing the wanted organizational culture, the challenge being the new people and organizations entering the project. The awareness of cultural issues had to be raised every now and then, for instance, by launching common events, but it was also ongoing work done by the methods of communication. The visible communication of project targets, the progress of various sub-projects and new people entering the project were identified to be of utmost importance. Also, a strong focus on external communication supported the identity building of the alliance team.

The alliance process, in this case, is divided into four phases: the strategic phase, development phases 1 and 2, and the implementation (see Table 9, Ch. 5.3.1). The tendering work was part of development phase 1. To summarize the informants' ideas about the formation of the alliance culture, its role was stated to be most important and supportive in development phase 1. During the strategic phase, the culture was not yet developed, but the wide involvement or various parties in the work were recognized as something that supported the acceptability of the project when it proceeded. But in the development phases, the values and norms of alliance culture played a major role in the progress of a successful project. When the project entered the second development phase, and especially in the implementation phase, hindering features also emerged.

Step two in the development phase also brought along some challenges for individuals to adjust to the working methods of the alliance. But, especially when the actual work started and the circle of stakeholders in the project expanded, the contradictory issues surfaced. These points were mostly due to the differing organizational cultures of co-operating partners.

How do cultural features of co-operating organizations support or hinder the transformation?

When talking about the formation of organizational culture in the project alliance, it is referred to as the core project group plus the employers of the City of Tampere working full time with the project and the Big Room staff, altogether a group of about 75 people. The Tampere Tramway project alliance, however, also has a significant ecosystem of many other co-working organizations.

These organizations, and their culture, had an effect on the formation of the organizational culture of the project alliance. But an opposite cultural transformation seems to be the reality as well. The co-operating organizations omit some of the best practices their employers learn and experience.

However, the impact might not only be a positive one—transforming the best practices—but the cultural features of co-operating organizations could also place a hindering effect on the project's progress. In this case, the hindering effects seemed to have been caused by differing owner cultures of owner backgrounds and various professional identities (see Table 12, Ch. 5.4).

The above-mentioned root causes were especially visible in the various parties' attitudes about the concepts of time or appropriate leadership and what they understood with the openness as a value and norm. The appropriate ways of decision-making and the time needed to decide the next measures were factors that separated the parties. The power to make decisions independently was quite different when considering private or public actors.

Hindering features:

- Differing owner cultures

- Differing professional identities

- Inflexible leadership

- Differing decision-making procedures

- Differing conceptions of time

On the other hand, there were several features that supported smooth co-operation. For some co-operating partners, the construction field's professional language and way of working were harmonizing factors. Alliance practices with great emphasis on continuous information and communication were important features in supporting the consensus and progress of the project. And, moreover, the informants stressed the importance of skillful individuals and their ability to build bridges to overcome the possible cultural clashes.

Supporting features:

- Culture of cooperation

- Continuous learning culture

- Coaching and responsive leadership

- Continuous communication

- Powerful decision-making

It was noticed, however, that the further the co-workers were from the actual core team, the less they were impacted on by the established alliance culture. On the other hand, the nature of construction work in this project was quite different in the field than in the Alliance Team, where the construction work is planned and developed.

It is also worth noting the impact the alliance project culture seems to have in developing the whole construction field. The best practices in alliance projects were followed and taken into action in co-operation organizations. Participating

in an alliance project is an appreciated work experience that increases the project workers' market value. The best employers in alliance projects are desired participants in new projects, and as such, the influence of alliance practices and the competencies needed are spreading in the industry and changing it.

6.2   Comparing the cases

The two cases illustrate both a relationship-based type of exchange, which, in relation to Webster's (1992) frame, could be nominated as closest to the strategic alliances (see Figure 2, Ch. 2.1.1). As such they give a complementary view to cultural issues in this frame. In an M&A, the aim is to enhance the long-term strategic goal of gaining a strong competitive position. The project alliance as a strategic alliance has a precisely defined timeframe and function, which is planning and implementing a certain construction project in this case.

The cases have similarities that enable the comparison between them, but they also have differences that should be noticed as important background information when striving to draw a conclusion about the role that organizational culture has in these circumstances. Next, the backgrounds of the two cases are compared, and secondly, the findings—what is common and what is unique between the cases—are pondered.

6.2.1   Case backgrounds

As an industry, the retail business and construction represent quite traditional fields—industries that have existed as long as there have been organized societies. Both fields are quite concrete: each offers physical product, whether it being food or buildings, which is something people truly need. Simultaneously, both industries are face challenges in adapting to the rapidly developing digital era and, especially in the construction industry, to the changes in performance and cooperation.

Both industries are very personnel-intensive. In the retailing business, personnel in the field organization compared to those in the support organization are typically multiple in number. This also goes for the construction industry. Personnel in various parts of the organization also have different kinds of educational backgrounds, e.g., in the support organization technical or commercial college/university degree. In the field organization, vocational education would probably be the most common.

The two cases

The Tramway Alliance, judged by its progress by summer 2018, is a successful example of how to manage a project with many co-operating partners. The project is progressing according to the planned timetable and costs, and there are no serious cultural clashes in sight that would jeopardize the project. It does not mean, though, that there were no problems getting here. On the contrary, in many ways, the project is vast and challenging. Besides many cooperating partners, it includes large and multivariate groups of stakeholders including public and private actors and, as the project is implemented in the middle of a lively urban center, also citizens and companies. Alas, the cultural process of an alliance project, with a high probability is something to learn from.

Case Tradeka, the M&A case, was expected to produce versatile material for a study about the meaning of an organizational culture, especially from a longitudinal point of view. The two merging companies had a history of nearly 100 years, the third party being a private equity investor. Also, a co-operative relationship of three very different companies—a cooperative, a family business and a private equity company—was expected to be an interesting frame.

Timespan and complexity

Probably the most distinguishing difference between these cases is the degree of temporality and complexity. In a merger in which the acquirer is a private equity company, the strategy first includes an exit -plan, with at timespan of seven years maximum. Thus, the organization knows that this set-up is due to change, but on the other hand, a change could be such that the organization remains the same, e.g., if the exit -plan involve entering the stock market or selling the investment to another private equity actor. Nevertheless, being acquired by a private equity

company means changes to how organization is working in any case. In the project alliance, the temporality of the new organization is the starting point, and the participants might work simultaneously in the new organization and their original organization. Anyway, the supposition is that, after the project, the employees return to their former employee.

Regarding the complexity of these two cases, the project alliance could be stated as a more complex environment. Although the task of the project alliance is to quite clearly reduce its complexity, the environment where the work is done and the number of various kinds of stakeholders in this case is challenging. Besides the participating organizations, the audience includes sub-contractors, media, the political environment as well as the citizens and companies in the city. Both cases affect the consumers, though. In the M&A case, everything can be decided by a few people without publicity or any obligation to report or even communicate the decisions made. What is more complex in this case, though, is the task, as it covers re-organizing the whole business.

The number of participants in the core group is about the same in both cases. In the M&A case, there were three actors who decided to form a common new business. In the project alliance, there were three organizations at first to implement the project plus the subscriber. As such, the client is very visible in the project alliance, bringing with it a demand for a certain courtesy, but in principle, all members are equal, and the decisions are made democratically. In M&A, the division of power is clear: the majority of shares belongs to the equity investor with the most power.

6.2.2 Comparing findings

Whereas project alliances seem to have a very good success rate in Finland (see, i.e., Saarinen 2016), the M&As are still suffering from quite uneven results, with over 50% ending up falling short of their targets (e.g,. Cartwright, Cooper 1990, 1993; Datta 1991; Dauber 2012; Papadakis 2010; Weber, Tarba 2012). Could the attitudes toward the organizational culture or the role that it is given be one factor behind it? Next is a discussion about the findings of the two cases, with a focus on

being the action after the decisions are made post-acquisition in the M&A and the development and implementation phases in the project alliance.

