The difficulties in achieving a successful integration in Merger & Acquisitions:

A case study on the acquisition of Print and Finishing Equipment Ltd by Neopost Ireland Ltd.

Dissertation submitted in part of fulfilment of the requirements for the degree of Masters in Business Administration (Human Resource Management)

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Student Name: Laura Davis

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Declaration: I, Laura Davis, declare that this research is my original work and that it has never been presented to any institution or university for the aware of Degree or Diploma. In addition, I have referenced correctly all literature and sources used in this work and this work is fully compliant with the Dublin Business School’s academic honestly policy.

Signed: _____Laura Davis_____

Date: _____21st August 2016____
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Abstract

The purpose of this paper is to examine the human elements involved within Merger and Acquisition activities and the importance of recognising employees and consumers are part of the overall process to ensure the merger or acquisition is a success. Merger and Acquisitions are on the rise following reports from The Institute for Merger, Acquisition and Alliance reports the M&A statistics and in 2015 they announced over 44,000 transactions worldwide with a value of 4.5 trillion showing an increase in the number of M&A deals of 2.7% since 2014 but yet the Harvard Business Review (January 2015) reported a failure rate for merger and acquisitions between 70% and 90% due to issues such as effective project management and open communication between stakeholder groups and the processes need to be realistic and involve all areas of management.

The paper is a case study based on the acquisition of Print and Finishing Equipment Ltd by Neopost Ireland Ltd in 2012 which has proven to be successful as the organisation still continues to supply products and services to the newly acquired graphics business.

The paper will examine the literature surrounding Merger and Acquisitions and discuss the various themes covered such as integration, communication and culture. Moving on from the literature, the paper will present the findings from interviews conducted with employees, customers and the Managing Director of the organisation with an aim to reflect on their experiences to support the literature and with a hope of gaining new primary data to help support the integration process of Merger and Acquisitions.

The findings indicate how important the human dimensions are to ensuring the success of the any merger or acquisition through the retention of key personnel and communication with consumers is vital to ensuring they will continue their relationship with the new organisation.
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Chapter 1: Introduction

1.1 Background of topic

In an ever growing competitive economic environment, organisations must ensure to strengthen their position within an industry to survive possible threats and continue to grow or face failure and loss to rival competitors. There is no doubt many organisations are struggling to keep up with the new competitors, technological changes and consumer demands. Within smaller industries, products and service choices are often determined by price therefore leading to increased competition. Many organisations will continue to stay stagnant while happy to continue holding onto their market share once there is no threat of competition, but this is not always the case as some organisations as they may not have a choice but to expand the organisation to continue within the industry.

Johnson et al (2014, P. 331) describes Merger and Acquisition’s as:

“Merger & Acquisitions are typically about the combination of two or more organisations. In an acquisition (or takeover) this is generally means an acquirer taking control of another company through share purchase. A merger is different in character to an acquisition as it is combination of two previously separate organisations in order to form a new company.”

For any organisation, Merger & Acquisitions can be costly not only from a financial side but from a human resource element causing issues for some stakeholders. In order for Merger & Acquisitions to be successful, organisations must identify possible challenges which may lie ahead before the integration process begins between the two different organisational cultures. Merger & Acquisitions are among the most common form of expansion within industries that are under pressure to improve shareholders wealth, trying to hold onto market share and try increasing the overall profits of the business.

The Institute for Merger, Acquisition and Alliance reports the M&A statistics worldwide and in 2015 they announced over 44,000 transactions across the world with a value of 4.5 trillion showing an increase in the number of M&A deals of 2.7% since 2014 (see appendix 1). Within Europe, the M&A activity has showed a continued improvement over the last 3 years with the number of deals and value on the increase (see appendix 2).

The Irish economy grew at a significant pace in 2015 with GDP growth rates of 6.9% according to the Europe Commission. Quarter 3 showed the highest level of M&A activity throughout the year (see Appendix 3) with a value of around €175,000. The Independent reported in August 2015 (based on
the figures presented by law firm William Fry), there had been at least €35 billion worth of merger and acquisition activity in the first 6 months of the year but was down against the figures for quarter 3 in 2014. William Fry (Annual M&A Review 2015) reported by the end of year, deal value was up by 41% in 2015 but the deal volume in 2015 was down 13% from 120 to 104 deals. This report also shows the Irish Economy is growing and forecasted growth of 4.5% in 2016 with more merger and acquisition by the end of 2016.

While the above information shows the M&A activity is growing and still a major force within the economy, the success rates are not fully apparent for many organisations. The McKinsey & Company (2010, p. 3) report on perspectives on merger integration, states that there is still 66-75% failure rate for M&A’s. The success rate of merger and acquisitions has not been high for many organisations and researchers are finding the failure rates are around 70% failure (Seldon & Colvin 2003 and DePamphilis 2001).

The Harvard Business Review (January 2015) reported a failure rate for merger and acquisitions between 70% and 90% due to issues such as effective project management and open communication between stakeholder groups and the processes need to be realistic and involve all areas of management.

Christensen et al (2011) reported in the Harvard Business Review (March 2011), while organisations spend more than $2 trillion on acquisitions every year worldwide, there is still a failure rate between 70% - 90% reported. In 2015, Forbes (27th January 2015) reported 83% of mergers fail based on a KPMG study showing the merger did not boost shareholders return due to issues related to risk, price, strategy, and culture and management capacity. It also highlighted the risk of failure can be reduced by conducting a one hundred- day action plan to help work through the issues listed related to failures.
1.2 Background of case study organisation – Neopost Ireland Ltd

Within the world of mailroom solutions, the franking machine has been a solution to help save businesses time and money and supplying to many large and national organisations while including small and medium sized enterprises. Metered mail provides consumers various discounts over the years and saved many organisations manpower as the machine can process mail at a faster rate than any staff member but the industry is now seeing a slow decline and there are consequences for Neopost Ireland Ltd.

Neopost Ireland Ltd is a world leader of mailing solutions, providing a vast range of machines from franking machines, folding/inserting machines and also customer communication tools (parcel management, Logistics and tracking solutions). Mail solutions have been the “cash-cow” for Neopost since its establishment however they can no longer reply on this due to the changes within their industry. Sales have declined within the last few years due to the recession, changes in customer needs and their awareness of spending costs. The Neopost Annual Report 2012 showed the share price at its lowest in 8 years (see Appendix 4) therefore encouraging the opportunity for the business to merge or acquire new business. In 2015, the Neopost Ireland Ltd 2015 First – Half Annual Report, reported there was an overall 5.2% decline in 2015 for mails solutions, which has been slowly falling over the last number of years. The price for postage stamps has slowly been increasing for the last 3 years by An Post therefore consumers are turning to electronic mail due to the continued increase in the price of stamps.

Within the last two years, An Post (state-owned provider of postal services in Ireland) have increased their prices for the cost of stamping mail therefore leading consumers to look at alternatives to physical mail. Although customers have not abandoned physical mail altogether, it is evident that the industry is changing therefore Neopost will need to expand their products/services or face the possibility of losing market share, customers and losses to the business.

Due to the legacy from the Irish economic and banking crisis 2008 – 2012, many organisations are struggling to survive in their respective industries. Mainly due to new foreign competitors entering new countries in order to increase revenue and market share therefore causing issues facing Neopost Ireland Ltd along with changes in consumer needs and wants. In order to mitigate this risk the organisation may need to expand the business in the future to keep up with the technological changes and to meet of existing and potential consumers. For Neopost Ireland Ltd, the decline of mail solutions has been a key indicator for the organisation to expand into new business ventures.
through mergers or acquisition to ensure they meet the needs of the stakeholders and continue to keep in operation within the industry.

Neopost Ireland has conducted various acquisitions throughout the years in order to expand the business and to continue to grow profits. One of the biggest acquisitions was in 2012 when Neopost Ireland officially acquired PFE (Print & Finishing Equipment Ltd) one of the leading suppliers within the Print Industry reported on 13th April by DPN Live (Online magazine and news provider for the printing industry). Due to this merger the organisation has expanded its business into Northern Ireland for the first time within the graphics industry, leading the business into new territories and areas to cover for sales and service.

1.3 Research Question and Objectives

Within the dissertation, the researcher conducted a case study on the acquisition of PFE Ltd by Neopost Ireland Ltd in 2012 focusing on the elements of the acquisition such as integration, communication and culture including focus on the employees and consumers involved within the acquisition. The research question will aim to focus on the human dimension (employees and consumers) to gather data from their personal experience of the acquisition in the hope to support the literature available today or gain new primary research to help researcher in the future.

The research question for the dissertation will be:

**What are the important elements of Merger and Acquisition’s within the human dimension to ensure successful integration of two cultures?**

Based on the main research question, the researcher has designed six main research objectives:

1. Identify the impact of integration on employees
2. Identify the impact of integration on customers
3. Examine the importance of compatibility of cultures in both companies
4. Identify the significance of communication in such integration
5. Identify the characteristics essential for successful integration
6. Gain an understanding of an acquisition from a management perspective

The main recipients of the research dissertation will be Neopost Ireland and other organisations who wish to engage in M&A activity.
1.4 New and Relevant Research

The researcher has spent considerable time researching the mail industry and concluded that there is a lack of research on mergers and acquisitions in this industry. This presented an opportunity to research a topic facing challenges due to the evolution of the mail industry such as online mail and cheaper competition.

1.5 Suitability of the Researcher

At present I am the Customer Service Supervisor for Neopost Ireland, having worked for over 8 years with the organisation I have witnessed the business change and expand into new ventures in order to meet customer expectations and ensure the business continues to grow profits. Many acquisitions undertaken by Neopost Ireland Ltd have not had a major impact on the day to day workings of the business or impacted on employees or consumers. The biggest acquisition (as mentioned above) has proven the difficulty operating two different businesses as one. This is due to the different nature of the businesses and has had many negative implications along the way even after its 3 years in operation. From a service view, it is clear to see the mailroom and graphics operations have to be managed separately. The organisation cannot operate all under the same set of procedures within various departments such as service and finance. There has been a massive impact on the customers from not meeting their needs, changing procedures that they have had to adjust to and also from the company operations many of the employees have found the work has doubled and are unhappy with the business today. While the acquisition has been successful, the aim of the dissertation is to identify the elements for a successful M&A’s with a more positive outcome.

Along with my degree in Business Management, my experience within the industry and knowledge of the company is suited to this specific topic. For my Master in Business Administration, I studied the module of Human Resource Management which has helped develop my keen interest in employee well-being in business, employee performance and consumer expectation from the organisations they conduct business with.
1.6 Scope

The acquisition of PFE Ltd by Neopost Ireland Ltd proven to be a success as the two organisations are still operating successfully today. The aim of the dissertation is to identify the elements of successful integration of two cultures within merger and acquisitions. The researcher conducted a literature review on the materials available on merger and acquisitions and basing the primary research on the elements needed to make a successful acquisition. The scope will include culture, communication, integration, employee perspectives, consumer perspectives and management perspectives of the acquisition. Within the dissertation, the researcher conducted ten interviews with employees within the organisation including the Managing Director. A further eight interviews with current Neopost Ireland Ltd customers who were with Print and Finishing Equipment Ltd before the acquisition took place. The Gantt chart (see Appendix 18) shows the dissertation schedule planned and the activities conducted at the various phases of the dissertation.

1.7 Limitations

During the course of the dissertation the researcher identified the following limitations:

Literature – during the research on the literature, the researcher planned to cover the themes of “change management” but due to time constraints this was not possible.

Customer base – initially the researcher had planned to conduct quantitative research through questionnaires with customers but due to the small number of candidates that applied to the research, the research changed to qualitative research methods of semi-structured interviews.

Time – the timeframe for interviews was a challenge to the researcher due to work commitments and also the availability of customers due to the nature of their work being owner/manager operations.
1.8 Dissertation format

The following is an outline of the dissertation chapters:

Chapter 1:

The Introduction chapter gives the reader an inside into the background of the dissertation topic including the reasons for conducting the research into M&A’s. The chapter shows the main research question and from that the six main focus areas as part of the research objectives, including the scope of the dissertation and the limitations of the research.

Chapter 2:

The chapter covers the literature themes identified throughout the research beginning with a background into M&A activities, the failures that occur within M&A, the activity of integration during M&A, the culture element of M&A, communication surrounding M&A and the last two elements focus on the human dimensions of employees and customers involved in M&A activities.

Chapter 3:

This chapter shows the process used to collect the primary data for the purpose of the dissertation. The chapter displays how the researcher, adapting Saunders et al, 2010 “Research Onion” (see Appendix 5), identified the hypothesis, research philosophy applied, the research approach, research choice, research strategy, data collection through semi-structured interviews and any ethical issues or limitations raised throughout the dissertation.

Chapter 4:

This chapter presents the primary research through data analysis and findings. The chapter is broken into three sections (1) Data collection from semi-structured interviews with employees, (2) Data collection from semi-structured interviews with Managing Director of the organisation and (3) Data collection from semi-structured interviews with customers. The findings are presented after each section and the overall finds provide the researchers account of the data collected.

Chapter 5:

This chapter will include a discussion of the research undertaken at the beginning of the dissertation reviewing the research from the literature within chapter 2 and discussing the findings from chapter 4 to identify links within the literature and the data or to identify gaps between the two therefore drawing conclusions to lead into the recommendations in chapter 6.
Chapter 6:

The last chapter will show the recommendations by the researcher based on the discussion within chapter 5 and the research question and objectives set out within chapter 1 of the dissertation.
Chapter 2: Literature Review

2.1 Merger and Acquisitions

Merger & Acquisitions are among the most common forms of expansion within an industry in order to increase shareholder wealth, increase market share and to increase organisational assets. The external growth of organisations can be advanced with the expansion into overseas markets in competitive industries or alternatively by remaining in the host country and merge or acquire organisations there. While this is an effective way for organisations to increase profits and shareholders’ wealth there may be unforeseen negative-consequences if not planned and implemented by the organisations at an early stage.