In comparing these two cases, the points that seemed to be quite similar in the role of organizational culture are pinpointed first. However, the differences are contemplated to bring the most lessons learned to the surface given the above-mentioned fact of very different failure/success rates in these kinds of cases. Hence, the focus here is mostly on differences.

The one obvious similarity in the role of organizational culture was how the culture formed and how its role was evaluated differently in various levels of the organization. The core groups seemed to be affected for the most part, whereas further away from the support organization, the actual organizational culture was ordinary working culture. The time of possible acculturation problems varied according to different parts of the organization.

The other quite clear similarity was the meaning of "owner culture." In both cases, the participants brought along their own cultural premises, and especially in the project alliance case, the culture of the new organization was transferred with the employees back toward the parent companies.

Besides owner culture, the traditional operative logic/business model influenced how the new culture was perceived. In the retail case, the chain management model was a strong signpost for the personnel. Hence, if the strategy and operative actions were not in balance, the change had less chance to proceed. Likewise, the traditional project models were deeply learned knowledge, and as such they needed actions to be unlearned, if there was variance with the new way of working.

When considering the differences, three distinctive areas could be detected:

- the attitude toward learning and the learning culture in the two cases

- the overall atmosphere and values in cooperation

- how the organizational culture was led

Learning and learning culture

Learning was highly valued in the project alliance case. It was widely discussed and was enhanced by sharing experiences and by underlining the no-blame culture. If something went wrong, it was considered a chance to learn from mistakes and develop a new solution in cooperation. Learning was also highly valued among the employees. Being a participant in a project alliance seemed to have a positive effect on one's market value, but personal learning experience was also valued per se.

In the M&A case, learning was something that "the others" should do. The store personnel from other companies should be taught to quickly obtain the majority's culture. Such a challenge was not addressed toward the personnel of the support organization or the management, for that matter. M&A was also thought to be a one-time, single transaction for the participants. As such, only financial results were in focus. PA, on the other hand, was considered one project alliance in a row of many alliances. And everybody could learn to operate in an alliance to bring the learnings along to the next case.

As a challenge in leadership, the learning and learning culture was stated to be the possible ambiguity in targets or processes, skill gaps or a false attitude. Moreover, the speed demand for learning and non-learning was evaluated to be a challenge in the project alliance. In the M&A case, such discussion was non-existent.

Openness and trust

Relationship-based types of exchange are labelled by mutual resource dependence, a need for an open change of information founded in trust and the cooperation seeking unanimity by negotiating (Lindblom 2003; Möller, Wilson 1995; Toivonen 2000; Webster 1992).

In the project alliance case, building trust as grounds for good cooperation was built into the management process. Trust was mentioned by most interviewees as the most important ingredient of the organizational culture. In the project alliance, objectives were shared, enhancing a mutual commitment. Openness was a must.

To build the trust, informal methods are essential in PA along with formalities (i.e., Das, Teng 2001). The M&A case was managed more through formal means. Informalities include, for instance, behavior rules, which are reviewed again and again, plus informal gatherings that enforce the feeling of togetherness.

An integration manager is in a position to support the fair openness between different parts of the organization. However, this role could also be described as an intermediating state of mind, the behavioral rule underlining mutual respect to each other's opinions, allowing honest speeches and doubts, an aim to listen actively and a common commitment to find solutions together.

Leadership

Placing clear behavioral rules, for instance, on how to communicate openly is one part of leading the organizational culture in project alliances. When comparing it to how the M&A case was led, the difference is clear. Whereas in the M&A the leadership was engaged with the targets and leading the operational tasks, in PA, the leadership itself was managed. There were clear rules for leadership and preplanned procedures to support it. Actually, in PA projects in Finland, managing the organizational culture is defined as one process, and it also develops from project to project as the learnings from one project shift to a new one, along with experienced project workers and consultants. This affects the culture of the whole industry, as the results from case 2 show.

Also, leadership in PA is based on the mutually agreed strategy. The participants plan together how they are going to work and what kinds of skills and attitudes the future organizational culture demands. This is also naturally possible in M&A surroundings, but in this case, there were no such plans or responsibilities. If the common strategy of how to operate and behave and the new culture are not openly discussed, there is a danger that the only way to implement a major transformation is to change the people.

One could state that, in these cases, the major difference was that in the project alliance process, leadership is preplanned and culture is led. How people work together in a project alliance also reflects a more general change in working

culture, which answers the challenge of working together as a team and of renewal and experimentation.

6.3   Theoretical implications

Considering the integrated, differentiated and fragmented manifestations of the organizational culture (Martin 2002), the focus here is on the evidence of cultural integration. This is especially true when considering the organizational culture of the core project team or the management team. However, in this study, the manifestations of differentiated and fragmented views are acknowledged, for instance, as related to various "subcultures" of people representing various owner backgrounds of a quite fragmented culture among project personnel due to, i.e., different professional identities.

Combining longitudinal and contextual perspectives proved to be a fruitful set-up. Longitudinal studies considering the path-dependent nature of organizational culture are rare, especially when connected with a wide approach to organizational culture, acknowledging integrated manifestations, as well as differentiated and fragmented ones. Here, a case study design permits a way of pursuing a more holistic view.

When referring to the literature, this study draws its inspiration from pluralist points, and conclusions could be promoted. Among those are the multifaceted and pluralistic nature of organizational culture (Martin 2002), the importance of the leader's degree of cultural awareness (Latta 2009), the meaning of cultural fit in mitigating acculturation problems (Cartwright, Cooper 1993; Sarala 2010; Weber 1996), the opportunity for cultural differences to be both an asset and a liability in M&A (Stahl, Voigt 2008) and the importance of selecting the right partners and team members (Schreiner et al. 2009; Ibrahim et al. 2015).

Focusing on the interaction perspective (Webster 1992), in relationships-based types of exchange, mutual resource dependence, open change of information founded in trust, and the cooperation-seeking unanimity by negotiating (Lindblom 2003; Möller, Wilson 1995; Toivonen 2000; Webster 1992) are typical

features and quite in line with the success factors of alliance projects identified by Love et al. (2010). The importance of those features was also clear in alliance projects and actually comprised a value base of the culture. In the M&A case, however, these trust-building methods were almost nonexistent. As such, project alliances seem to be an appropriate type of organization, although a temporary one, to study organizational culture in the terrain of interactive exchange relationships.

Issues that are already being dealt with in the preliminary planning stages are, among other things, the aspects of fit. In Dauber's words (2012), strategic fit is a necessary prerequisite, but cultural fit is needed to realize the synergies from the strategic fit. Datta (1991) stated that different management styles have a negative impact on acquisition performance. Case 1 shows how a clear strategic fit was not enough, but cultural clashes and organizational misfit in management styles had a role in slowing down the integration process.

Sarala (2010) defined the post-acquisition conflict to be a disruptive intergroup tension stemming from the "us" vs. "them" mentality between the acquiring and the acquired firms. In this study, such tensions were proven to emerge among the merging parties but also, e.g., between new and incumbent co-workers. This was also true in case 2, as maintaining the proper organizational culture was stated to be challenged by new-comers, who should also be supported in adapting to a new culture.

It was stated in the first place that,

"It is considered here that history and context have a meaning in determining the premises for the possible cultural fit or clashes in the first place, but the integration process is the actual test phase when the role of organizational culture becomes visible."