In 2013 the total value of M&A activity in Ireland was €38.59 billion showing an increase of nearly €10 billion from 2012. Ireland’s gradual recovery from the economic crisis is continuing and accounts for a significant part of the improvements in Merger and Acquisitions activity. It is likely that this trend will continue in a positive vein for the future years (Zerbin 2014).

DePamphilis (2001, P. 5) describes the acquisition to be when “one company takes controlling interest in another firm, legal subsidiary of another firm, or selected assets of another firm such as a manufacturing facility”. Acquirers often fall into two categories, strategic buyers and financial buyers who have two different intentions for the outcome of the merger or acquisition.

Merger and Acquisitions have evolved with various changes evident over the last 100 years and economic history has identified the Six Waves (Gaughan 2010) caused by “economic, regulatory and technological shocks in mergers & acquisitions and stimulated by events”: (Cameron & Green 2012 Pg. 298):

- First Wave (1897-1904): horizontal combinations and consolidations of several industries, US dominated.
- Second Wave (1916-29): mainly horizontal deals, but also many vertical deals, US dominated.
- Third Wave (1965-69): the conglomerate era involving acquisition of companies in different industries.
built through acquisitions and consolidations of smaller companies, e.g. Mittal and Tata Group.


Over the last century Mergers & Acquisitions have become longer and more frequent (Gaughan 2015), the process has evolved while some of the older rules are still relevant, new rules have come into effect to consider the mistakes from previous failed ventures. For many organisations, mistakes and failures made in the past have not been investigated or acknowledged therefore leading M&A’s for their business into the unknown with no set rules or procedures.

Most researchers believe there are three main forms of M&A, both Gaughan (2015) and Cameron & Green (2012) suggest there are three forms or mergers and acquisitions available to organisations:

1. Horizontal – the combination of two organisations that will offer the same products or service to customers which can lead to greater market share.
2. Vertical – consist of a buyer seller relationship as two organisations combine that are involved in the same product or services but different stage of the production.
3. Conglomerate – the combination of two organisations within an industry that may have the same customers but offer them different products or services.

There is no “best” form in M&A, organisations choose the best type suited to their business based on their business operations and the best suited form to give them maximum potential.

According to Cameron & Green (2012), they have identified the follow as the main reasons for M&A:

- Growth : provides quick growth but also generates risk and uncertainty
- Synergy : for two organisations to be more successful when together
- Diversification : growing outside the traditional business
- Integration to achieve economic or better services : acquire competitor within market
- Defensive measure :Enhance the organisations position within the market
- Pressure to do a deal : to grow earnings

Moeller & Brady (2014) believe in addition to the above, believe synergies are more beneficial to potential financial benefit which can be achieved through the combination of two organisations through a merger or acquisition creating value for stakeholders. There are various synergies available to organisations such as cost synergies (cut costs by reducing production costs and revenue/ financial synergies allowing the two organisations to sell more products/services due to
the merger or acquisitions). In order for M&A to be success, a correct estimate of these must be produced in order for the transaction to be successful. If the synergies hold no value and are zero then there will be no value for the organisations. Even though there was the financial crisis in 2007 & 2008, the M&A activities were still very active remaining above $2 trillion annually for up to 6 years (Moeller & Brady 2014). Habeck et al (2000) set out guidelines for ensuring the best chance of a successful integration of two organisations and a successful M&A to cover all areas to be effected by the transition (see Appendix 10).
2.2 Failures in M&A

While Merger & Acquisitions involve significant capital and are mostly undertaken by organisations to help boost shareholder value and increase profits for the organisation, the process is not as simple as combining two organisations and conducting day to day operations. For most companies the acquisition process may seem straightforward such as the process set out by DePamphilis (2001) (see Appendix 9) but this is not always the case. There are many areas of the process which have not yet been identified (Johnson et al 2014). The theory of the acquisition process works well on paper but in practical terms on many occasions there is a poor organisational fit between the two organisations leading to difficulties in areas such as cultural differences and operation differences.

Seldon & Colvin (2003) alleged that organisations were too focused on profits without seeing the pitfalls through the process - “70% to 80% of acquisitions fail, meaning they create no wealth for the share owners of the acquiring company. Most often, in fact, they destroy wealth... Deal volume during the historic M&A wave of 1995 to 2000 totalled more than $12 trillion. By an extremely conservative estimate, these deals annihilated at least $1 trillion of share-owner wealth”.

A McKinsey study in 2009, showed that 42% of mergers fail due to the fact due diligence conducted before a merger did not provide an adequate roadmap for ensuring its success. The Business Review Europe (Why do up to 90% of Mergers and Acquisitions fail?) 2015 stated that the failure rate for M&A's sits between 70% - 90%. The common theme between many researchers is that up to 70% of Merger & Acquisitions fail but yet organisations are still conducting in M&A activity due to the pressures to compete in growing competitive environments (Moeller & Brady 2014). DePamphilis (2001, Pg41) recognises many commonly cited reasons for M&A’s failure to be successful, some include overestimating synergies, slow pace of integration, poor communication and conflicting cultures. Schuler & Jackson (2001) agree with culture and integration as the reasons for the failure of an M&A but also believes that expectations are unrealistic, hastily planning & execution, lost talent, transition management fails and many more leading to such a low percentage of successful M&A between many organisations. According to “Managing Mergers & Acquisitions” CBI Business Guide (Reeves, 2000), statistics show that only 37% of M&A have a very low success rate and the reality “often falls short of the ideal”. While the reasoning for M&A varies from organisations e.g. expanding into new markets, competition, changes in market trends; there are many challenges associated with such a task. Reeves (2000) identified that one of the most important aspects of an M&A is to ensure that both management parties “spend time together to learn about each other and understand one another’s position”. Through her findings she categorised three main areas of failure; faulty logic, Inappropriate deal structure and unsuccessful integration.
J.R Carleton et al (2004), has also identified that the odds for an organisation to become successful after the transition are not good, regardless of their size and there are two main reasons behind failure:

i. Failure to access the potential impact of attempting to merge and integrate the cultures of the companies involved

ii. Failure to plan for systemic and systematic and efficient integration of those cultures.

The odds of achieving a successful merger or acquisition considering culture due diligence, integration process and the assessment of the merger are low if these elements are overlooked or not dealt with until a later stage regardless of the size of the organisation.

On research conducted by Jennifer Lawlor (2013, p. 704-723), there are many theorists who are of a similar view to the views of J.R Carleton, agreeing that there is a lack of scrutiny regarding the post-merger stage (Child et al. 1999 & Walsh 1989). Ivancevich et al (1987) believes that organisations can sometimes be more focused on the financial element of the merger rather than focus on the human resources. Cartwright et al, 2000, also trusts that there are a lot of “forgotten factors” when a merger or acquisition takes place. Only within the last decade, research has looked into the role and contribution of the HRM function within organisations. The HRM function is often overlooked by management therefore leading to high disruption among employees, distress and employee uncertainty. Many HR managers are obligated to deal with the issues raised by employees in the aftermath of the merger and many employees are responsible for one third of failure when a merger takes place. According to Habeck et al (2000), a study conducted by A.T. Kearney Global PMI Survey showed that results of a survey conducted to show the “failure risks by merger phase” identified that the “post-merger integration” bares the greatest risk at 53% (see Appendix 8). Their research finds are several areas that organisations fail at merging two organisations while instead of doing the essential things right, the majority still do them wrong and then there are issues after the M&A; Vision, Leadership, Growth, Early wins, Culture, Communication and Risk Management. According to Jim Markowsky “Managing Mergers & Acquisitions” CBI Business Guide (Reeves, 2000), below are the main causes of failure of business change programmes;

- 42% - Inadequate leadership
- 27% - Organisational / cultural issues
- 23% - People Issues
- 4% - Information Technology
- 4% - Other
It is essential to manage the changes to ensure focus on the requirements and to try and optimise the value of the M&A.

Moeller & Brady (2014) believe that the M&A deals tend to focus on completing the deal and focus less on the people and organisational issues that arise before the M&A has taken place which is a contribution factors to failure rates of M&A. Galpin & Herndon (2014) make a great point when they stated “it is much easier to do a deal than to implement one”. The “real” integration consists of people, processes and systems of one business with another and needs to be managed effectively throughout.
2.3 Integration

In a study of merger failures, “Speed Makes the Difference”, Coopers & Lybrand (1997) completed a study on merger failures and found that one of the main reasons for failure was due to the integration process that lacked transitional planning and execution speed. In order to be successful in the integration, there needs to be a set of management processes set before the acquisition has taken place. IBM recognises that it is important to study other acquisitions that have taken place to learn from their experiences to prevent failure.

Davis (2012) identified that “all organisations around the world will at some stage go through some sort of splitting apart (“de-merger – which is integration done backwards) or integration (joining of parts)”.

After all the legal workings have been complete and the deal has been closed the next vital step of the acquisition is to integrate the two business operations. J. Keogh (2002) suggests that an “integration team” should be formed containing “key personnel” from the two organisations and also a member from management team to oversee the project from beginning to the end. The integration begins with the financial data and the operational data from both parties which will start the analysis any issues which may come to light. There are 5 forms of integrations identified by J. Keogh (2002):

- Subsidiary Integration – the organisations operate as if the acquisition never took place.
- Full Integration – the two organisations operate as one company following the same procedures and all financial reporting is combined.
- Asset Integration – the integration must be reflected in the financial statements, primary focus is based on the financial operations.
- Personnel Integration – Primary focus on keeping key personnel to remain with the organisation.
- Three Integration – consisting of interim, short-term and long-term integration plan with overall goals to complete the integration.

The integration process will vary from organisation to organisation depending on the nature of the business or the industry, but organisations must identify the best integration for their organisation and the one most likely to be successful.

DePamphilis (2001) finds that an in study conducted by Andersen Consulting (1999), the integration stage of any merger and acquisitions is the most important part and must be complete at a quick
pace in order to keep moment going. Integration is the second most commonly cited reason for failures of M&A within many organisations. Right Management Consultants (1999) surveyed 179 mergers since 1995 to find that 30% of the mergers were successful in the integration process of the two organisations.

If integration is unsuccessful, then the chances of a successful M&A are unlikely. In the case of Quaker Oats (soft drinks producer) who acquired Snapple (fruit drinks) in 1994. The acquisition followed a successful merging of soft drinks producer Gatorade successfully in 1983. The Snapple acquisition wasn’t a success and Snapple was sold less than three years later to another corporation. The failure was due to the difficulties with the different product ranges, pricing strategies and cultures not compatible, and Snapple had a drop of 74% in sales on a year-on-year basis before being acquired (Moeller & Brady 2014).

According to Chadam & Pastuszak (2013), one of the most important elements of the integration plan is to Human Resource Management is “essential” to any acquisition and the three main areas of focus on retention, firing and recruitment as keeping key personnel is vital to the integration of two organisations. They consider the integration of procedures is just as important, as if not aligned correctly then this can lead to strategic loss to newly formed organisation. Typically in M&A activity involving larger corporations, the integration becomes more complicated due to the large amount of processes or projects and there is a lack of information available (Davis, 2012, P21).

**Post-Merger Integration**

Moeller & Brady (2014) describe the post-deal integration phase as the “quiet” phase of the M&A process as any discussions that take place at this stage are recognised as the deal “falling apart” but this is not always the case. Most organisations believe that the success will fall into place once the merger or acquisition has taken place but this is rarely the case and post-integration can be the key to ensuring the implantation is successful. Moller & Brady (2014) imply the post-deal integration as a key to stopping the failure rates in M&A’s.

In a survey conducted by A.T Kearney Global – found that 53% of respondents believed the “post-merger integration” was the most important element of the merger or acquisition. This area can be the most challenging but it can also be the key to a successful integration of two organisations if management understand the changes, anticipate them and prepare for aspects of the business to change. DePamphilis (2001) suggests the integration planning should begin before the deal is complete but a lot of the planning can only be based on assumptions and may need to be re-examined once the deal has been closed based on more accurate facts (see Appendix 9).
Chatterjee & Brueller (2015) agree that one of the most common reasons for failures in M&A is due to the post-merger integration breakdowns and overpayment. Their study into the M&A practices shows that if organisations prepare for threats they will be in a better position when integration takes place. They focus on five main lessons when anticipating post-merger interactions and challenges such as capacity pooling, capacity consolidation, one-stop-shop, focused intervention and a new business model. While some interactions are difficult to execute, there are options available to face the challenges within the post-merger integration.

Habeck et al (2000) supposes a successful merger needs to identify 3 main areas which are crucial during the post-merger integration; Buy-in from all levels of management and employees, Orientation – ensuring people are well informed to give employees an overall direction and Expectations must be managed in a proactive way to give open and honest communication. In order for the integration process to be successful, leadership is required by management to follow the process through from beginning to the end. Cisco Systems (Internet Infrastructure) who provides software and hardware completed 42 acquisitions between 1993 and 1999 in order to expand existing product lines and enter into new business. Cisco tailors their integration process for each acquisition with a team of 12 individuals to form an integration team. They provide all employees with an integration information packet which includes the business strategy, Organisational structure, contact information and once the acquisition has been announced HR teams are sent to meet the new employees in small groups to answer any questions or concerns in relation to the acquisition. The integration process normally takes 4-6 weeks and has proven to be success for their business.

The timeframe of a transition of an acquisition can be vital to the success of the integration and if not complete in time can lead to underperformance from employees as they can become detached from the job and motivation is low (Chadam & Pastuszak 2013).
2.4 Culture

“Cultural difference” can be one of the main reasons for the high failure rates in M&A (Habeck et al 2000, P. 81). The integration of two cultures is of vital importance to the integration process when employees from two organisations are now formed as one and have different views and processes on the strategy of the business and the working practices. Habeck et al (2000) identifies “the culture of a company is the set of assumptions, beliefs and accepted “rules” of conduct that define “how things work around here””. The culture of an organisation provides a common medium for employees to help work within the organisation to help employees communicate and help with the social interaction of the individuals. While each individual has their own believes and experiences, the culture is created by the employees and especially by management. Alongside Habeck et al 2000, the CBI Business Guide (Reeves, 2000) “Managing Mergers & Acquisitions” states “a successful merger can depend as much on the successful melding of two internal cultures and attributes of particular individuals as it does on the compatibility of products or services”. They identify two main cultural issues; Nationality can develop some difficulties even within English-speaking industries and size can have a major effect if one organisation is larger than the other leading to the smaller organisation having to adapt to the more powerful large business.

When combining two organisation cultures together, there can be a clash within management styles especially when two organisations are from various parts of the world (Cameron & Green 2012). Roffey Park research (Devine, 1999) states that culture clashes can have an impact on performance of the organisation and is another main source within failure rates of M&A’s. Trompenaars & Hampden-Turner’s cultural dimensions (1997) (see Appendix 10) framework can be used to help management with an insight into the biggest differences and how organisations are affected by the differences. It can help people to recognise traits of their own culture, areas of the culture that are important to them and commit to one foundation for the future. Carleton & Lineberry (2004) recognises the importance for cultural corporate due diligence (Carleton, 1997) as a “consideration of equal or greater importance than the traditional financial and legal due diligence that typically precede such deals”. Corporate culture is one of the major drivers for the success of an organisation and helping it to achieve its results through high quality performance.

Chadam & Pastuszak (2013), believe the best way to prevent culture clashes, before an acquisition takes place, is to try and recognise the new acquired organisations’ culture and values and ensure these are recognised during integration. Appointing an integration team leader could be a vital part of the cultural integration.
Weber & Tarba (2012) identifies the importance of recognising the cultural difference assessment and ensuring this is measured throughout the M&A process. They believe that cultural consulting interventions need to be the bases for measuring cultural differences by using consultants, technical staff members, and people who are specialists in strategic decision making. They suggest identifying and assess the depth of the cultural assessment in the pre-merger stage; formulate various hypotheses based on the outcomes of the assessment; and the outcome will help organisations to conduct better cultural integration throughout the M&A process and emphasise how important it is to the success of the integration. Habeck et al (2000) identified 3 basic strategies for approaching culture within a newly formed organisation, 1- Cultural Imposition, 2 - Allowing culture to remain separate and 3. Creating a compound culture.

Hofstede et al (2010, cited by Gunnigle et al, 2011) believed that cultural differences have a big effect on managerial approaches to multinational cross country expansion and his original model 1999 (see Appendix 13) focused on four main areas in order to analyse cultural values which then continued on to add a fifth addition later.

“Organisation culture is the taken-for-granted assumptions and behaviours that make sense of people’s organisational context” (Johnson et al 2011). The cultural web (Johnson et al, 2011) (see appendix 12) can be used by organisations to help identify the various elements that will affect the organisation culture. The culture of an organisation is made up of the basic assumptions and the beliefs carried out by other members of the organisation. The cultural web identified the element’s that influence the culture of the organisation.
2.5 Communication

M&A can be very fast paced depending on the industry, the nature of the M&A or if the information has gone public and action needs to be taken quickly to close deals. DePamphilis (2001) recognises in his Merger and Acquisition process that communication is the 2nd step after the integration plan in order to inform stakeholders, employees, customers and investors of the M&A that is about to take place. Communication remains a leadership issue at all levels as they are the people who set directions, surround themselves with employees who can steer fellow employees in the right direction and commit resources effectively (Habeck et al, 2001). Management had a tendency to focus on the overall benefits of an M&A without looking at the finer details such a communication. Communication is no longer an excuse for organisations due to the increasing technologies (e-mail, intranet and other technologies available) and having an effective communications campaign is a vital part of a successful M&A (the CBI Business Guide “Managing Mergers & Acquisitions”, Reeves, 2000).

DePamphilis (2001) recommends before there is an announcement to the public, there should be a communication plan developed, as part of the integration team suggested within the integration process with a public relations department. The aim of the team will be to inform some of the main stakeholders i.e. employees, customers, suppliers, investors and communities which can help to build up the trust between the stakeholders and the organisation. When dealing with employees, organisations must be sensitive to how they are communicating to the employees as they are a vital part of the acquisition. The communication needs to frequent as silence will lead to employees feeling anxious and uncertain about the overall acquisition and can be conducted through a means of meeting employees onsite or through teleconferencing informing employees of what is taking place, how it will affect the overall business, operations, job securities and compensation.

Galpin & Herndon (2014) believe that the most effective change-management tool available to organisations is still “face-to-face” communications as employees want to hear the announcement from the source but yet it is not used enough to help address sensitives issues such as merger and acquisitions.

Customers are another main focus of DePamphilis (2001) communication channels to ensure that customers are aware of the benefits of the merger or acquisition. Once communication to consumers is initiated then the newly formed organisations must ensure they follow through on their promises of what they can offer new customers they have acquired. This can encompass offering the same products/services they have previously provided to existing customers and not
neglecting the relationships they have created. Habeck et al (2000) has similar views to DePamphilis as communication to stakeholders is vital to the success of the M&A. He suggests a “communications plan” that identifies the target audience (employees, customers, investors); identify goals for each group to ensure they are aware of the overall objective of the M&A and the means by which they plan to get there. In order for the communication plan to succeed, obtaining feedback is crucial to ensure they information given is correct and understood by the various groups.

Cameron & Green (2012), identify communication as the first lesson learned from research into successful and unsuccessful M&A’s as Alex Mandl, CEO of Teligent since 1996 in a Harvard Business Review interview explained while reports of failed M&A’s were conducted in studies in the 1970’s and 80’s are reported he disagrees as he believes growth through M&A’s is vital to organisations in today’s economies and organisations such as Cisco and WorldCom are proof that they can be successful. While the M&A’s is a financial and business opportunity there is still the element of “human transaction” between people of two organisations to be considered. Various methods are available through company presentations, question and answer sessions, newsletters, emails etc. The information has to clear and show logic for people to understand and know what the various stages of the integration are and how they will proceed to the various stages.

Carey (2000) advises organisations “When a company is acquired, people become extremely sensitive to every announcement. Managers need to constantly communicate to avoid the seizure that may come from over-reaction to badly delivered news”.

In a study conducted by Nana Balle (2008), in an acquisition of two major multinational organisations in 2014 (one a country-based family owned company) they developed a solid communication effort through various sources such as town hall meetings, intranet media and printed company magazine distributed to both organisations which included interviews with management and some with employees. A survey was conducted with employees to see how useful they found the communication methods and 80% revealed they would approach their middle manager who lacked the “basic knowledge” of the new acquiring company. Only 56% of employees found the Intranet and FAQ’s supportive and overall 66% of employees expressed satisfaction with the overall communication process and felt satisfied with the communication process.
2.6 Employees - The Human Side of M&A

“Worst mistake is to leave employee without a sense of the goals and objectives of the merger, so communication is vital” (Habeck et al 2000).

Merger and Acquisitions can disrupt relationships that have been established over decades, many can be shaken so badly that they are unrepairable yet at the same time M&A can help develop new relationships to develop new opportunities (Habeck et al 2000). Carey et al, (2004) focused on the Human side of a merger and acquisition and tackled the subject of the human capital issues around the process. He identified “the lucky seven” which were steps in order for CEO’s to follow:

i. Improve the Odds
ii. Take Stock of Human Capital
iii. Create a New Vision
iv. Retain and Motivate Key Players
v. Integrate Deliberately and Swiftly
vi. Survive the Regulatory Process
vii. Beef up the Board

Throughout the seven stages there are only two that focus on the HRM side of the business, take stock of human capital and retain and motivate key players. Strategic Human Resources plays a more dominant role within organisations and the overall effect of an unsuccessful merger can be not only financially costly to the organisations. There can be human capital effects including the loss of key vital employees needed within the organisation. The above literature shows two main areas needed to be addressed, firstly the post – integration stage and secondly the HR issues raised from a merger or acquisition, while Carey et al (2004) deems organisations need to pay more attention and develop strategies for post – integration that will help the integration process to be managed in a more efficiently there has been no reference to the consumers throughout the stages of the mergers.

When an acquisition has taken place, combining the two organisations will increase the number of employees which can then lead to losing various members of each team who may not be needed or the job roles are not available anymore. Jim Keogh (2002) believes that the success of post-acquisition business operation is dependent on ensuring that key employees will receive fair compensation and the terms are contained in the employment contract. Within mergers, employees belonging to the new parent company don’t feel the effects leading to less anticipation in relation to change but if the two organisations are equally merging then change will hit both sides therefore effecting all employees equally. Individual reactions can vary depending on the situation
but most employees will go through various stages of emotional behaviour throughout the M&A. Firstly with denial and fear at the early stages, moving along to anger, acceptance and then finally to liking and enjoyment once the transition has been complete and everyone is working towards a common business strategy and objectives (Habeck et al 2000 – P.6).

In order to prevent a failure of an M&A, Schuler & Jackson (2001) identified a three stage model of merger and acquisitions to help identify any Human Resources issues during the integration of the organisations:

Stage 1 – Pre- Combination

Stage 2 – Combination – Integrating the Companies

Stage 3 – Solidification and Assessment of the New Entity

From the above process, they believe organisations need to emphasise more on early planning integration, communication with employee is key to retention, be more sensitive to organisational culture and their differences.

DePamphilis(2001) considers the best way to “retain employees” during the integration process is to ensure the organisations have a reputation for being an organisations employees want to work and it is a good place to work. He identifies 7 steps to being successful:

1) Plan carefully, act quick
2) Introduce project management
3) Communicate from the top of the organisation
4) Provide clear leadership
5) Focus on customers
6) Make the tough decisions as soon as possible
7) Focus on the highest leverage issues

CBI Business Guide “Managing Mergers & Acquisitions“ - IBM Global Services (Reeves, 2000) helped to support the merger of two financial organisations and helped them to ensure they didn’t ignore the human issues which had thrown previous projects off course and lead to failures in meeting the business objectives. By focusing on the human issues through communication, this proved to be the factor to help the merger become a success.

One of the biggest barriers to integration during an M&A is the lack of communication and 86% of organisations fail to communicate their new alliances within the integration process (Habeck et al
The bad lack of communication leads to the lack of commitment from employees which have become a significant barrier within M&A’s. Habeck et al (2000) has identified that there is 37% of respondents fail to achieve employee commitment due to lack of communication from management (see Appendix 9).

While culture clashes, poor integration and loss of key personnel are some of the many reasons for failure rates in M&A’s, many executives who have been through the process of M&A activities recognise that the human side if a vital area to maximising the deal between the two organisations (Gunther, 2001; Kay & Shelton, 2000). Correia et al (2013) found in their study that there needs to be more involvement from HRM managers with this will come greater organisational performance. Due to the turbulence of integration two organisations after an acquisition, HRM managers have an opportunity to act as internal consultants to help smooth out the process and help the management teams when dealing with employee issues.

The loss of key personal within an organisation can have a major effect on the success of the overall acquisition (Hubbard, 1999; Ranft and Lord 2000). While many employees are aware that change will happen when one organisation has been acquired by another or merged with another but the timing of changes (too fast or too slow) can lead to resentment, dissatisfaction and eventually the loss of key personnel to the organisation (Raukko, 2009).

In a study conducted by Lee & Park (2013), they examined the successful traits of employers and the best practices and their retention agreements used successfully in retaining key personnel during M&A’s. Their results were to identify retention talents as early as possible, create emotional connections to the new organisation (through money if needed) and remain flexible with the new change in processes. They found that “one-size-fits-all” approach will not work during M&A’s as they need to be more specific depending on the business and industry. And reviewing policies annually after the M&A has taken place is crucial to ensure job satisfaction.

The area of “employee problems” has been estimated to be one-third of the failures of one-half of all mergers (Davy et al., 1998 p. 57-61). Dackert et al (2003), presented a study which investigated how employees of two organisations that were involved in merger attached meaning to their own organisations and how employees bring cognitions of existing organisations to other organisations. Their study was based on four hypotheses (1. Employees see their own organisation as different from the other, 2. Employees perceive their own organisation as favourite, 3. Employees expect new organisation to share their own characteristics and 4. Employees expect their merged organisation to be more like the old organisation. The overall aim of the study was to try and capture the
employee expectations of the merger before the integration process began and help to develop strategies to deal with these expectations.

Davis (2012, P. 183) believes when one company is purchased by another they should welcome new people into the organisation to ensure they don’t feel overwhelmed especially in the event of being bought over by a larger corporation. Also one of the key areas in Human Resources is “longer-term planning” as people will leave the organisation at different times and avoid issues by ensuring the work will continue without key personnel.
2.7 Customers

“Customers feel the effects first... They don’t care about your internal problems, and they most certainly aren’t going to pay you to fix them”, Feldmann and Spratt, (1999).