This proved to resonate quite well with the story told here. But the versatile roles of organizational culture throughout not only one integration process but through multiple parallel processes is probably the most significant contribution this type of study setting could offer; this is a longitudinal case study with manifold contextual perspectives and a wide approach to the concept of organizational

culture. This promotes Latta's (2009) observations of the dynamic nature of the integration process and the altering role of organizational culture throughout.

In many studies, a successful project alliance has been the target. In this case, too, it was noticed that the incentives have influence (Walker et al. 2013; Laan et al. 2011), relational competences, team behavior protocols and alliance capabilities are important (Walker et al. 2013; Hietajärvi 2017), and the alliance managers' abilities to codify and mediate know-how are the main positions in enhancing the success of the project (Sluyts et al. 2011). However, this study indicates that the role of the alliance manager of the project team differs from that of the alliance manager of the focal firm as they have an elementary role in transforming the alliance capability into the focal firms' know-how.

How meanings of organizational culture became visible in case 1 supports the focal role of the integration manager (Teerikangas, Véry 2006) and acts as a practical example of the sense-making process during the M&A linked to identity construction in an organization (e.g., Søderberg, Vaara, eds. 2003 et al.; Riad 2007). As Kavanagh and Ashkanasy (2006) also noticed, different groups of individuals have different perceptions of the merger and the manner in which the process is handled. The findings in Harris and Ogbonna's study (1998) of the suitability of a three-perspective approach in the field of retailing are also agreeable.

What this study could especially offer to the theoretical view is the meaning of the owner background and owner culture and accounting for the whole picture, which includes not only the project team but also the various stakeholders. Moreover, it offers significance of continuous learning culture, learning as a strategic decision (Sluyts et al. 2011). When things go wrong or do not follow the theory, the ability to react quickly is an asset when planted in the organizational culture in the first place. As both the retail and construction industries are quite personnel-intensive, promoting studies that also show the people side of the story would be of the utmost importance.

6.4 Practical implications

In transformation the views of organizational culture seem to manifest integrated, differentiated and fragmented ideas (see Martin 2002). When dealing with profound changes, one should be prepared to understand all those views. Next, the implications of this study on practical work are discussed and summarized toward the end of this chapter in Table 13 from M&A point of view. Table 14 summarizes the learnings of case 2.

- **Knowledge of organizational culture is a prerequisite of effective transformation**

Cultural clashes are an important obstacle when striving to reach the aims of integrating organizations, but still, management often becomes so engaged in task-related activities that they fail to impose enough attention on organizational culture (e.g., Cartwright, Cooper 1993; Stahl, Voigt 2008; Whitaker 2011). Broad knowledge of organizational culture is a prerequisite for effective leadership according to Latta (2009). Moreover, Latta points out how the role of organizational culture differs in each stage of implementation, and in Hatch's (1993) dynamic model, the ongoing cycle of interpretation of cultural meanings is enhanced. As this study shows, organizational culture is interpreted differently among the participating organizations and at various levels of each, and moreover, the timeframe and content of this process can be different in the various parts of an organization.

The project alliance case is a good example of a cultural work, where the process began with an effort to build a common platform of aims and working norms for the future group. Also, the personal co-operating skills of individuals are taken into consideration. This work, however, could be done in an even more profound way; based on the learnings from this case, the owner background and owner culture of participating organizations, as well as the professional identity of the individuals, are seen in the project in how people work, prioritize and value certain aspects. It could be worthwhile to get acquainted with these underlining

features beforehand in anticipation of the possibilities and challenges they might carry along.

- **Notice the influence of organizational culture in the business system...**

This notion was evident concerning in the M&A case, in which the strong organizational culture of the major party had a significant effect on the cooperation and behavior. The business system of a company at the intraorganizational level is described here as a combination of its structure and strategy, operations fulfilling the strategy and mission and, moreover, cultural aspects. In this context, the culture in this study is interpreted to be visible especially in the learned behaviors and performance. Understanding the balance and connections in this trinity is of crucial importance as a lot of effort could be wasted in trying to influence one element without understanding the other.

The business system is at least partly manageable, but as its roots lie deep down in a value base and in learned ways of surviving, one should be prepared for hard work. As in this case, logical reasons are likely to be found, along with a clear path for why the business system has developed as it has. It is logic, not mystique; thus, if an ingredient in the system has lost its justifications, and there are plausible actions to be carried out, it is possible to change the logic. This can only be done with a great amount of good leadership, though, as organizational culture also includes the aspect of being important to people in a sense-making frame, being a target and a mirror of quite deep feelings.

This forms quite an important angle toward understanding organizational culture apart from its role as part of the business system. Integrated views are a good base for action, and decisions, differentiated and fragmented views and emotions are the avenues through which a merger—or any other change, for that matter—should be led.

- **... and at various organizational levels**

It must be quite typical to account for the organizational culture in co-operating organizations when it comes to possible clashes among the personnel during an integration/implementation phase. But in the cases where there are not only

parties but also other stakeholders influencing the organizational culture, all participating organizational layers and stakeholders should be taken into consideration as well. One should notice how the planned cooperation influences the value basis, power structure and identity work of the people in the field organization as well as in the headquarters/project team, etc., including other stakeholders. Weber (1996) even states that, actually, cultural clashes are essentially identity conflicts.

The management and owners/subscribers are not neutral regarding the cultural questions, especially when dealing with different owner cultures. Effort is needed to readjust to a new power structure, and this could be easily neglected or assumed to happen on its own.

As case 1 shows, a possible point of friction also exists, especially when there is a shift in power, whether in the role of store manager or the management team versus the board. This perception is supported, e.g., by findings in Harris and Ogbonna (2000) and Ogbonna and Wilkinson (2003), in which store managers evaluated cultural changes in relation to the changes in power relationship of subcultures, the loss of control being one issue for them. Hence, notice all the levels of possible friction, and be interested in its reasons, as it gives valuable information.

Regarding project alliances, there is often more than just one layer of organization levels involved in co-operation. It might also be worth considering beforehand how deeply the other organizational level (besides the core co-operating group) should be aware of common values and norms. In this project alliance case, the work of field personnel and "Big-Room" personnel differed substantially from each other, and they followed quite different cultural rules in their everyday work. But, also in this case, between the personnel planning and implementing, or besides these two main groups, there were stakeholders that might be fruitful to internalize in the working culture of a project alliance.

It would also be important for management to be able to reflect on the situation and their feelings about it. The problems on the management/project team or even on the board level/steering group include the danger of being escalated to the whole company (Weber 1996). Sense-making work among management is

an evident need. The changes in transformation are often imposed on the leaders themselves (Kavanagh, Ashkanasy 2006), even to the degree that the primary conflicts can be estimated to be risen due to different management culture and methods (Weber, Tarba 2012). Hence, this aspect should be noticed, and worked with to support the change.

- **Respect the organization's know-how**

Change happens in most comfortably when learned practices of doing business are used as a basis for a beginning. Business may be translated in a new way, but it should at least be clear that the previous knowledge is understood and appreciated, even if not used as a basis for renewals. This point is especially evident in the first case, where the integration was built on the premises of the existing organizational culture.

Referring to a comment of one informant in this study,

> *"New things cannot be built on nothing. But neither should one be stuck in old-fashioned romantic ideas."*

Less but well-considered alterations in the balance related to the triangle of structure, operative processes and culture probably have the most chances of success. When trying to change the learned way, clear and plausible actions and justification need to be translated into understandable language, which relates to the learned cultural talk. A fruitful way of serving new ideas would be to communicate them by recognizing the work done so far.