Cameron & Green (2012) have found in their experiences in M&A’s that rivalry can develop between the two organisations. For example if there is too much focus on the customer or individuals or teams from the two original merging organisations attempt to enhance cultural issues such as sales people fighting over customers and territories. It can also include passing the blame on losing customers to the employees and passing on apologies to customers because of the other organisation who has complete the M&A or vice versa.

“To create further value and avoid any value destruction, the coordination of customer – related activities becomes fundamentally important when a company enters a new geographical market for customer purposes” (Kelly et al., 2013).

Various researchers such as Blattberg et al (2001), Reinartz et al (2005) and Rust et al (2004) identify that it is important to identify and develop a communication strategy to help maximise customer profitability and retention of customers to increase customer value and profitability. While organisations may merger or be acquired it is not always the case that customers will follow them into this new adventure (Oberg, 2012).

In the case of NetSys’s acquisition of Verimation in the late 1990’s, the acquisition had taken place after Verimation market share was declining in the Swedish market. NetSys aimed to focus on the new customer base while replacing the Verimation existing system with the NetSys’ system and changing products with their existing products. Verimation (IKEA) customers became unwilling to work with the new acquirer due to their cultural differences and operational differences. This case study shows there were two types of customer relationships for each organisation but when trying to combine them together the customer reacted to the change of business operations and decided they would not work along with the new acquirer. The results of this case are based at an international level, but this can still apply within one geographical region but with two different organisations.
Chapter 3: Research Methodology and Research Methods

3.1 Methodology

Methodology is defined as “a generic combination of methods that is commonly used as a whole – as in soft systems methodology, strategic options developments and analysis, or survey methodology covering the design and analysis of questionnaires” (Mingers, 2003, p.559).

Riley et al (2000, p, 7) believed that “study and investigation, especially to discover new facts is the definition of research offered by the Oxford Minidictionary” (1991 edition), while JF Hair, Jr (2003, p. 4) believed “research is a discerning purist of the truth”.

Saunders et al, (2012) began looking at the research design by acknowledging that “the research journey may take a number of routes and be accomplished by a variety of methods”, identifying that the process will change through the process from start to finish. According to Rajaskear, J, Philominathan, P & Chinnathambi, V, (2013), ” research methodology is a systematic way to solve a problem. It is also defined as a study of methods by which knowledge is gained. Its aim is to give the work plan of research”.

Before entering into each area such as research questions, ethics, time-frame and design, the researcher needed to identify the preferred method to use which was best suited to dissertation. In choosing the most effective methodology for the research strategy, research approach and philosophy, the researcher consulted the “Research Onion” (see Appendix 5) Saunders et al. (2012, p. 128). The research onion provides the various layers used for different data collections and the most appropriate type of philosophy for the researcher to follow down the dissertation path to reach the overall aim of the research topic. It provides a framework for researchers to follow and a structure to ensure the overall aim is reached correctly for the dissertation purpose. The chapter will begin with the research philosophy and the best suited approach to the objective of the dissertation to explore the importance of human dimension when integrating two organisations during M&A activities. While Saunders et al (2012) refers to the onion as a preferred research method, Jonker & Pennink (2010, Pg23) refer to the research process as the “research pyramid” that is a hierarchical process which follows a step by step process consisting of four levels: research paradigm, research methodology, research method and research techniques. As Johnston (2014) trusts that there is a fundamental relationship between theory and research. This cannot be underestimated and the importance between the two is vital to the overall aim. While Gill and Johnson (2010) highlight that trying to understand the relationship between theory and management research methods is very complex.
3.2 Research Hypotheses / Research Objectives

“A hypothesis is a formal statement of some unproven supposition that tentatively explains certain facts or phenomena” (JF Hair, Jr Jr 2003). Joseph F Hair believes that researchers should begin with the research objectives to identify what exactly they are looking to research within their dissertation and then this will lead to the overall hypothesis. According to Dar Khan et al (2014), “when facts are assembled, ordered, regulated and seen in a specific relationship they constitute a theory”, they believe the hypothesis is a very important role in research helping to identify what is relevant and irrelevant and if the hypothesis is not formulated correctly, this will lead to difficulties for proceeding with the investigation. While the study by Dar Khan et al (2014) emphasises on that there are four different hypotheses but within a dissertation there is very little room for the hypothesis in the main body and therefore most researchers only use one as the main starting point for a thesis.

For the purpose of the dissertation, the research has identified the below hypotheses:

“The difficulties in achieving a successful integration in a Merger & Acquisition”:

A case study on the acquisition of the acquisition of Print and Finishing Equipment Ltd by Neopost Ireland Ltd.

Within the above hypothesis, the researcher then generated the following sub-objectives:

- Identify the impact of integration on employees – the researcher wants to identify the impact it has on employee’s behaviour, moral and day to day workings.
- Identify the impact of integration on customers – the researcher is trying to identify the impact on customer expectations from the organisation.
- Examine the importance of compatibility of cultures in both companies – the combination of two cultures can lead to conflict and effect the operations of the organisation therefore the aim is to examine culture as an important part of the acquisition process.
- Identify the significance of communication in such integration – to identify what communications channels where used throughout the acquisition and to see if they were effective forms of communication to both employees and consumers.
- Identify the characteristics essentials for successful integration.
- Gain an understanding of an acquisition from a management perspective - the researcher will meet with the Managing Director to try gain information from the organisations perspective.
Within these objectives, the researcher will hope to find new primary data not yet identified within the literature articles complete in recent years or to support the existing literature to emphasis to organisations the main issues causing difficulties during M&A activities.

3.3 Research Philosophy

The main aim of the research philosophy is to answer a specific problem to develop new knowledge and the philosophy adapted for the dissertation is influenced by the practical view of the relationship that has been developed between the process it is developed and knowledge (Saunders et al 2012). Saunders suggests that ontology, epistemology and axiology are the outer layers of the “research onion” (see Appendix 14) and these are the foundation for peeling back the layers of the onion leading to the first phase of research methodologies and methods. Though the various philosophies’ offer important differences, it is vital to ensure the research choses the best suited philosophy to ensure the research objectives are answered as best they can be using the most appropriate method. For the purpose of the research topic and the nature of the objectives set to achieve the results to the research topic, the author has chosen to use the branch of Axiology as it is based on values and ethics according to Mingers (2003) and Interpretivism as Saunders et al (2012), suggest it is highly recommended in the case of business and management research in fields such as human resource management. According to Saunders et al, 2012 axiology focuses on a greater importance on data collected through interview work as it values the personal interaction with the respondents more highly then views through an anonymous questionnaire. After successfully identifying the main objectives in the process of the cross-sectional research the author believes the axiology approach best fits the overall theme of the dissertation.

The comparison of the four research philosophies on management research by Saunders et all 2012 Pg. 119 (see Appendix 14) the epistemology approach was not suited to the dissertation due to this approach style is based on the reality of the topic is represented by objects that are “real” and these objects have a separate existence from the researcher leading to more arguments and less bias from the researcher on the data found. The ontology approach was not suited as it is based on the “nature of reality” and is described as “the study of being, that is, the nature of existence and what constitutes reality” (Gray, 2014).

Using the research onion (see Appendix 5), there are four main pillars of the research philosophy available (see below):
3.3.1 Positivism

Riley et al (2000), describes the positivism approach as:

“the positivist approach to the study of the social world has, and continues to be, influential in the social sciences and management research, where the limitations of experimentation as an expression of positivism’s commitment to objectivity have been recognised and experimentation of positivism’s commitment to objectivity have been recognised and experimentation replaced to a large degree by the survey method as the principle means of data collection”. (Riley et al, 2000. p, 14).

The positivism approach focuses on observations (behaviour of individuals) and applies a “philosophical stance of the natural scientist” (Saunders et al 2012) was not suited to the dissertation.

3.3.2 Realism

According to Saunders et al, (2012) realism is exists independently of human thoughts and relates to scientific enquiry. Bryman & Bell (2003) also share the view that “realism shares two features with positivism”, one based on the natural and social sciences apply the same approaches to data collection and also a commitment to the view that there is a “reality that is separate from our descriptions of it” in an external reality.

3.3.3 Interpretivism

The researcher will be taking on the philosophy of interpretivism due to the fact the research is part of what is being observed and also research is driven by interests due to working within this industry and having invested many years into the organisation as a career. Riley et al (2000) believes the main criticism of the interpretivist approach is that some researchers can never be sure that the view they have acquired is a “world view” of the people who are involved in their study and also may not give the correct or valid meaning of the study. Interpretivism focuses on the research among people rather than studying objects.

3.3.4 Pragmatism

While the pragmatism approach is commonly used when using mixed methods (qualitative and quantitative data collection) which the research will be using for the dissertation, the researcher believed that pragmatism focuses more on the realistic approach and the research felt the interpretivism is more suited to the research hypothesis.
3.4 Research Approach

According to Johnston (2014), the “research approach undertaken is influenced from start to finish by ontological and epistemological concerns, and it is these concerns which have theory embedded at the heart”, but for the dissertation the researcher has decided to use the branch of Axiology by Saunders et al (2012). There is no clear agreement as what is meant by research approach but more suggests how the researcher undertakes the activities to undertake their research (Johnson, 2014). After the researcher selected the most suited research philosophy suited to the dissertation, the next stage of the research onion (see Appendix 5) was to decide on the most suited research approach which is divided into two groups: deductive and inductive. Riley et al (2000) believes the “terms deduction and induction are, in their own right, important to an understanding of theory construction”. While Saunders et al (2012) suggests choosing between the approach of deductive approach (testing theory) or inductive approach (building theory), Klaes (2012, p. 13-24) argues that “there is an acceptance that if we accept the assumptions of one approach we automatically defy the assumptions of another, therefore we choose between seemingly competing paradigms” (Johnston, 2014).

For the purpose of the dissertation, the research approach is being interpreted as the way in which the research has been carried out to achieve its results. After reviewing both approaches available (inductive and deductive), the author has decided to use the inductive approach to the research topic, the below outlines the main reasons for choosing inductive approach.

3.4.1 Deductive Approach

The deductive approach reasons “the argument moved from general principles to particular instances” Williamson (2000). Saunders et al (2012), suggests the deductive approach is based upon the natural sciences and owes much to what we would think of as “scientific research”, which is more dominant in the natural sciences. Within the deductive approach there are five sequential stages identified by Robson (2002, p. 178), such as deducing a hypothesis from the theory, explanation of the research hypothesis, testing this operational hypothesis, explanation of the hypothesis and finally modification of the research theory in light of the findings. The deductive approach is aimed on the basis of testing an already existing theory beginning with a hypothesis, and is not best suited. This is due to the dissertation’s approach to test theory and therefore the inductive approach is best suited to the research topic as the results collected from the data collection will explain facts and these facts will then support the conclusion.
3.4.2 Inductive Approach

Johnson (2014, p206-217) suggests within the inductive approach there must be theory and knowledge shown and it is critical within the research approach to “appreciate how data is shown”. The induction approach will give the researcher a conclusion drawn from previous events i.e. the acquisition of Print and Finishing Equipment Ltd by Neopost Ireland Ltd, as the researcher is looking to identify the impact on employees and consumers based on facts and evidence from both sources. The inductive approach will allow the researcher to look at specific events which have taken place since the merger of the two organisations and through the research objectives and interviews with employees, managing director and consumers will give new information on the literature. Saunders et al (2012) recognises the inductive approach as being particularly concerned with the context of events that have taken place in the past and conducting a study of a small sample rather than larger numbers.

3.4.3 Abduction Approach

Saunders et al, 2012 suggests an alternative to the deductive and inductive approach is to combine the two approaches together which can help to modify an existing theory or generate a new one though additional data collection but this approach will not be used for the dissertation.

While the three approaches focus on various approaches to the research, the inductive approach will be use based on gaining an understanding of human events (M&As), understanding of the research, collection of the data and the researcher being a part of the research process. The research will use the inductive method to make gather findings from the research objectives which will lead to possible theory, conclusions and recommendations. The researcher believes that the inductive approach is best suited for the dissertation based on previous experience of others in the literature of the topic and will use this to recognise conclusion on the data collection.
3.5 Research Choice

Jary and Jary (1991:513-514, cited in Riley, 2000) provide a distinction between qualitative and quantitative methods available for research methods as they describe the qualitative techniques as needing the researcher to be able to have specific skills as an interviewer or researcher whereas the quantitative research will reply on the instruments used by the researcher in order to gather the data required and then to make an analysis of the findings.

Ghauri & Gronhaug (2005, P. 109), believes the methods chosen are based on the data collection techniques used as some findings are not arrived at by statistical methods or other methods that can be quantified. They also believe that “qualitative research is thus common in social and behavioural sciences and among practitioners who want to understand human behaviour and functions” (Pg. 111)

For the dissertation the researcher has applied the qualitative research design for data collection. Qualitative research design is associated with interpretive philosophy (Saunders et al, 2012. P163) which suits the dissertation as the research is driven by interests of what is being observed associated with interpretive philosophy.

There is a lot of support for the qualitative methods as seen by Miles (1979 P. 117):

“Qualitative data are attractive for many reasons: They are rich, full, earthy, holistic, real; their face validity seems unimpeachable, they preserve chronological flow where that is important, and suffer minimally from retrospective distortion; and they, in principle, offer a far more precise way to assess causality in organisational affairs than arcane efforts like cross-lagged correlations”.