Respecting the culture is a valuable starting point in transformations in many ways. Existing organizational culture is not changed easily, at least without hiring new people who start to construct the new culture. Cartwright and Cooper (1993) express this by stating that especially strong cultures are not even meant to change, but if attempts are the aim, the first prerequisite is to understand the existing cultures and subcultures. The target of changing culture is a long one also because organizational culture is elementary in the identity work of the company's people (Drogendijk, Zander 2010; Vaara et al. 2003). It is probably easier to affect behavior by changing the processes; the culture changes as an outcome.

The know-how respecter role (Teerikangas et al. 2011) is crucial in this respect, and it should be given more thought and space. An integration manager is a valuable asset, but all possible interfaces where know-how or cultural premises differ would be worth recognizing. A proper mandate should be given to the organization to point out possible acculturation problems and to enhance knowledge worth retaining and learning from, considering all parties in a merger. If the mandate is not intentionally given, a lot of valuable information could go unnoticed. Paying attention to social integration instead of having too strong a focus on task integration (Björkman et al. 2007) and profound knowledge transfer processes (Vaara, Tienari, Björkman 2003) are propositions aiming to capture more of the original value of merging companies.

Understanding the various aspects of organizational culture and its differing role during implementation assists in seeing culture as an asset in transformation (Hatch 1993; Latta 2009). Cultural due diligence could reveal at least part of these points, especially if executed using a wide understanding of organizational culture. It appears to be quite common, however, that cultural issues are neglected when the prerequisite for M&A is assessed. In the project alliance process, on the other hand, the spot light clearly focuses on forming an effective common organizational culture in the first place.

A profound cultural analysis demands coordinating information concerning various aspects of organizational culture during all stages of the process. Even if it is demanding, the knowledge gathered would evidently be most valuable for efficient integration.

- **Follow the cultural process scrupulously**

An important lesson learned in case 2 is how the whole management was engaged in building a new common organizational culture for the project organization. One underlining value in the project alliance is the ongoing, continuous improvement. This has been the norm in this case as well. Any problems that arise are handled immediately and talked through until unanimity is reached. Building project alliance culture is a continuous work as people tend to forget the

learned behavior in the middle of busy everyday work. Also, the newcomers need constant attention to be able to adapt to the community's culture.

- **Assessing one's own management style is a powerful tool**

Still, even the most accurate information can only support people management, the focal point being a respectful attitude as a whole—how an organization is approached. The meaning of leadership is underlined in many studies on M&A and project alliances, enhancing the ability of skillful management to avoid and overcome acculturation problems and pointing out the negative impact of arrogant attitudes toward any party related to, for example, the M&A (Cartwright, Cooper 1993; Datta 1991; Kavanagh, Ashkanasy 2006; Stahl, Voigt 2008).

Knowing the cultural premises of co-operating partners and the roots of the professional identity of co-workers makes it possible to assess the leadership styles to be most effective in the given surroundings. This could be among the most efficient tools in building the culture, especially when the typical cultural work in project alliances supports the building of the cultural process. It also enhances the quick reactions if problems arise in co-operation.

Altering the owner and management culture can be a trigger that affects the deep structure of an organization even more than merging business units at the operational level. The acquiring firm's own management style and values, stemming from its owner culture, affect the merger. This aspect is a valuable for private equity investors, who are professionals in acquisitions. Evaluating and transforming one's own leadership style against the style in the acquired firm can be an asset when cooperating actively with the personnel of the acquired company. Assessing one's own management style is a powerful tool, as it is stated (Datta 1991; Stahl, Voigt 2008) that differences in key values and management styles endanger the leverage of strategic capabilities during M&A.

When referring to the tacit and invisible role of organizational culture, the feelings of the organization members are probably somewhat difficult to identify, especially as they are so personal and change over time. And still, in the transformation, all kinds of emotions are inevitable present, whether frustration

with the old stubborn ways or, anger or sorrow over losing something previously possessed (e.g. Drori, Wrzesniewski, Ellis 2011; Vaara 2002).

Giving space and thought to leading cultural talk can be a forceful means of surviving the transformation. In the end, as integrated views are subject to individual interpretations, and as joint values and basic assumptions might mean different things to different people, the sense-making approach is perhaps even more revealing than the integrated views. After all, integrating different organizations is also the question of winning the hearts of the people.

As the sense-making work of the individuals is so personal, it is probably less understood than the role of organizational culture, which has been interpreted as learned ways of behaving. Still, it seems that the importance of understanding people in change through the sense-making frame is of the utmost importance. For actors, this notion is quite valuable as it opens up the mystique of the organizational culture and reveals the area where proper leadership is most needed. Quoting Schein (2004), "Once we learn to see the world through cultural lenses, all kinds of things begin to make sense that initially were mysterious, frustrating, or seemingly stupid."

Table 13: Practical implications for the planning and implementation of M&A

Obtain a wide and long-time frame of cultural knowledge	Notice culture as part of the business system	Account for all levels and roles in the organization	Respect the organization's know-how	Assess your own management style
Besides values, norms and beliefs, learn the cultural path from history to today.	Structures, processes, learned practices, behavior and ways to perform are linked together.	Field and support organizations, as well as management, board and owners are all challenged by cultural changes.	Noticing the work done so far, building on learned capabilities and speaking the organization's own language advances integration	Use the cultural information to evaluate and assess how to manage and lead people through transformation.

Table 14 summarizes the possible practical implications stemming from case two. Especially the points "Follow the cultural process scrupulously" and "Engage in constant communication" are recognized in this case to be fulfilled with such profundity that they could work as the "Best Practice" examples.

Table 14: Practical implications for the implementation phase in project alliances

Obtain wide cultural knowledge	Follow the cultural process scrupulously	Engage in constant communication and cultural work	Assess your own leadership style
Besides values, norms and beliefs stemming from the owner culture, individuals' professional identities also vary. Pay attention to all organizational layers and stakeholders.	Alliance practices are quite powerful if given full attention and energy.	When you are finished, start again. Be aware of newcomers and new stakeholders throughout the project. A strong focus on communication is needed.	Use the cultural information to evaluate and assess how to manage and lead people through transformation.

Hence, as a combination of these two cases, these implications could be evaluated as the most important in any kind of case where two or more organizations unite their forces to work as a unified team.

One observation from a practitioner's point of view is that much of the cause and effect behind the multiple challenges that M&A and project alliances place on management is also ascertained by researchers when it comes to cultural issues. However, the vision is to be collected from pluralist sources, and the information is quite fragmented, probably reflecting the dispersed nature of this research area. Still, and perhaps partly due to the fragmented research fields, only part of all this wisdom is known to the management leading their company

through transformation. Thus, the aim to build a bridge between research and practical management is open to further efforts.

6.5   Limitations and future studies

Although case study design is one of the strengths of this kind of research, it simultaneously forms its most severe limitation. Hence, it is not prudent to overestimate the power of this study to support the results of other studies, and even less to prove them. However, steps were taken to decrease the possible biases and enhance objectivity, like also inviting several outside experts to participate in the interviews. Alas, more case studies of various kinds of transformation are needed to help build profound understanding of the cultural issues in these circumstances.

Being such a wide field of research, the cultural view in most cases demands strict determinants as to which path of research to follow. However, in real life, management does not have this opportunity. Hence, the studies that cross the lines between various research fields—even if it means risking confrontation with difficult questions of incompatible approaches and concepts—would probably resonate well with the questions and experiences of management ahead of the quite demanding challenge of transformational eras. However, this would mean such a wide approach that, even in a case study, it can easily exceed the possible scope of the research.

There are also other perspectives to consider. In this study, the focus was on the organizational culture of the core team or support organization. However, there are many layers in organizations that also concern other stakeholders, which could offer deeper understanding of the whole ecosystem of certain projects/acquisitions from a cultural basis, i.e., how other stakeholders interpret the organizational culture in transformation and its influence on its success. The possibility to enlarge the alliance culture among subcontractors would be one possible theme.

Widening the circle of informants would probably produce a deeper understanding of motives and reactions coloring the transformation process. In

Harris and Ogbonna's research (1998), the notion of organizational culture in retailing was stated to follow the hierarchical position of the informant in an organization. The views also differed in this study as to what comes to the various organizational levels, but besides the role in the organization, the differentiated views also surfaced between incumbent and new employees and between insiders versus outsiders (see also Sarala 2010).

Owner culture, being one of the most interesting root causes of acculturation issues but also a rich and versatile knowledge base, would certainly be worth further study, both in relation to versatile transformative situations and on its own. M&A and various project delivery modes are common strategies to develop value and aim for a better competitive edge; it would be most valuable to pay attention to how value creation or the implementation of decided strategic intention are affected by various owner backgrounds, which reflect owner and management cultures.

And finally, in this study, there were some indications that alliance culture may change the operational and organizational culture of the construction industry. If the alliance project has such transformative power as an innovative way to operate, it would be an interesting research theme from many aspects.

REFERENCES

Aapaoja A (2014): Enhancing value creation of construction projects through early stakeholder involvement and integration. Acta universitatis ouluensis c technica 490, Oulu, 2014.

Aapaoja A, Suvanto M, Haapasalo H (2012): Integroivan projektitoimituksen hankintamalli. University of Oulu research reports in DIEM 12/2012.

Aapaoja A, Herrala M, Pekuri A, Haapasalo H (2013): The characteristics of and cornerstones for creating integrated teams. International Journal of Managing Projects in Business 6(4): 695-713.

Alasuutari P (1996): Theorizing in qualitative research. A cultural studies perspective. Qualitative inquiry 2(4): 371-384.

Alasuutari P (2010): The rise and relevance of qualitative research. International Journal of Social Research Methodology. Apr2010. Vol 13, Issue 2, 139-155.

Alwan Z, Jones P, Holgate P (2017): Strategic sustainable development in the uk construction industry, through the framework for strategic sustainable development, using building information modelling. Journal of Cleaner Production. Vol 140, Part 1, Jan 2017, 349-358.

Angwin D, Vaara E (2005): Introduction to the special issues, 'Connectivity' in merging organizations: Beyond traditional cultural perspectives. Organization Studies 26(10): 1445-1453.

Anvuur A M, Kumaraswamy M M (2007): Conceptual model for partnering and alliancing. Journal of Construction Engineering and Management, 133, 225 - 234.

Appelbaum S H, Lefrancois F, Tonna R, Shapiro B (2007): Mergers 101 (part two): Training managers for culture, stress, and change challenges.

Berger P, Luckmann T (1998): Todellisuuden sosiaalinen rakentuminen. Gaudeamus. Helsinki.

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

Björkman I, Stahl G K, Vaara E (2007): Cultural differences and capability transfer in cross-border acquisitions: the mediating roles of capability complementarity, absorptive capacity, and social interaction. Journal of International Business Studies, 38 (4), 658 – 672.

Bower J L (2001): Not all M&AS are alike—and that matters. Harvard Business Review, Mar2001, vol. 79, issue 3, 92-101.

Bresnen M, Marshall N (2000): Motivation, commitment, and the use of incentives in partnership and alliances. Construction Management and Economics, 18, 587-598.

Bresnen M, Marshall N (2002): The engineering or evolution of co-operation? A tale of two partnering projects. International Journal of Project Management, 20, 497 – 505.

Burrell G, Morgan G (1979): Sociological paradigms and organizational analysis. Elements of the sociology of corporate life. Aldershot. Ashgate.

Cameron K, Quinn R (2006): Diagnosing and changing organizational culture. San Francisco: John Wiley & Sons.

Cartwright S, Cooper C (1990): The impact of mergers and acquisitions on people at work: Existing research and issues. British Journal of Management, vol. 1, 65-76.

Cartwright S, Cooper C (1993): The role of culture compatibility in successful organizational marriage. Academy of Management Executive, Vol. 7 (2), 57 – 70.

Castagnino S, Rothballer C, Gerbert P (2016): What's the future in construction industry? Article in web-pages of World Economic Forum. https://www.weforum.org/agenda/2016/04/building-in-the-fourth-industrial-revolution/

Cheek J (2007): Qualitative Inquiry, Ethics, and Politics of Evidence: Working Within These Spaces Rather Than Being Worked Over by Them, Qualitative Inquiry, 13 (8) 1051-1059.

Chen G, Zhang G, Xie Y M, Jin X H (2012): Overview of alliancing research and practice in the construction industries. Architectural Engineering and Design Management, vol. 8, no 2, 103-119.

Cheng E, Li H, Love P, Irani Z (2001): Network communication in the construction industry. Corporate Communications: An International Journal, 6, 61-70.

Clegg S R, Pitsis T S, Rura-Polley T, Marosszeky M (2002): Governmentality matters: Designing an alliance of inter-organizational collaboration for managing projects. Organizational Studies 23 (3), 317-337.

Dao M A, Bauer F, Strobl A, Matzler K, Eulerich M (2016): The complementing and facilitating nature of common ground in acquisitions—why task and human integration are still necessary in the presence of common ground. The International Journal of Human Resource Management 27 (20), 2505-2530.

Das T K, Teng B S (2001): Trust, control and risk in strategic alliances: an integrated framework. Organizational Studies 22 (2), 251-283.

Datta D K (1991): Organizational fit and acquisition performance; Effects of post-acquisition integration. Strategic Management Journal, vol. 12, 281-297.

Dauber D (2012): Opposing positions in M&A research: culture, integration and performance. Cross Cultural Management vol. 19, no.3. 375-398.

Drogendijk R, Zander L (2010): Walking the cultural distance: In search of direction beyond friction. The Past, Present and Future of International Business & Management. Advances in International Management, vol. 23, 189-212.

Drori I, Wrzesniewski A, Ellis S (2011): Cultural clashes in "a merger of equals": The case of high-tech start-ups. Human Resource Management, September-October, vol. 50, no. 5, 625-649

Dubois A, Gadde L-E (2002): Systematic combining: An abductive approach to case research. Journal of Business Research vol. 55, no. 7, s. 553-560.

Eisenhardt K, Graebner M (2007): Theory building from cases: Opportunities and challenges. Academy of Management Journal, vol. 50, no. 1, s. 25–32.

Eriksson P E, Atkin B, Nilsson T (2009): Overcoming barriers to partnering through cooperative procurement procedures. Engineering, Construction and Architectural Management, 16, 598 – 611.

Finne S, Kokkonen T (2005): Asiakaslähtöinen kaupan arvoketju. Kilpailuetua ECR-yhteistyöllä. Otava. Juva.

Fischer M, Reed D, Khanzode A, Ashcraft H (2014): A simple framework for integrated project delivery**. Industry papers in Proceedings IGLC-22, June 2014. Oslo, Norway.

Fong P S W, Kwok C W C (2009): Organizational culture and knowledge management. Success at project and organizational levels in contracting firms. Journal of Construction Engineering & Management. Dec2009, vol. 135 Issue 12, p1348-1356.

Fong S W, Lung B W C (2007): Interorganizational teamwork in the construction industry. Journal of Construction Engineering & Management. Feb2007, vol.133 Issue 2, p157-168.