Saunders et al (2012, P. 162) recognises that the quantitative research design is associated with quantitative data collection techniques such as research surveys and normally associated with the deductive approach to examine the relationship between variables therefore will not be used for the dissertation. Singh (2015) conducted a study on qualitative research approach and found that organisations are increasingly adopting the use of qualitative methods for new studies but there is a lack of “holistic frameworks” leading to challenges when designing the processes recognising thee issues needed to be addressed before selecting the chosen method (the philosophy, the broad methodology and the steps to be followed).

Initially the researcher wished to use mixed methods research approach as some researchers find it can be beneficial to the research design such as Tashakkori and Teddlie (2003) argue that the multiple methods are useful if they give the researcher help in findings the results to the research
objectives then they methods can be effective may provide better opportunities for the researcher. The mono-method is based on a single data collection which would be applied if the research objectives were based at one specific group but for the purpose of the dissertation the researcher will be conducting interviews with two groups (employees and customers of the organisations in question).

When choosing between using the quantitative or qualitative research design, initially at the beginning of the dissertation the researcher planned to use qualitative to complete semi-structured interviews with employees and then quantitative to conduct questionnaires with customers but due to the small quantity of customers available the researcher decided qualitative semi-structured interviews with customers would gain a better response rate and gain a better response to open-ended questions to gain more feedback from customers.
3.6 Research Strategy

Through the research onion (see Appendix 5), the next layer moves into the strategies which will show the various components used for the dissertation. The research strategy will be based on exploratory studies in a means to finding out answers to research questions such as what is happening, ask questions and assess the outcomes and seek new insights, Saunders et al (2012). Denzin and Lincoln (2005) believe that the research strategy is the link between your philosophy and choice of methods used to collect and analyse the data. While the exploratory studies suggest three principle ways of conducting the research through literature research, interviewing people within the subject and conducting focus groups, the research will not be conducting focus groups as the dissertation is based on a specific case study of the acquisition of PFE Ltd by Neopost Ireland Ltd. According to Saunders et al (2012), there are several research strategies available to apply to a dissertation research and each can be used for exploratory, descriptive and explanatory research (Yin 2003). While no strategy is “better” than the other, it is best to suit whichever is suited to research objectives. Moving on from the research approach, the researcher considered the various research strategies available:

Experiment – form of research is associated more with the natural sciences and uses hypothesis rather than specific research questions which is no applicable to the dissertation.

Survey – most associated with the deductive approach and is most frequently used for business and management research (Saunders et al, 2012). For the dissertation the researcher will be conducting in-depth interviews therefore this method is not suited to the dissertation.

Archival Research – focuses on using “administrative records and documents as principal source of data” (Saunders et al, 2012) whereas the dissertation focuses on individual perceptions of events that have taken place.

Case Study – While case studies can be defined as “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evident” (Robson 2002, Pg. 178), the researcher at first was going to apply the case study strategy, it was not suited to the dissertation and the research objectives.

Ethnography – based on qualitative research strategy using study groups and also used to study many culture (Saunders et al, 2012) which is not suited for this research.
**Action Research** – The process is an “emergent and iterative process of inquiry that is designed to develop solutions to real organisational problems through a participative and collaborative approach” (Saunders et al, 2012).

**Grounded Theory** - The grounded theory (Saunders et al, 2012, cited Glaser and Strauss, 1967) is most associated with the inductive approach and helps to predict and explain behaviour which leads to developing and building theory based on the outcomes (Saunders et al 2012). While Glaser and Strauss (1967) developed the classic grounded theory, Strauss broke away from Glaser and developed a new version of grounded theory with Corbin but yet remained similar to the original version (Uri 2015).

**Narrative Inquiry** – The process is a story or either a personal account or through a sequence of events. The information is collected and analysed as a story rather than bits of data through interviews (Saunders et al 2012).

The researcher was indecisive on choosing the best suited strategy between case study and grounded theory but feels the grounded theory is best suited to the dissertation as Saunders et al (2012) describes the grounded theory as a strategy to be used to develop theoretical explanations of process and social interactions within the context of business and management.

### 3.7 Time Horizon

Before moving to the last stage of the research onion (see Appendix 5) the research must choose between the two approaches best suited to the time horizon on the dissertation topic. For the dissertation proposal, the researcher will be using cross-sectional time horizon also known as the “snapshot” time horizon as the interviews will be complete over a short period of time. According to Joseph. F Hair Jr et al (2003, p. 124), the data can be collected at a single point in time and then the data is summarised statistically. While normally the cross-sectional studies are normally taken under survey strategy, for the dissertation the cross-sectional approach is more suited as the longitudinal studies is based on observing people or events over time (Saunders et al, 2012). The researcher allocated 2-4 weeks to complete all interviews for the dissertation.
3.8 Data Collection

3.8.1 Method of Collection

The primary research data will be collected through semi-structured interviews with employees within Neopost Ireland Ltd and customers of Neopost Ireland Ltd who were customers of PFE Ltd before the acquisition took place. The research will be using traditional access through face-to-face interactions with employees and phone conversations (telephone interviews) with customers. Research interview is known as one of the most important qualitative data collection methods in conducting field studies and ethnographic research (Qu & Dumay 2011), and offers great benefits to researchers there is often a danger of assuming the interviewees are competent and will tell the truth when answering questions.

The researcher will be acting as an “internal researcher” (Saunders et al, 2012. P. 196) as being an employee within the organisation there may be issues with access to data and customer data contact information. As the researcher has the full support of the Management team, there are no data access issues for the case study. The researcher believes that using interviews for the dissertation topic will be more beneficial to gathering the findings to the research objectives. The research objectives follow themes of integration, culture and communication and will be using specific questions based on the specific organisational context in relation to the topic. The information will be collected through audio-recording the interviews once received consent by the interviewee and analysed once complete and compared with other participants interviews. While structured interviews do use pre-determined questions which the researcher has identified some in her interviews, they don’t follow any themes which are not suitable for the dissertation.

Primary Data Collection:

Qualitative - the researcher conducted 10 Individual Depth Interviews with employees of Neopost Ireland Ltd. In order to ensure all the information is gathered within the interview, the researcher used a recording device along with a notepad to record the answers from the interviewee. The interviews were conducted during working hours permitted by the Neopost Ireland Ltd management team for both the interviewer and interviewees.

All candidates were contacted through email to request participation to the research dissertation and explain the background to the topic including my research objectives. Once participants agreed, then a consent form (see Appendix 19) was signed in order to continue with the interview.
Initially there two set of questions developed for employees and customers (see appendix 15 & 16) though as the dissertation began, the researcher including the Managing Directors view on the acquisition and developed a set of interview questions based on the outcome of the interviews complete by employees and customers (see appendix 17). Due to the researcher working within Neopost Ireland Ltd for over 8 years, there is a high level of knowledge of the business and the industry which will be an advantage when conducting the interviews with both employees and customers. The main issue for the data collection was timing issues for the interviews due to the time of year (summer is normally holiday season) for all candidates.

3.8.2 Population and Sample

Based on the research topic for the dissertation proposal, the researcher used a census due to the fact the overall topic is based on one organisation, a very small population and the one on one interview which is needed to get the overall aim of the proposal.

The population has been selected as follows:

i. Elements – Neopost Ireland Management Team, Employees within Neopost and previous consumers of Neopost Ireland.

ii. Sampling Units – Management and employees will be found within the organisation and consumers will be found from the Neopost database (known as Business Base).

iii. Extent - Neopost office is based in Clondalkin, Dublin 22 therefore the management and employees will be found there and the consumers will be based in both Republic of Ireland and Northern Ireland.

iv. Time – this process will begin in June 2016 over the course of 6 weeks.

There are two types of sampling techniques available to researchers when trying to select a small sample of the population; probability and non-probability. For probability sampling, each element within a population is random selected when constituting a sample and non-probability sampling also known as “purposive sampling” is where chance of the selection for each section of the population is unknown (Riley et al 2000). Probability sampling is most common in survey based research strategies whereas non-probability sampling is based on the in-depth study to explore the research question. For the purpose of the dissertation, the researcher viewed the option of probability sampling but as the dissertation is based on a specific case study of the acquisition of PFE Ltd, the sample for data collection would need to be more specific in order to find the research objectives.
The researcher used non-probability sampling. The researcher needed to decide on the sample as the topic is very specific to Neopost Ireland Ltd, as the sample selected is not a statistical representative of a population size. According to Saunders et al (2012), the sample size is based on the researcher’s objectives and what is exactly needed in order to find the information they are looking for from the data collection. There are three non-probability sampling techniques available to choose from; Quota Sampling, Purposive sampling, Snowball sampling, self-selection sampling and convenience sampling. For the dissertation, the researcher will be using “purposive sampling” as this will give the researcher the opportunity to choose the population sample best suited for the research objectives when looking at small groups (i.e. employees and consumers). Easterby-Smith et al (2015, p82) recognises that with purposive sampling while the guiding principle might be theory this can change as the sampling can change through the study based on the sample selected.
3.9 Ethical Issues and Procedure

Throughout the various stages of the dissertation, ethical issues can arise and cause some issues with the primary research stages. Saunders et al (2012) describes how “ethics refer to the standards of behaviour that guide your conduct in relation to the rights of those who become the subject of your work, or are affected by it”.

As the researcher is currently working for the organisation that the case study is based upon, the privacy and confidentiality of the information supplied by the interviewees was of grave concern as they may think the information obtained would be supplied to the organisation involved (Neopost Ireland Ltd) and not kept within the dissertation. In order to overcome this obstacle, the researcher received consent forms from the individuals partaking in the interviews which were signed by the interviewer and the interviewee. The consumer contact information has been provided to the researcher by her management team as they are supporting the dissertation research.

According to Bryman et al (2011), ethical issues will arise at various stages in both management and business research, ethical issues cannot be ignored as they relate directly to the integrity of a piece of research and of the disciplines that are involved. The researcher has identified the possibility of the following ethical issues arising:

- **Issues of individual’s identification** – Bryman et al (2011) suggests within quantitative research it is easier to anonymise records and findings to ensure the individuals are not identified. As the quantitative data will be conducted on consumers, the process of keeping the information from the individuals anonymous should not be difficult as the results will be presented to Neopost Ireland based on an analysis of the findings and not the individual responses.

- **Confidentiality** – as the qualitative data collection with employees within the organisation will be based on their own individual experiences, they may wish to keep their opinions on the issues confidential in the event it has an impact on their jobs and relationships with their management. This may cause some issues for the researcher as Bryman et al (2011) believes that it will be difficult to present field notes in a way to prevent people and places being identified but the researcher would like to keep individuals anonymous unless they wish for their information to be published with their names given with the data.

- **Access to data as an internal researcher** – there may be confidential company information made available or given to me through the course of the research which I will need to ensure is kept away from other individuals.
The researchers supplied the population sample an “interview consent form” (see Appendix 19) to be complete before the interviews are to take place outlining that personal details will be confidential unless stated otherwise on the documents by the interviewee.

All information presented in the dissertation will be confidential; protecting the identity of all candidates therefore they will be referenced through a number sequence within the findings and discussion chapters.

3.10 Limitations

During the course of the dissertation the researcher came across the below limitations:

3.10.1 Literature

At the beginning of the dissertation, the researcher had a meeting with DBS Librarian Joan Colvin for a Postgraduate Research Support Session which identified some issues with finding recent academic articles on merger and acquisitions. After researching online, there were not many journals available for the beginning of the research but the researcher found many books from the DBS Library and within Dawsonera (ebooks collections available through Dublin Business School electronic resources) on M&A but there was not many were recent books written within the last 4-6 years. The most up to date books were not available through the library or within the Dublin City Library therefore the researcher began working on the older books and articles to begin the dissertation.

Another theme associated with the M&A activity was “Change Management”, but due to limited space within the literature section and the identification of this theme at such a late stage within the dissertation, the researcher was unable to include this topic.

3.10.2 Customer base

As the customers selected for the dissertation needed to be former PFE Ltd customer to gain an understanding for the acquisition, the number of customers was smaller than first thought by the researcher. While Neopost Ireland Ltd has over 2,000 graphics customers to date, many have joined within the last 4 years since the acquisition therefore the number of customers was 34 in total. After contacting a list selected by the Neopost Ireland Ltd service director, there was only 8 agreed to the interview as the others were too busy due to the nature of the industry as many are owner/managers working on production floors and didn’t have the time to conduct the telephone interviews.
3.10.3 Time

The acquisition took place in 2012 therefore there is a four year gap. The researcher feels the long gap between the acquisition and the dissertation has caused issues in gather some primary data especially from customers due to the time lapsed and their recollection of specific events seem a little vague.
Chapter 4: Data Analysis / Findings

Within this chapter, the data was obtained through semi-structured interviews and have been analysed based on the original objectives set during the dissertation. The aim of the six objectives was to identify the impact the acquisition had on both employees and customers, explore the combining of the two cultures and the compatibility of both. The researcher looked to see the forms of communication used on the acquisition including the significance of effective communication and lastly the characteristics essential for successful integration based on the responses provided from the two groups.