Gersick C J G (1991): Revolutionary change theories: a multilevel exploration of the punctuated equilibrium paradigm. Academy of Management Review, 16, 1, 10-36.

Golden B R (1992): The past is the past—or is it? The use of retrospective accounts as indicators of past strategy. Academy of Management Journal vol. 35, no. 4, s. 848 – 860.

Golden B R (1997): Further remarks on retrospective accounts in organizational and strategic management research. Academy of Management Journal vol. 40, no. 5, s. 1243 – 1252.

Grey C (2005): A very short, fairly interesting and reasonably cheap book about studying organizations. London: Sage Publications.

Haczynski A, Buchanan D (2004): Organizational behavior, an introductory text. Pearson Education Ltd.

Halinen A, Salmi A, Havila V (1999): From dyadic change to changing business networks: An analytical framework. Journal of Management Studies 36:6, Nov. 1999, 779-794

Haspeslagh P, Jemison D (1991): Managing acquisitions: Creating value through corporate renewal. New York Free Press.

Harris L C, Ogbonna E (1998): A three-perspective approach to understanding culture in retail-organizations. Personnel Review, 1998, vol. 27, Issue ½, 104-123

Harris L C, Ogbonna E (2000): The responses of front-line employees to market-oriented culture change. European Journal of Marketing, vol. 34, no. ¾, 318-340.

Hatch M (1993): The dynamics of organizational culture. Academy of Management Review, vol 18, no. 4, 657-693.

Hietajärvi A-M (2017): Capabilities for managing project alliances. Acta Universitatis Ouluensis C Technica 612

Hofstede G, Neuijen B, Ohayv D D, Sanders G (1990): Measuring organizational cultures. A qualitative and quantitative study across twenty cases. Administrative Science Quarterly, Jun90, Vol. 35 Issue 2, 286-316

Hofstede G (1991): Cultures and organizations. Software of the mind. McGraw. London

Hofstede G (2005): Cultures and organizations. Software of the mind. McGraw. USA.

Home N (2007): Kauppiasyrittäjyys; Empiirinen tutkimus K-ruokakauppiaiden yrittäjyysasenteista. (Entrepreneurial orientation of grocery retailers). Helsingin kauppakorkeakoulun julkaisuja B-78.

Hyvönen S (1990): Integration in vertical marketing systems: a study on power and contractual relationships between wholesalers and retailers. Acta Academiae oeconomicae Helsingiensis. Sarja A, ISSN 0356-9969; 72 Helsinki School of Economics and Business Administration, 1990.

Ibrahim C K I C, Costello S B, Wilkinson S (2015): Establishment of quantitative measures for team integration assessment in alliance projects. Journal of Management in Engineering, vol 35, issue 5, Sep 2015.

Ibrahim C K I C, Costello S B, Wilkinson S (2017): Validation of a team integration assessment tool in road infrastructure alliance projects. International Journal of Construction Management, 17:2, 151-164.

Ismail T, Abdou A, Annis R (2011): Review of literature linking corporate performance to mergers and acquisitions. The Review of Financial and Accounting Studies 2011:1, 89-104.

Javernick-Will A (2012): Motivating knowledge sharing in engineering and construction organizations: Power of social motivations. Journal of Management in Engineering. Apr2012, Vol. 28 Issue 2, p193-202.

Jemison D B, Sitkin S B (1986): Corporate acquisitions: a process perspective. Academy of Management Review, 11 (1), 145 – 163.

Kale P, Singh H (2007): Building firm capabilities through learning: the role of the alliance learning process in alliance capability and firm-level alliance success. Strategic Management Journal, 28 (10), 981 – 1000.

Kallenautio J (1992): EKA Suomessa: 128 osuusliikkeestä monialayhtymäksi. Tammi, Helsinki.

Kallenautio J (2010): Lamasta uuteen nousuun. Eka-yhtymän ja Tradeka-yhtymän historia 1983-2008, SKS, Hämeenlinna 2009.

Kautto M, Lindblom A (2004)a: Ketjuliiketoimintamalli. Sisältö, logiikka ja johtaminen. Turun kauppakorkeakoulun julkaisuja B-1:2004.

Kautto M, Lindblom A, Mitronen L (2007): Kaupan liiketoimintaosaaminen. Helsingin kauppakorkeakoulun julkaisuja B-77.

Kavanagh M.H., Ashkanasy N.M. (2006): The impact of leadership and change management strategy on organizational culture and individual acceptance of change during a merger. British Journal of Management, vol. 17, 81-103.

Keung C C W, Shen L (2013): Measuring the networking performance for contractors in practicing construction management. Journal or Management in Engineering. Jul2013, vol. 29 Issue 4, p400-406.

Laan A, Voordijk H, Dewulf G (2011): Reducing opportunistic behaviour through a project alliance. International Journal of Managing projects in Business. Vol. 4(4), 660-679.

Lahdenperä P (2012): Making sense of the multi-party contractual arrangements of project partnering, project alliancing and integrated project delivery. Construction Management and Economics 30(1): 57-79.

Lahdenperä P (2017): Towards a coherent theory of project alliancing: discovering the system's complex mechanism yielding value for money. Construction Economics and Building 17(2): 41-61, June 2017.

Lamberg J-A, Tikkanen H, Nokelainen T, Suur-Inkeroinen H (2009): Competitive dynamics, strategic consistency and organizational survival. Strategic Management Journal, Jan2009, vol. 30, issue 1, 45-60.

Langley A (1999): Strategies for theorizing from process data. Academy of Management review, vol. 24, no. 4, 691-710.

Larsson R, Finkelstein S (1999): Integrating strategic, organizational, and human resource perspectives on M&A: A case survey of synergy realization. Organizational Science, 10 (1), 1-26.

Latta G F (2009): A process model of organizational culture on leading change. Journal of Leadership & Organizational Studies, Aug2009, Vol. 16, Issue 1, 19-37.

Lindblom A (2003): Vaihdantasuhteen muutosvoimat. Turun Kauppakorkeakoulu Sarja A-6:2003

Lindblom, A. (2006)a: Arvoa tuottava kauppiasyrittäjyys ketjuliiketoiminnassa. Helsingin kauppakorkeakoulun julkaisuja B-71.

Lindblom A (2006)b: Keskustelua päätöksentekoon liittyvän epävarmuuden olemassaolosta. LTA 2/06, 215-226.

Love P E D, Mistry D, Davis P R (2010): Price competitive alliance projects. Identification of success factors for public clients. Journal of Construction Engineering and Management, 136(9), 947-956.

Love P E D, Davis P R, Chevis R (2011): Risk/reward compensation models in alliances for the delivery of civil engineering infrastructure projects. ASCE Journal of Construction Engineering and Management, 137(2), 127-136.

Love P E D, Ackermann F, Teo P, Morrison J (2015): From individual to collective learning: A conceptual learning framework for enacting rework prevention. Journal of Construction Engineering and Management, vol. 141, no 11. Nov—2015.

Mallick R B, Radzicki M J (2016): Using system dynamics to identify, evaluate, and implement sustainable policies and practices in the road construction industry. In Babu, G.L.S; Sireesh, S.; Munwar Basha, B. (Eds) Sustainable issues in civic engineering. Springer, Singapore.

Marks M L, Vansteenkiste R (2008): Preparing for organizational death: Proactive HR engagement in an organizational transition. Human Resource Management, Winter 2008, vol. 47, no. 4, 809-827

Marks M L, Mirvis P H (2011): A framework for the human resources role in managing culture in mergers and acquisitions. Human Resource Management, November-December 2011, vol. 50, no.6, 859-877.