The interview questions for both employees within the organisation Neopost Ireland Ltd and their customers were based around the themes of Communication, Integration and Culture with a degree of flexibility in the event the interviewee wanted to cover any additional areas. The interviews with the employees within the organisation were ranked between front line managers, middle managers and top level managers (see Appendix 6) to try and get an understanding of the importance of the human dimension of the integration of the two organisations from different levels of the organisation and the impact it had on each level of the business. Within the employee candidates selected, there were four former PFE Ltd employees and the remaining six were Neopost Ireland Ltd employees. Also the researcher conducted an interview with the Managing Director of the organisation and his interview questions were based on the feedback from interviews with employees and to try gain a business perspective on the acquisition which also covered the themes identified in the literature review (see Appendix 17). The interviews have been summarised (see below) and then a summary will show the connections between the various responses from the candidates and the findings from the interviews. As the information identifies and information given from the candidates will be kept confidential, the research will identify the candidates in a number sequence and all transcripts and consents forms will be kept in the event they are required in the future.

4.1 Interviews with Employees

4.1.2 Front – Line Employees

Interview – Candidate 1

The candidate has over 11 years’ service with the Neopost Ltd, feels the acquisition has been successful looking back now but it has caused a lot of damage to the organisation due to the some of the struggles along the way. Initially when the acquisition took place there was no major changes to the workings of the employee but as time has moved on his job role as moved more to a graphics
side of the business. Communication was not very effective due to only receiving a small amount of information about the new acquired organisation and their industry which also led to difficulties in the two organisations integrating as it was evident there were many differences in operations, procedures and customer requirements we different to the exiting Neopost Employees.

Interview – Candidate 2

When the acquisition took place, the candidate was anxious as being an employee of PFE Ltd for over 15 years, the acquisition meant changes within their job role, chain of command and day to day working environment was going to change. While they feel now the acquisition has been successful, it took a long time to get used to the Neopost Ireland Ltd processes and settle into the new role. The acquisition was extremely quick as they were told on a Monday morning they would be acquired by Neopost Ireland Ltd and within the week they moved premises and jobs. The cultures of the organisation were extremely different as the printing industries sell large industrial size machines and Neopost Ireland Ltd sold a different range of machines that had no similarity to the PFE Ltd product range.

Interview – Candidate 3

Going from a small private owned business (PFE Ltd) after 15 years’ service, moving to a multinational was difficult as Neopost Ireland Ltd did not have any knowledge of the graphics industry and the procedures for the business was a lot more regimented by Neopost Ltd. The communication of the acquisition was poor and intimidating as we were introduced to our new managing director ten minutes after the announcement. The cultures proved to be difficult as within a smaller private owned organisation if they needed anything (materials, supplies etc.) then they would get what was required for the customer when needed but with Neopost Ltd, there is a lot more administration which will delay the work by a few days leading to frustration from the employee and for the customer.

Interview – Candidate 4

The candidate believes the acquisition has only shown to be a success within the last year as there was a lot of uncertainty associated with the new organisation but after 4 years employees are getting to know the industry better. As the candidate has worked with Neopost Ireland Ltd for over 14 years, mergers had taken place before within Neopost Ireland Ltd but the PFE Ltd acquisition was one of the biggest and increase the candidate’s workload by double within the finance section of the organisation. As both organisations had their own procedures in relation to debt collections, this
caused frustration between employees and the new customers acquired at the beginning of the acquisition.

4.1.3 Middle Managers

Interview – Candidate 5

The acquisition would be deemed a success from a financial perspective due to additional revenue but in terms of integration this was not successful due to two separate work practices of different sized organisations. During the interview, the candidate mentioned he had been part of many acquisitions while with the organisation over 19 years and found management managed previous acquisitions better due to creating teams to design and implement the acquisition. The announcement of the acquisition was very vague by management and integration was very fast between the two organisations. As part of the sales department, the integration didn't have a major impact on the day to day operations but feels the methods of doing business from the acquirer need to be replicated back to the new members of the organisation. The candidate felt there was a barrier from the new acquired organisation to adapt to the changes and procedures of the new organisation which was very challenging for other departments mainly the service department.

Interview – Candidate 6

Acquiring PFE Ltd has been a great success as Neopost Ireland revenue has grown from roughly €8 million to €12-€13 million over the last 4 years due to the new business venture. However the graphics side of the business is not a profitable as there are lower margins on the graphics machinery. The acquisition has brought new product ranges to the Neopost Ireland Ltd customer base and vice versa as they now have access to Neopost Ireland Ltd products for mailroom equipment. With the acquisition, their direct Sales manager changed and the new manager from the acquired organisation worked out really well as some of the changes have made the day to day operations run more smoothly. Before the announcement of the acquisition, I had heard rumours on the grapevine therefore being aware the acquisition was going to take place when the announcement was made to staff. Within the sales department, the processes didn’t affect the Neopost Ireland Ltd employees but there was a major challenge for PFE Ltd former employees to conform to the Neopost Ireland Ltd processes in terms of paperwork and using a CRM System (Customer Relationship Management). As within sales there was two separate teams created to deal with both sides of the business there was very little cross over of integration of processes as both operated separately and there was very little communication between the two which lead to a built up of frustration.
Interview – Candidate 7

From a financial perspective, the acquisition was success as the economy was still coming out of a recession in Ireland and our revenue increased but from a graphics side the profitability was lower than expected. As being part of the service team for over 16 years, the service department was the most affected by the acquisition as a manager the work double due to having previously managing a team of 8 team members to now 11 engineers and a geographical increase of cover Northern Ireland as well as the Republic of Ireland. With the acquisition, the customer profile was more demanding due to owner/manager businesses and their requirements from the department. The biggest challenge was trying to get to know the product base which was extremely difficult due to the size of the machines and engineer training on one of the machines (on average) took over one year to complete. Neopost Ireland Ltd has more rules and regulations, therefore new engineers found some procedures difficult (e.g. trackers within their company vehicles) as this was not the case within PFE Ltd as they were a more laid back organisation with less rules and regulations.

4.1.4 Top Managers

Interview – Candidate 8

While the acquisition is now finally starting to settle, it has not been an easy road but there have been major improvements within the last 12 to 18 months as the acquisition was a challenge for the first 2 years. Initially as having known the former owner of PFE Ltd, he believed the graphics industry would fit well with Neopost Ireland Ltd from a skillset point of view but as time went on the organisation realised this was not the case and one area of difficulty was obtaining the customer data from PFE Ltd as they didn’t record all their data on the system. From the service department, the administration side was another challenge in trying to get to know the customers quickly to keep the day to day operations going and getting to know the product range. As being one of the key instigators in the acquisition, I was aware of the workings being complete between the two managing directors but not involved in the negotiations. There was reluctance from many of the employees within PFE Ltd due to the fact they were a smaller private owned organisation and found the culture and integration to Neopost Ireland Ltd difficult due to a lack of understanding of the business. One element that let the acquisition down was the communication across both organisations to discuss business operations, business procedures and explanation of how we would operate in the future.
Interview – Candidate 9

After nearly 4 years in operations together, the acquisition is now proving to have been a success but initially there was a major clash in culture due to the people dynamic of PFE Ltd as a small 9 staff member organisation and Neopost Ireland Ltd a multinational organisation with corporate structures which lead to difficulties at the beginning. Also many customers within the graphics industry do not like the corporate structures as many of their businesses are owner/manager businesses that prefer the personal approach to business. Moving to multinational created great opportunities for the candidate after 8 years within the graphics industry he has had an opportunity to move job roles with greater responsibility. As within PFE Ltd, the communication of the acquisition was good as I seen it a positive, not only for myself but for the business. First biggest challenge of the acquisition was the integration of the service departments as the expectations of the service revenue from the graphics market were too high and many graphics customers would not accept the Neopost Ireland Ltd prices leading to loss of some consumers and the second challenge was the culture differences as PFE Ltd was a small reactional easy moving organisation and Neopost Ireland Ltd was a much larger business where there was no room to be reactional if there were opportunities within the markets but this has since changed as the business is changing. Within PFE Ltd, a sales person dealt with all areas of the business for the customer (service, sales and finance) therefore having regular talks/dealings with customers whereas Neopost Ireland Ltd has various department for these functions and customers have to deal with multiple individuals.

Summary:

All employees interviewed demonstrated that they feel the acquisition has now been successful but acknowledged there were many challenges over the first 3/4 years of integration. The integration was very quick therefore leading to issues with internal operations and external processes with many customers. The employees identified the integration had an impact on their workload, mainly within the service and finance departments due to the additional customers to the business (candidate 4, 7 & 8). Candidates from the sales department (candidate 5 & 6) expressed while their workings were not affected by the integration, it impacted on the overall business and recognised barriers towards the integration from the new acquired employees. Former PFE Ltd employees (candidates 1, 2, 3 & 9) explained how the culture of their organisation was a small close unit operation and there were difficulties when combining their culture with the corporate culture of Neopost Ltd. While the employers of both organisations’ conducted company meetings to make the announcement of the acquisition, the Neopost Ireland Ltd employees (candidate 1, 4, 5 & 7) felt the
information provided about the acquisition was vague and didn’t give much information about the graphics industry or the plans for the future once the acquisition took place.

4.2 Managing Director

Interview – Candidate 10

The interviewee recognised how the graphics side of the business has grown in nearly €3 million revenue since 2012 and one of the major successes is due to the availability of finance to customers as within PFE Ltd the business had no reoccurring revenue and within Neopost Ireland Ltd the option of Finance is helping to ensure a reoccurring revenue in some cases up to five years. The data collected from the interview will be presented through the various themes identified during the interviews with employees and customers.

Communication

As the MD was the former MD of PFE Ltd he can only comment on the communication from his business. He arranged a company meeting and feels this was the best form of communication as if he had gone through one on one meetings then the news would of spread through the other members of staff before he got to speak to each person individually. He showed regret at making the announcement to employees on the same day they meet with their new managing director of Neopost Ireland Ltd and felt the meeting should have not taken place so quickly and to give employees time to adjust to the news. In terms of customers, the communication was not good as he believes it would have been more effective to visit customers before the public announcement particularly within the top 20 customers. He identified that the customers are the most important people as the business does not exist without them and due to the personal relationships PFE Ltd built up over the years it would have been better for a more personal communication through meetings or phone calls. Due to the number of people involved; legal personnel, employees and customers, it can be difficult to get the balance right on what would be more effective and ensuring all these areas are considered.

Integration

As many employees interviewed found the integration of the two business was quiet rushed, the Managing Director’s from both organisations had been working for over 14 months on the acquisition and felt that there was more concern from the PFE employees and felt to move quickly was the most effective way as it wouldn’t be as painful for people involved but felt it was dragged out then there was a danger of people getting reluctant to move and would do the same again. Over
the last four years the managing director has been working closely with other members of the business to ensure if they were to leave or suddenly become unavailable then the business will still operate.

Culture

The integration of the two cultures was always going to difficult and he felt there was no set way to manage as the cultures two too far apart there for a quick integration was the best option. He was aware that employees would need to follow the Neopost corporate processes and felt that they would adapt well once the two organisations had moved together and began operations and have since adjusted well.

Summary

The aim of the interview was to gain an understanding from the top management perspective to understand of the decisions made for the overall business. While he identified that there were some errors made at the beginning of the acquisition such as the introduction of the new management too early after the announcement and communication to customers there were many areas that were successful to the business such as the growth in revenue, availability of finance to customer leading to reoccurring revenue and keeping key employees to ensure the integration was complete. The interviewee mentioned some positive aspects to the acquisitions for the employees as Ireland was in the middle of a huge financial crisis and there was a lot more job security coming to Neopost Ireland Ltd and more job opportunities that would not have been available in PFE. Health Insurance and pensions were now available with Neopost Ireland Ltd which was not available prior to the acquisition. Within PFE Ltd some members of staff had to take pay cuts while Neopost Ireland Ltd were providing their employees with pay increases (while low in the recession) but they were slowly increasing and moving upwards.
4.4 Interviews with Customers

In total there was 8 interviews conducted with customers who had been with PFE Ltd before the acquisition and are still with Neopost Ireland Ltd today. While there was a total of 9 questions asked within the interviews, the interviews were very quick due to the candidates busy work schedules as most were owners and have many jobs to run on a daily basis. A total of 5 candidates felt the acquisition was not successful due to various reasons which will be identified in the themes below and only 3 candidates feel the acquisition have not been successful since 2012.

Interview – Candidate 11

The interviewee feels the acquisition has not been successful based on Neopost Ireland Ltd cannot meet their needs after the acquisition four years ago and it made them anxious as there was no guarantee that Neopost Ireland Ltd would be provide the same support by PFE Ltd. The biggest issue with the acquisition is the personal touch has been lost now PFE Ltd is a multinational organisation and to speak to some required personnel is very difficult.

Interview – Candidate 12

The acquisition has been successful in the candidate’s eyes as the business has continues to provide the same service as before the acquisition and also there is now the offer of Finance which has been a great opportunity for their business to ensure they can purchase high end machines and continue on a lease rather than pay the capital up front. There was no negative impact from the acquisition and their account manager called onsite to inform them of the acquisition and go through any changes that would take place.

Interview – Candidate 13

Evan though the acquisition has led to the offer of a wider range of products, it has not been successful due the loss of the personal touch due to multinational regulations. The candidate had dealt with Neopost Ireland Ltd in the past and was unhappy with their service which made them feel anxious when the acquisition was announced but knowing Neopost Ireland Ltd were keeping the staff members from PFE Ltd meant there was some level of security. The culture of Neopost Ireland Ltd is more aggressive in terms of finance collections and is a very sales driven organisation rather than service.
Interview – Candidate 14

Customer has been in business with PFE Ltd and Neopost Ireland Ltd over 11 years and feels the acquisition was a great success. There was no impact on their service and was very happy with the communication from PFE Ltd as they had a one on one meeting with the Managing Director who was able to answer all their queries or worries.

Interview – Candidate 15

After being in business for many years, since the acquisition has taken place the service has gone downhill. Once the acquisition took place, there were many difficulties in trying to speak to specific personnel and communication was disgraceful as there was no communication from either PFE Ltd or Neopost Ireland Ltd about the acquisition. The culture of Neopost Ireland Ltd is so different to PFE Ltd that there are always issues and hard to get resolved.

Interview – Candidate 16

The service experience has changed totally since the acquisition and even through there are now more machines available, the acquisition has not been successful. After speaking to PFE Ltd when the acquisition took place we were assured the acquisition would not affect the service but this is not the case as the service is now a disaster. The personal approach to customers is now gone and Neopost Ireland Ltd wont conduct in any negotiations on prices for customers.

Interview – Candidate 17

While the acquisition has proven to be successful, there was a worry that a smaller private owned business being bought over by a multinational may lead to difficulties especially in the channels of communication to management levels. PFE Ltd called to our office to inform us of the acquisition and there have been no negative impacts since the changeover. One major benefit was the option to purchase products on finance which took pressure off the business to get money from the banks.

Interview – Candidate 18

The interviewee feels the PFE Ltd organisations ran a great business and meet all their needs and now in the wake of the acquisition this has not been successful especially in the service department. There was no letters or phone calls from PFE Ltd in relation to the take over and the interviewee had to find out from third party. They feel Neopost Ireland Ltd doesn’t know the printing industry and therefore cannot provide adequate service.
Summary

The findings of the acquisition from a customer’s perspective seem to be divided – the candidates who feel the acquisition was a success (candidates 12, 14 & 17) are happy with the new acquired organisation and expressed no issues with service or the organisation. On the other side, the remaining candidates who believe the acquisition has been unsuccessful are unhappy with the service provided, the communication of the acquisition and the corporate culture of Neopost Ireland Ltd even four years after the acquisition has taken place.

4.6 Overall Summary

The findings from the three different groups interviewed have given a different perspective from 1) from the smaller organisation 2) the larger multination corporation 3) Managing Director and 4) customers of the organisation. From the employee perspective, the acquisition has not deterred them away from the organisation which shows with the high number of years many have been with both organisations. The three groups recognised that the size of the organisations (i.e. small private owned organisation and multinational) had a major impact on the integration due to different operating procedures, the different cultures and how communication is a vital tool in ensuring people understand what changes are about to take place and if they impact them within the organisation. The interviews with employees were conducted at 3 different levels which showed the different implications on their work such as front-line employees recognised the impact on their day to day roles and the middle line managers recognised the benefits to the overall business along with some issue but mainly spoke of the overall business perspective rather than a personal perspective.

The interviews with customers were a smaller quantity than originally set at the beginning of the dissertation, but the overall majority felt the acquisition has not been successful and the service they are receiving since the acquisition has not been up to the standard they received before the acquisition took place.

The next chapter will discuss the literature themes in relation to the data found through employee and customer perspectives which leads to the conclusions and recommendations for the research objective.
Chapter 5: Discussion and Conclusions

5.1 Overview

The purpose of the dissertation was to explore the importance of the human dimension to the integration of two companies from different industries using the acquisition of PFE Ltd by Neopost Ireland Ltd in 2012. The researcher wanted to discover the vital elements for organisations to identify when taking part in a merger or acquisition to ensure the transit is successful for not only the business but for the employees and the consumers. Based on the high failure rates of almost 70% of acquisitions becoming failures, the researcher acknowledges the acquisition of PFE Ltd has been successful as the organisations are still in business today and growing but there were many challenges throughout the process which had some lasting effects on employees and customers.

This chapter will combine the aspects of the literature research undertaken at the beginning of the dissertation that links with the data collected through the primary research showing the conclusions related to the themes through the dissertation. The following is a discussion of the areas identified through each of the themes set out within the research objectives that are integration, culture, communication and the human side of M&A (employees and customers). Each theme will conclude with the researchers conclusions based on the findings from the primary research.

5.2 Integration

The integration of new businesses has been found to be one of the main reasons for failures in M&A (Coopers & Lybrand) due to a lack of transitional planning and execution speed. Many of the employee candidates (1, 3, 4, 5, 7 & 8) reflected that any transitional planning was non-existent when it came to the integration process due to the speeding execution of the two organisations joining together within a matter of days after the announcement. While the candidate 10 (Managing Director) informed the researcher that the acquisition was in negotiations for at least 14 months before the announcement of the acquisition was made but yet there seemed to be no post-integration workings that involved the key personnel with the organisations in relation to procedures as J. Keogh (2002) suggests that organisations need to create “integration teams” to help complete a full integration whereas in this case study the two organisations began operating as one following the same procedures and financial reporting which lead to many challenges for employees as reflected by candidate 2, 3 and 8, when the workload increased and there were major difficulties in obtaining all the customer data from the acquired organisation. The full integration had a major impact on the customers and their reporting lines for service changed drastically with different call out rates, times and procedures for logging service calls for engineers which candidates 13, 15 and
16 have identified to the researcher. DePamphilis (2001) identified that integration must be complete quick to keep the momentum going which was the same for the PFE Ltd acquisition (candidate 10) yet there was no plan in place for after the integration was completed to ensure the businesses kept operating sufficiently to meet the needs of the customers. One key to the integration process is post-merger or acquisition integration but normally in the case of an acquisition this is not possible due to acquisitions being a take-over rather than a merger of two businesses. When respondents were asked if they had recommendations for any future merger or acquisitions, candidates 1, 4, 5, 6 & 8 all agree that post-integration would be more beneficial to the overall integration of two organisations.

The quick paced integration of PFE Ltd and Neopost Ireland Ltd concluded to be one of the major challenges faced by both the employees and customers. Integration is one of the most highlighted areas of failure within M&A's, while Neopost Ltd have proven the integration successful it was not without its struggles and if not managed correctly then may have been an unsuccessful acquisition.

5.3 Culture

The issue of culture has been of major interest within the dissertation as PFE Ltd was a small manager/owner business with a staff of 9 members was acquired by a multinational organisation with a team of 50 employees. As stated by Habeck et al (2000) “the culture of a company is the set of assumptions, beliefs and accepted “rules” of conduct that define “how things work around here””.

From interviews with candidates 5 & 9, they identified that initially when the acquisition took place there was reluctance by new employees to comply with the new corporate culture due to the lack of understanding of the business and the culture of the organisation. Within the smaller organisation the culture was less formal and had fewer regulations compared to the larger organisation that had a more corporate culture with specific guidelines employees must adhere to. The way in which Neopost Ireland Ltd operated and the way the business processes were a major factor to the making the transition difficult transition for many customers as candidate 13 referred to their culture as “aggressive” compared to the former organisation. Candidates 15 and 16 both agreed that there is no “personal touch” within the Neopost Ireland Ltd culture and this was lost from PFE Ltd after the acquisition took place. When one organisation is acquired by another, the acquired organisation would normally conform to the new organisations culture yet Chadam & Pastuszak (2013) believe the best way to prevent culture clashes is to try recognise the new acquired organisations culture and values to avoid culture clashes during the integration process but this was not the case in the PFE Ltd acquisition when they moved to the new organisation they had to learn to adjust to the new corporate culture.
Integrating two organisations from different operational perspectives is another major challenge within M&A activities and was a struggle for many employees within Neopost Ireland Ltd. From the senior management perspective, there was a feeling that the new members would fit into the organisation easily enough. There was no recognition of the barrier to the operations of Neopost Ireland Ltd due to the formal structure already in place within the organisation. Some of the customer’s felt Neopost Ireland Ltd was not flexible to meet their needs enforcing the formal corporate culture leading to a strenuous relationship with many of the graphics customers.

5.4 Communication

Communication is key to a successful integration of two organisations during all M&A’s to ensure directions are set for employees to guide the way through the process and steer fellow employees and ensure effective commitment (Habeck et al 2001). All employee candidates agreed that the communication of the acquisition was complete through company meetings but the communication was not effective due to the lack of information given on the new organisations from both the acquired and acquirer. While the organisation followed a standard communication tool, there was no opportunity for employees to speak to other management members to ask questions or voice any concerns. From the customer’s perspective out of 8 interviews conducted, two of the candidates (15 & 18) had no communication in relation to the acquisition from the acquired organisation or the new organisation taking control. DePamphilis (2001) recognises that communication with customers is important to make them aware of the benefits of the acquisition and how it will impact on them (if any). From the interviews two customers had no communication and the others received one to one meetings with the managing director. When interviewing the MD of PFE Ltd, he recognised the communication with consumers as one of the failures of the acquisition process and would not follow the same process again for future acquisitions. Carey (2000) advises organisations that people (employees and consumers) become very sensitive to all announcements made and constant communication is vital but this was not conducted through the findings of the research.

Based on the findings from employee interviews, there was recognition that communication was evident from both organisations but the quality of the communication was not sufficient enough. The communication lacked a clear plan for the integration and the future of the organisations. The communication with customers was divided into two results 1) customers received one to one meetings from the MD and 2) no communication from either organisation. It is evident to see that this was the starting point of a bad relationship leading to some unhappy experiences with the new organisation.
5.4 The Human side of M&A’s (employees and customers)

Jim Keogh (2002) believes that the success of post-acquisition requires that key employees to remain within the organisation. That was the case in the acquisition of PFE Ltd as they retained all 9 members through the acquisition and four years later there are still 5 members with the organisation as others moved to new careers for personal reasons. While a lack of bad communication leads to a lack of commitment from employees (Habeck et al 2000), this was not the case in this acquisition. The acquired employees (candidate 1, 2, 3 & 4) were still loyal to the business they had been with for many years and moved to the new organisation once the acquisition took place. The human side of the integration was one of the main contributors in the successful acquisition as employees were vital to maximising the deal between the two organisations (Correia et al, 2013, cited in Gunther, 2001; Kay & Shelton, 2000). While Schuler & Jackson (2001) identified a three stage model to help with Human Resource issues through-out integration, Neopost Ireland Ltd did not follow any models for guidance through the integration (candidate 10) and believed the business would align easy after the integration. Candidate 10 recognised the key to the successful acquisition of PFE Ltd was due to ensuring the key personnel moved to Neopost Ireland Ltd to carry over the knowledge of the business and upskill the personnel new to the industry. From the findings in chapter four - candidates 15 and 18 identified that there was no communication from the organisations when the acquisition took place and yet authors such as Blattberg et al (2001), Reinartz et al (2005) and Rust et al (2004) all agree how important it is to develop a communication strategy to maximise customer profitability.

Based on the literature reviewed and the data collected from employees and customers, the critical importance of employees and customers through the acquisition was not a priority through the integration stages. While the acquisition was successful, many employees expressed their struggles at the early stages of the integration which continued on for a number of years as management would only say within the last 18 months the acquisition can be called a success. Customers were not a focus when the announcement was made which is evident in the lack of communication and after four years they are still not happy the processes followed.
5.6 Overall Conclusion

After reviewing all themes within the literature and through the primary data collections, the researcher found that the findings from the interviews supported the literature available to many organisations for many years. Many articles or books date back to the early 1990’s and yet it is evident by the high failure rates in M&As, that organisations are still struggling to integrate together successfully today. The overall objectives aimed to identify from a human perspective new primary data that may be used to help other organisations in the future but the data found supports the academic literature already available to organisations but the low success rates show that within the business world organisations do not have the time to invest in procedures that may cost them financially if there are any delays to the business operations. M&As can be very profitable for organisations seeking to expand or face off competition but yet they are costly when not executed correctly leading to loss of money for shareholders, employment in the country and loss of products/services if organisations face closure and the high failure rates show organisations are still not following procedures available to ensure they successful.

On using an Neopost Ireland Ltd as they been through the acquisition in the last four years, the researcher understands why the organisation conducted their acquisition in the a which would be best for the business they were reluctant to manage the human dimensions of the employees and customers to ensure the acquisition was a success from the beginning whereas the organisation is only seeing the integration as successful within the last year.

Concluding on the findings from the dissertation, the researcher finds while the acquisition of PFE Ltd has been a success, there were many elements that may have led to the failure of acquisition but the organisations managed to become a success today. The strong themes throughout the acquisition process are all based around the human element of employee and customer who are the key to making the merger or acquisition a success.
6.1 Primary Research Objective

At the beginning of the research dissertation, the primary research objective was:

*What are the important elements of Merger and Acquisitions within the human dimension to ensure successful integration of two cultures?*

The human dimension is the key to the success of the acquisition due to the retention of the key personnel being retained during the acquisition. Without the key personnel the acquisition would have been at a high risk of failure due to the lack of knowledge of the industry and the relationships with the customer remained with a few due to long standing relationships with these key personnel. Communication, culture integration and integration of business operations have all proven to be vital to ensuring the success for organisations and must be considered before the acquisition takes place to ensure employees and consumers are aware of the changes and activities happening.