Martin J (2002): Organizational culture. Mapping the terrain. Sage Publication, USA.

Matthews O, Howell G A (2005) Integrated project delivery an example of relational contracting. Lean Construction Journal 2(1): 46-61.

Miles R, Snow C (1986): Organizations: New concepts for new forms. California Management Review, vol. XXVIII, no 3, spring 1986, p. 62-73.

Miles R, Snow C, Mathews J, Miles G, Coleman H (1997): Organizing in the knowledge age: Anticipating the cellular form. Academy of Management Executive vol. 11, no 4.

Miller C C, Cardinal L B, Glick W H (1997): Retrospective reports in organizational research: A reexamination of recent evidence. Academy of Management Journal, vol. 40, no.1, s. 189-204.

Mitronen L (2002): Hybridiorganisaation johtaminen. Acta Universitatis Tamperensis 877, Tampere, 2002

Moisander J, Valtonen (2006): Qualitative marketing research: A cultural approach. London, England: Sage.

Möller K (1992): Research traditions in marketing: Theoretical notes. Ekonomi och Marknadföring. Publications of the Swedish School of Economics and Business Administration, Finland, Nr 48. Helsingfors. 197-218.

Möller K (2010): Sense-making and agenda construction in emerging business networks – how to direct radical innovation. Industrial Marketing Management 39, 2010, 361 – 371.

Möller K, Halinen A (2000): Relationship marketing theory: Its roots and direction. Journal of Marketing Management 16, 29-54.

Möller K, **Wilson D** (1995): Business relationships - an interaction and network perspective. Möller, Wilson (eds.). 23 – 52. Kluwer, Boston.

Nasir M H A, Genovese A, Acquaye A A, Koh S C L, Yamoah F (2017): Comparing linear and circular supply chains: A case study from the construction industry. International Journal of Production Economics. Vol 183, part B, Jan 2017, 443-457.

Nonaka I, Takeuchi H (1995): The knowledge creating company. Oxford University Press. New York.

Ogbonna E, Wilkinson B (2003): The false promise of organizational culture change: A case study of middle managers in grocery retailing. Journal of Management Studies 40:5 July 2003, 1151–1178.

Papadakis T (2010): Measuring the performance of acquisitions: An empirical investigation using multiple criteria. British Journal of Management, 21.

Partanen V (2001): Muuttuva johdon laskentatoimi ja organisatorinen oppiminen: Field-tutkimus laskentahenkilöstön roolin muutoksen ja uusien laskentainnovaatioiden käyttöönoton seurauksista. Turun Kauppakorkeakoulu Sarja A-6:2001

Pekuri A, Haapasalo H, Herrala M (2011): Productivity and performance management— managerial practices in the construction industry. International Journal of Performance and Measurement 1 (1), 2011, 39 – 58.

Pioch E (2007): 'Business as usual?' Retail employee perceptions of organizational life following cross-border acquisitions. Human Resource Management 18:2, February 2007, 209 - 231.

Powell W (2001): The capitalist firm in the twenty-first century: emerging patterns in western perspective. The twenty-first century firm. Princeton PA, Princeton University Press. p. 33-68.

Riad S (2007): Of mergers and cultures: What happened to shared values and joint assumptions. Journal of Organizational Change Management, vol. 20, no. 1, 26-43.

Riad S, Vaara E (2011): Varieties on national metonymy in media accounts of international mergers and acquisitions. Journal of Management Studies 48:4 June 2011, 737-771

Sanchez M (2012): A Collaborative Culture: Collaboration is not something organizations do, but a way of being. OD Practitioner. Spring2012, Vol. 44 Issue 2, p7-12.

Sarala R (2010): The impact of cultural differences and acculturation factors on post-acquisition conflict. Scandinavian Journal of Management, 26 (1), 38-56.

Schein E (2004): Organizational culture and leadership. San Francisco: John Wiley & Sons.

Schein E (2009): The corporate culture survival guide. (1999) San Francisco: John Wiley & Sons.

Schreiner M, **Kale P, Corsten D** (2009): What really is alliance management capability and how does it impact alliance outcomes and success. Strategic Management Journal, vol. 30, no 13, 1395 – 1419.

Senge P (2006): The fifth discipline. The art and practice of learning organization. London: Random House Business.

Sluyts K, Matthyssensa P, Martensa R, Streukens S (2011): Building capabilities to manage strategic alliances. Industrial Marketing Management, vol. 40, no 6, 875-886.

Smircich L (1983): The concepts of organization culture and organizational analysis. Administrative Science Quarterly, 28, 339-358.

Smith W R (2012): Culture of Collaboration. Education digest. May2012, Vol. 77 Issue 9, p23-27.

Snow C C, Fjeldstad O D, Lettl C, Miles E R (2011): Organizing continuous product development and commercialization: The collaborative community of firm's model.

Søderberg A-M, Vaara E editors (2003): Merging across borders. People, cultures and politics. Copenhagen Business School Press.

Stahl G K, Voigt A (2008): Do cultural differences matter in mergers and acquisitions? A tentative model and examination. Organizational Science, Vol. 19 (1), 160 – 176.

Stern L W, Torger R (1980): Distribution channels as political economies: A framework for comparative analysis. Journal of Marketing, Vol. 44 (summer), 52-64.

Sutton P S, Shouse A W (2016): Building a culture of collaboration in schools.   Phi Delta Kappan. Apr2016, Vol. 97 Issue 7, p69-73.

Teerikangas S, Véry P (2006): The culture- performance relationship in M&A: from yes/no to how. British Journal of Management. Mar 2006 supplement, vol 17, 31-48.

Teerikangas S, Véry P, Pisano V (2011): Integration managers' value capturing roles and acquisition performance. Human Resource Management, September-October 2011, Vol.50, No.5, 651 – 683.

Tienari J, Vaara, E, Björkman I (2003): Global capitalism meets national spirit: Discourses in media texts on a cross-border acquisition. Journal of Management Inquiry, vol. 12, 377-393

Tichy N M, Devanna M (1986, 1990): The transformational leader. The key to global competitiveness. John Wiley & Sons. Inc. USA.

Turkulainen V, Ruuska I, Brady T, Artto K (2014): Managing project-to-project and project-to-organization interfaces in programs: Organizational integration in a global operations expansion program. International Journal or Project Management, vol. 33, issue 44, May 2015, p. 816-827.

Vaara E, Tienari J (2002): Justification, legitimization and naturalization of mergers and acquisitions: A critical discourse analysis of media texts. Organization, 9(2), 275-303.

Vaara E (2003**)**: Post-acquisition integration as sensemaking: Glimpses of ambiguity, confusion, hypocrisy, and politicization. Journal of Management Studies 40:4 June 2003, 859-894.

Vaara E, Tienari J, Björkman I (2003): Best practice is west practice? A sensemaking perspective on knowledge transfer. In Søderberg, A-M, Vaara, E**.** (Eds.). Merging across borders. People, cultures and politics. Copenhagen Business School Press.

Vaara E, Tienari J, Säntti R (2003): The international match. Metaphors as vehicles of social identity-building in cross-border mergers. Human Relations, 56 (4), 419-451.

Valorinta M, Schildt H, Lamberg J-A. (2011): Path dependence of power relations, path-breaking change, and technological adaptation. Industry and Innovation, vol. 18, no.8, 765-790.

Van de Ven A H, Poole M (1995): Explaining development and change in organizations. Academy of Management Review, vol. 20, no. 3, 510-540.

Van de Ven A H, Ring P S (2006): Relying on trust in cooperative inter-organizational relationships. In Bachmann R & Zaheer A (eds.) Handbook of trust research. Edward Elgar, Cheltenham, 144-164.

Van Marrewijk A (2016): Conflicting subcultures in mergers and acquisitions: A longitudinal study of integrating a radical internet firm into a bureaucratic telecoms firm. British Journal of Management, vol. 27, 338-354.

Vargo S L, Lusch R F (2004): Evolving a new dominant logic for marketing. Journal of Marketing, vol. 68, Jan 2004, 1 – 17.

Walker D H T (2002): Enthusiasm, commitment and project alliancing: An Australian experience. Construction Innovation, 2, 15 – 31.

Walker D H T, Harley J, Mills A (2013): Longitudinal Study of Performance in Large Australasian Public-Sector Infrastructure Alliances 2008-2013, Melbourne, RMIT University, Centre for Integrated Project Solutions: 48pp.

Walker D H T, Lloyd-Walker B M (2015): Collaborative Project Procurement Arrangements. Project Management Institute, Newtown Square PA.

Weber Y (1996): 'Corporate cultural fit and performance in mergers and acquisitions'. Human Relations, 49, 1181-1202.

Weber Y, Tarba S (2012): Mergers and acquisitions process: The use of corporate cultural analysis**.** Cross Cultural Management, vol. 19, no. 3, 299-303.

Webster C (2010): Exploring the national and organizational culture mix in service firms. Journal of Academy of Marketing Science, Dec2010, col. 38, issue 6, 691-703.

Webster F.E. (1992): The changing role of marketing in the corporation. Journal of Marketing, vol. 56, no. 4, 1 – 17.

Very P, Lubatkin M, Calori R (1996): A cross-national assessment of acculturative stress in recent European mergers. International studies of Management and Organization, 26, 59-86.

Whitaker M K (2011): Dimensions of organizational culture during a merger: a quantitative perspective from non-managerial employees. Dissertation, Capella University. ProQuest UMI Sep2011.

Williamson O E (1985): The economic institutions of capitalism. Firms, markets, relational contracting. New York, The Free Press

Wilson Jr R A, Songer A D, Diekmann J (1995): Partnering: More than a workshop, a catalyst for change. Journal of Management in Engineering. Sep/Oct95, vol.11 Issue 5, p40 - 45.

Yan S, Zhu Y (2013): Impact of psychological contract violation on interpersonal trust during mergers and acquisitions. Social Behaviour and Personality vol. 41(3), 487-496.

Zueva-Owens A, Fotaki M, Ghauri P (2012): Cultural evaluations in acquired companies: Focusing on subjectivities. British Journal of Management, vol. 23, 272-290.

OTHER MATERIAL

Annual publications of the Finnish Grocery Trade Association

Annual reports of case organizations

Raitiotieallianssi_toteutussuunnitelma_osa1_20160905.pdf

Saarinen, J. (2016): Suomi nousemassa allianssimallin johtavaksi maaksi Euroopassa. Locus 2016, vol. 3, 46 – 47.

Tradeka Company chronicle: 80-vuotta, Tradeka-yhtymän syntymäpäiväjulkaisu 12.12.1997. (80-years, Birthday publication of Tradeka -group)

Tradeka Company chronicle: Osuustoiminnalliset juuret ja yrityksen vaiheita - Osuuskunnat, OTK, Eka-yhtymä, Tradeka. Hilkka Kemppinen (Lecture about cooperative roots and phases of Cooperative Tradeka 26.11.2008)

Tradeka Staff magazines 2001–2005

http://raitiotieallianssi.fi

www.tampere.fi

www.vrtrack.fi, https://nrcgroup.fi/

www.poyry.com

THEMES, AIMS AND CONTENTS IN INTERVIEWS—CASE 1

I THEMATIC INTERVIEW:

6 interviews in 2009/2010

Theme: Critical events of the research period

Aim: To draw a picture of critical events i.e. the phases when the role of organizational culture might have been strongest. (The definition of "critical event" was explained to informants.)

Contents:

- What (in the interviewee's mind) could be interpreted as critical events in the years 2001–2006?
- Why did these events happen at that time? What was the interviewee's idea for the events happened (for instance, the events before or in the environment of the company)?
- What else could be considered as critical events (assisted question with the help of listed events)?
- What could be said about the organizational culture during those years?

II THEMATIC INTERVIEW:

5 interviews in 2010

Theme: Organizational culture through the eyes of an outsider

Aim: To elaborate on cultural traits during identified change periods based on the information from the first thematic interviewees. (The identified phases were explained as well as the definition of "organizational culture")

Contents:

- How could the organizational culture of the company be described at the beginning of 2000, and were there changes in relation to the 1990s?
- How were the particular phases in the middle of the first decade of 2000 reflected in the organizational culture?
- How could one define the traits of organizational culture as to relationships with stakeholders, priorities, behavior, power and business model or according to typical features of the organizational culture?

III THEMATIC INTERVIEW:

7 interviews in 2010/2011

> **Theme:** The organizational culture during the M&A through the eyes of the people participating in implementation
>
> **Aim:** Development of the role of organizational culture during the study period
>
> **Contents:**
>
> - How would the interviewee describe the working process, the actual work mode (goal, division of labor, priorities, etc.)?
> - How was power divided and how were decisions made?
> - How should one behave?
> - How did the organizational culture change during 2000?
> - How was organizational culture noticed during integration?
> - What does the organizational culture mean to oneself (asked in some of the interviews)?

IV THEMATIC INTERVIEW:

3 interviews in 2013

> **Theme:** The development of the organization toward the end of the integration phase in relation to the earlier years
>
> **Aim:** The role of organizational culture during the last years of integration.
>
> **Contents:**
>
> - How would the interviewee describe the development of the organization during the last years of integration?
>
> - What influenced the development?
>
> - What were the priorities in the organization/what were they earlier?
>
> - How was the organizational culture noticed during integration?

THEMES, AIMS AND CONTENTS IN INTERVIEWS—CASE 2

I THEMATIC INTERVIEW

11 interviews in 2017

> **Theme:** The role of organizational culture in the Tramway Alliance through the eyes of the participants, stakeholders and one outside observer
>
> **Aim:** Development of the role of organizational culture during the study period
>
> **Contents:**
>
> - How would the interviewee describe the working process, the actual work mode (priorities, right behavior, values, etc.)
>   - in the alliance team?
>   - in participating organizations?
> - How did the organizational culture develop during the cooperation?
> - How did the cooperation work with the other stakeholders?
> - What common cultural features might have hindered or supported the success of projects?
> - How do the possible acculturation problems appear?
> - How would the interviewees anticipate the cooperation to develop during the implementation phase?

II THEMATIC INTERVIEW:

5 re-interviews in 2018

> **Theme:** The role of organizational culture in the Tramway Alliance through the eyes of the participant after the first year of implementation
>
> **Aim:** The development of the cooperation during the study period
>
> **Contents:**
>
> - How would the interviewee describe the development of the cooperation in the Tramway Alliance mode (priorities, right behavior, values, etc.) during the first year of implementation
>   - in the alliance team?
>   - with other stakeholders?
> - Were there any surprises/alterations in relation to the anticipated cooperation mode at first?
> - How did the project succeed during the first year of implementation?
> - How have new participating organizations and individuals adapted to working in the project?
> - How would the interviewees anticipate the cooperation to develop and the project to succeed during the rest of the implementation phase?

BUSINESS +
ECONOMY

ART +
DESIGN +
ARCHITECTURE

SCIENCE +
TECHNOLOGY

CROSSOVER

DOCTORAL
DISSERTATIONS