6.2 Recommendations from data collection

Following on from the conclusions discussed in chapter five, the researcher has made the following recommendations based on the primary research carried out:

1. It is recommended that in the course of the due diligence process, organisations need to acquire an extensive knowledge of the industries involved.
2. For acquisitions that are face paced, continue to operate separately for a short period of time to continue to meet the needs of the customers and allowing time to adjust to the changes about to take place.
3. Communication needs to be effective and informative with employee and customers to ensure a sense of security during the merger or acquisition.
4. Integration Teams to help a smooth transition of all personnel involve supporting any uncertainties that may arise.
5. Present the organisations culture to the new acquired organisation as early as possible to ensure buy in from all employees and customers.
6. Ensure data retention is conducted pre-acquisition as to ensure service operations are not effected once the acquisition has taken place.
6.3 Recommendations for Future Research

There is potential for future research to explore more case studies of organisations that have completed acquisitions to compare against literature and gain more data in relation to the human dimension from employees and customers. While the research conducted within the dissertation was limited to the number of customers due to the availability, time constraints and small quantity of customers, there is an opportunity to investigate area of the consumers’ perspective as there is a limited amount of literature and case studies on the customer’s part within an acquisition. The research recommends using a larger customer base to get a broader view of the effects the acquisition has on the customer.
Bibliography


c.f. Coopers and Lybrand, Speed makes the Difference: a survey of mergers and acquisitions.

Coopers and Lybrand (1996)


S. Schuler & E. Jackson, 2001, “HR issues, activities and responsibilities in mergers and acquisitions”, School of Management and Labour Relations, Rutgers University


Appendices

Reflection

Before beginning the MBA course in 2014, my previous experience of academic studies had not been for over 7 years after completing my Degree in Business Management with ITT. While I was aware the MBA would be a major task to undertake the area proved most difficult for me throughout the dissertation was the literature and the quantity of assignments through the course. The Business Degree course focused a lot on exams at the end of the each semester and less on group assignments therefore I felt overwhelmed with the structure of the MBA course after such a long gap from the degree course.

At the beginning of the MBA course, within the module Personal and Professional Development (semester 1) we completed the Myers Brings personality test which is designed indicate individual’s perceptions of the world and how we made decisions. After completing the test (available online) my results showed as ISFJ (putting me in a group characterised as The Protectors) see below for percentage breakdown:

- I – Introverted – 40%
- S – Sensing – 16%
- F – Feeling – 13%
- J – Judging – 33%

The ISFJ personality type shows some characteristics such as confident avoidant, warm, supportive and friendly including organised and responsible. At the beginning of the course I was not feeling confident especially after my first assignment but as I pushed through my confidence continued to grow. I would consider myself having an introverted personality but I feel now the MBA is complete this will change within the coming years as my career changes and I will be able to apply my new skills from the course to my working life.

For the reflection on the MBA course, I will be using Kolb’s cycle to show the cycle of learning throughout the MBA course to the completion of the dissertation. The cycle is broken down to four stages which will reflect on my personal experiences over the last two years.

Kolb’s four stage Experiential Learning Cycle (see Appendix 20):

1. **Concrete experience** – My first assignment for the course was in International Management which I had been working on the main body of the assignment at the beginning of the course but left the referencing, editing, ensuring all areas of the assignment were covered and in the end I managed to scrape 54% grade which I was not happy about. This was a major leaving curve in the course as I realised I need to get more prepared, manage my time better and keep onto of the assignment work to get better grades. After that I found myself getting
more prepared for assignments and researching into the work as soon as the lectures has assigned the assignment at the start of the semester. Before starting the course or the thesis, I found I was very unaware of the activities within the business world and my only knowledge was of the industry I was working in. The dissertation and course has taught me more about the way in which different businesses operate and how important different aspects of the business are just as important as the other i.e. finance, marketing, project management, HRM etc.

2. **Reflective observation** – One of the biggest problem areas throughout the dissertation and the course was reviewing literature articles. I found it a major struggle to try and get the most up to date academic articles and to reiterate back into assignments. For the dissertation, I began reviewing more books on M&A’s and found they were more beneficial as a starting point then moved to academic articles which made the process easier to complete. The books gave me the help in identifying my themes for the literature chapter which I found supported my original research objectives to show not a lot of focus on employees and customers within the M&A processes.

Another area which was difficult was group assignments, I am happy to work alone on assignments once I have been given the material to cover but I found the group assignments to be more time-consuming and difficult to ensure the groups were able to meet and discuss the workings. Nearly all lecturers favoured working together on group assignments, I found myself uneasy with this as it was difficult to work together when other members of the group would have strong opinions on specific topics and trying to come to comprises to ensure we would try getting the best grade.

3. **Abstract conceptualisation** – As each module was complete, I founded that applying me to assignments became easier as my confidence grew over the course when approaching the assignments through research of articles and applying the course content throughout the assignment.

4. **Active experimentation** – The dissertation topic came to light as I have been working in Neopost Ireland Ltd for over 8 years and within that time the acquisition of PFE Ltd took place in 2012 and it affected the business dynamic and the day to day workings. Not only was there issues with the integration of the two organisations, I found communication of the acquisition was not effective in making employees and customers aware of what was happening. This specific topic is important to me as I wish to continue working with Neopost Ireland Ltd and if they wish to acquire new businesses in the future I hope that the findings
from the dissertation will help them to review the areas that are critical to a successful integration and also for the information to help other organisations who may conduct in M&A activities in the future. At the initial stages of the dissertation research, I was aware of the issues during the integration of the two organisations from an employee perspective but after speaking to the Managing Director who reminded me of the positives associated with the acquisition it was only then I was able to see the acquisition from an overall business perspective and it was only then I was able to understand their actions taken.

My main reason for completing the MBA course was to further my career to move up the management scale and to move from a supervisor to managerial role. My aim was to gain a management title by the beginning of 2017 within my organisation or move to new opportunities that will allow me to move to a new more challenging role.
Appendix 1:

http://www.imaa-institute.org/recources/statistics-mergers-acquisitions/#LargestMergersAcquisitions_Europe

Appendix 2:

http://www.imaa-institute.org/recources/statistics-mergers-acquisitions/#LargestMergersAcquisitions_Europe
Appendix 3:

(Accessed: 2nd June 2016)

Appendix 4:

Appendix 5:

Appendix 6:

https://www.google.ie/search?q=management+levels&biw=1920&bih=934&source=lnms&tbn=isch&sa=X&ved=0ahUKEwiY8eSH3KzOAhVWOMAKHeLACVkQ_AUIBigB#imgrc=vl0NVpHfe51YSM%3A

Appendix 7:

Fig. 4 Merger process overview

(Habeck et al 2000)
Appendix 8:

![Failure risks by merger phase](image)

(Habeck et al 2000)

Appendix 9:

![The mergers and acquisition process](image)

(DePamphilis 2001)
Appendix 10:

**Fig. 9** Lack of employee commitment is the biggest barrier to integration

(Habeck et al 2000)

Appendix 11:

**Figure 7.1** Trompenaars and Hampden-Turner's cultural dimensions

*Source: Trompenaars and Hampden-Turner (1997)*

Cameron & Green (2012)
Appendix 12:

(Johnson et al 2011).

Appendix 13:

**Hofstede’s Cultural Dimensions**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualistic / Collectivistic</td>
<td>How personal needs and goals are prioritized vs. the needs and goals of the group/clan/organization.</td>
</tr>
<tr>
<td>Masculine / Feminine</td>
<td>Masculine societies have different rules for men and women, less so in feminine cultures.</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>How comfortable are people with changing the way they work or live (low UA) or prefer the known systems (high UA).</td>
</tr>
<tr>
<td>Power Distance</td>
<td>The degree people are comfortable with influencing upwards. Accept of inequality in distribution on power in society.</td>
</tr>
<tr>
<td>Time Perspective</td>
<td>Long-term perspective, planning for future, perseverance values vs. short time past and present oriented.</td>
</tr>
<tr>
<td>Indulgence / Restraint</td>
<td>Allowing gratification of basic drives related to enjoying life and having fun vs. regulating it through strict social norms.</td>
</tr>
</tbody>
</table>
### Appendix 14:

**Table 4.1 Comparison of four research philosophies in management research**

<table>
<thead>
<tr>
<th></th>
<th>Positivism</th>
<th>Realism</th>
<th>Interpretivism</th>
<th>Pragmatism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology:</strong> the researcher's view of the nature of reality or being</td>
<td>External, objective and independent of social actors</td>
<td>Is objective. Exists independently of human thoughts and beliefs or knowledge of their existence (realist), but is interpreted through social conditioning (critical realist).</td>
<td>Socially constructed, subjective, may change, multiple.</td>
<td>External, multiple, view chosen to best enable answering of research question</td>
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<tr>
<td><strong>Epistemology:</strong> the researcher's view regarding what constitutes acceptable knowledge</td>
<td>Only observable phenomena can provide credible data, facts. Focus on causality and law like generalisations, reducing phenomena to simplest elements</td>
<td>Observable phenomena provide credible data, facts. Insufficient data means inaccuracies in sensations (direct realism). Alternatively, phenomena create sensations which are open to misinterpretation (critical realism). Focus on explaining within a context or contexts</td>
<td>Subjective meanings and social phenomena. Focus upon the details of situation, a reality behind these details, subjective meanings motivating actions</td>
<td>Either or both observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question. Focus on practical applied research, integrating different perspectives to help interpret the data</td>
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<tr>
<td><strong>Axiology:</strong> the researcher's view of the role of values in research</td>
<td>Research is undertaken in a value-free way, the researcher is independent of the data and maintains an objective stance</td>
<td>Research is value laden; the researcher is biased by world views, cultural experiences and upbringing. These will impact on the research</td>
<td>Research is value bound, the researcher is part of what is being researched, cannot be separated and so will be subjective</td>
<td>Values play a large role in interpreting results, the researcher adopting both objective and subjective points of view</td>
</tr>
<tr>
<td><strong>Data collection techniques most often used</strong></td>
<td>Highly structured, large samples, measurement, quantitative, but can use qualitative</td>
<td>Methods chosen must fit the subject matter, quantitative or qualitative</td>
<td>Small samples, in-depth investigations, qualitative</td>
<td>Mixed or multiple method designs, quantitative and qualitative</td>
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Appendix 15:

Questions for Employees:

Questions for Interview:

Q1 – Following the acquisition of Print & Finishing Equipment Ltd by Neopost Ireland Ltd in 2012, do you feel the acquisition has been successful?

Q2 – Where you anxious about the two organisations integrating together?

Q3 – When the acquisition took place, what impact did this have on your day to day operations/workload?

Q4 – Before the acquisition took place, do you feel that information about the acquisition was effectively communicated to yourself and other employees within the business?

Q5 - What forms of communication were conducted from top level management to the overall organisation?

Q6 – What area of the business do you feel caused the most challenges in when integrating the two business processes?

Q7 – When acquiring a new organisation, there can be difficulties in combining two cultures together. Do you feel there were any issues during this merger of two cultures from different industries?

Q8 – In your opinion, what aspects of the acquisition do you feel could of gone better? Or were successful?

Q9 – If Neopost Ireland, were to acquire another business, do you think they should follow the same integration procedures as used with the acquisition of Print & Finishing Equipment Ltd or would you have any suggestions on what elements would need to considered to be more effective?
Appendix 16:

Questions for Customers: Customer Telephone Interviews

Questions for Interview:

Q1 – Following the acquisition of Print & Finishing Equipment Ltd by Neopost Ireland Ltd in 2012, do you feel the acquisition has been successful in meeting customer needs, in your opinion?

Q2 – Where you anxious about the two organisations integrating together?

Q3 – When the acquisition took place, what impact did this have on your day to day service experience?

Q4 – Before the acquisition took place, do you feel that information about the acquisition was effectively communicated to you?

Q5 - What forms of communication were conducted from Print and Finishing Equipment Ltd or Neopost Ireland Ltd in relation to this acquisition?

Q6 – Do you feel that the organisations were still able to meet your business needs in the wake of the acquisition?

Q8 – Was there any negative or positive impact when the two organisations became one?

Q9 – If Neopost Ireland, were to acquire another business, would you have any recommendations to ensure that the acquisition would be more efficient from a customer’s perspective?
Appendix 17:

Questions for Managing Director:

Questions for Interview:

Q1 - Do you feel the acquisition has been successful?

Q2 - How did you feel the two cultures would work together?

Q3 - Did you think the acquisition would impact the workload of employees within the new formed organisations?

Q4 – Do you feel customers have benefitted from the acquisition?

Q5 – In terms of communication, do you feel communication with employees and customers was effective?

Q6 – Based on your experience of the PFE Ltd acquisition, what are the areas you feel were the key to the success of the acquisition?
**Appendix 18:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>May-16</th>
<th>Jun-16</th>
<th>Jul-16</th>
<th>Aug-16</th>
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<td>4</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>1. Meet with Joan Colin, Postgraduate and Law Librarian for DSS to review available articles on M&amp;A</td>
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<td>2. Began literature workings for dissertation &amp; revised research proposal from December 2015 assignment.</td>
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<td>3. Met with supervisor to discuss dissertation topic &amp; reviewed objectives</td>
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<td>4. Reviewed research hypotheses, research question and objectives for dissertation for chapter 2</td>
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<td>5. Completed literature works on chapter 2</td>
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<td>6. Began working on chapter 2 methodology</td>
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<td>7. Completed interview questions for employees and customers</td>
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<td>8. Conducted interviews with employees and consumers</td>
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<td>9. Completed data analysis, conclusions &amp; recommendations</td>
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Appendix 19:

Informed Consent Form

By signing the below, you are agreeing that: (1) you have read and understood the Participant Information Sheet, (2) questions about your participation in this study have been answered satisfactorily, (3) you are aware of the potential risks (if any), and (4) you are taking part in this research study voluntarily (without coercion).

Please tick box if you agree to the interview being audio-recorded

____________________________                               ____________________________
Participant’s signature                                      Participants Name (Printed)

____________________________                               ____________________________
Student Name (Printed)                                         Student Name signature

_______
Date

MBA Business Administration (HRM) 2016
Appendix 20: