Middle Managers’ Interactions at the Heart of the Strategy-Adaptation Process in Cross-Border Acquisitions

Authors: Gustavo Birollo, Linda Rouleau, Satu Teerikangas

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Abstract

Despite the recognized strategizing role of middle managers in acquisitions, little is known regarding how managers from both acquired and acquiring organizations contribute to strategy adaptation throughout the acquisition process. Drawing on retrospective accounts of middle managers from acquired and acquiring firms in 24 cross-border acquisitions, this paper examines the practices that middle managers enact to contribute to strategy adaptation throughout the acquisition process. The findings reveal three sets of strategizing practices: *framing the change*, *interacting through action*, and *building the future*. These practices were found to evolve in cycles along the pre- and post-acquisition process, having the *interacting through action* practices at their core. Therefore, this paper posits middle managers’ interactions to be at the core of the acquisition process, as this enables the acquisition’s evolution. Furthermore, the context of acquisitions was observed to accentuate the characteristic of middle managers “being in the middle”.

Keywords: Acquired and acquiring middle managers, cross-border acquisitions, interactions, pre-acquisition, post-acquisition, strategy adaptation, strategizing.

Introduction

Cross-border mergers and acquisitions (M&As) are the most important avenue for the growth and internationalization of firms (Graebner et al., 2017; Steigenberger, 2016). However, despite the strategic significance of these transactions, their success rate is below 30% (Martin, 2016). Any acquisition is the result of the initial contextual drivers and the managerial actions of both parties (Drori et al., 2013). Managerial interactions between the involved firms are thus at the heart of the acquisition process (Björkman et al., 2007; Olie, 1994). Interactions have been argued to be a "promising theoretical foundation" through which to understand the M&As problematic (King et al., 2004, p. 197). Yet, the appreciation of managerial interactions in times of acquisitions is limited. This is the frame wherein the paper is set.

Zooming in, managerial interactions in acquisitions can be argued to be embodied by middle managers. Middle managers are managers who are hierarchically placed two levels below the CEO and above the first level of supervisors (Huy, 2002, 2011; Rouleau, 2005). In practice, middle managers are the key actors who build the day-to-day of the acquisition process (Chreim and Tafaghod, 2012; Meyer, 2006; Moilanen, 2016; Vaara, 2003). Surprisingly, in M&As research, middle managers have received little direct attention. While the strategy-implementation role of middle managers is recognized, they are nonetheless portrayed as having only a secondary role in this regard (Graebner, 2004; Hambrick and Cannella, 1993). Only a handful of studies have focused on the impact of middle managers on the acquisition process (Balle, 2008; Chreim and Tafaghod, 2012; Ghorbal-Blal, 2011; Meyer, 2006; Moilanen, 2016; Schriber, 2012). These studies bear two kinds of weaknesses, though. For one, they only study middle managers from either the acquired or acquiring side without paying attention to their interactions. For another, they study middle managers at distinct stages of the acquisition process (i.e., pre-acquisition and post-acquisition), and in so doing, they neglect an integrative view of the acquisition process. It thus appears than an appreciation of middle managers' interactions throughout the acquisition process is missing. This is the theoretical gap addressed in this paper.

In the strategy literature, middle managers are generally seen as playing an important role in strategy adaptation (Burgelman, 1983; Floyd and Wooldridge, 1994; Mantere, 2008; Mantere and Vaara, 2008; Regnér, 2003; Rouleau et al., 2015; Wooldridge et al., 2008). This literature considers strategy adaptation as a dynamic and contextualized process; it sees the emergence and adaptation of a strategy as a coherent path of executive and operative activities (Denis et al., 2007; Mantere, 2005; Mintzberg, 1987). In other words, middle managers shape the intended strategy by adapting it to the context and by influencing the upper management through their analysis of the conjuncture.

To this end, this paper explores middle managers' interactions as they engage in strategizing in acquisitions. The research question guiding our inquiry is: *How do acquired and acquiring middle managers contribute to strategy adaptation throughout the acquisition process?* In light of the explorative nature of the research, we adopt an inductive approach aimed at theory-building, based on the experiences of middle managers "in the field," following a practice and processual approach (Burgelman et al., 2017; Rouleau, 2013; Vaara and Whittington, 2012; Whittington, 2006). We conducted a qualitative study gathering data via retrospective open-ended interviews of middle managers involved in related cross-border acquisitions. We interviewed a total of 52 acquired and acquiring middle managers from 24 cross-border acquisitions in North America, South America, and Europe.

The paper's first contribution is to shed light on the strategizing role of middle managers during acquisition processes. To our knowledge, this is the first paper to explore acquiring- *and* acquired-firm middle managers when involved in strategy adaptation during cross-border acquisitions. We identify three strategizing practices enacted by middle managers including *framing the change*, *interacting through action*, and *building the future*. These practices evolve iteratively along the acquisition process. The paper's second and main contribution posits middle managers' interaction dynamics to be at the core of the acquisition process. We observed the practices of *interacting through action* to enable, iteratively, the progress of the other two practices, leading to – or not – the acquisition's success. Our third contribution offers a novel view on the stand of middle managers in acquisitions. Our findings question the view of acquiring managers as powerful conquerors and of acquired managers as hesitant followers. We show that regardless of their previous organizational affiliation, the acquisition context amplifies the characteristic of middle managers "being in the middle" (Harding et al., 2014).

This paper is organized as follows. First, in a review of the extant theorizing, we present the strategizing roles of middle managers and its recognized functions in the M&As literature. Second, we describe the methodology. Third, we present the findings. We propose a framework for middle managers' strategizing practices along the acquisition process. This section sheds light on the importance of middle managers' interactions in acquisitions. Fourth, we discuss the paper's contributions and identify the implications for management practice and for future research.

Literature Review

The acquisition process: a threat to middle managers' strategy contributions

Analyzing a myriad of organizations, Floyd and Wooldridge (1994, p. 49) found that in successful firms, middle managers are involved not only in "doing" but also in "thinking" strategies. Based on their research, they linked middle managers to strategy using two different sets of roles: upward roles that emphasize middle managers' willingness to influence top management's strategy decisions, and downward roles related to strategy implementation. On the one hand, it can thus be argued that upward roles, described as championing strategic alternatives and synthesizing information (Floyd and Wooldridge, 1994) or as "issue selling" (Dutton et al., 2001), are the way for middle managers to influence the strategic decisions of top management. They do this by means of their interpretations of the context, based on their strategic position toward the business environment, and their mastery of the company's capabilities (Dutton et al., 2001; Floyd and

Wooldridge, 1994). This middle managers' selling effort can become even more important in the case of multinational organizations where top managers might not have direct access to evaluate the national context of subsidiary operations (Ling et al., 2005).

On the other hand, downward roles, described as facilitating adaptability and implementing a deliberate strategy (Floyd and Wooldridge, 1994), connect middle management to the operational level. They involve middle managers' manoeuvres to carry out processes defined in the intended strategy by the top management (Floyd and Wooldridge, 1994). However, middle managers may struggle to simultaneously deal with implementing the strategy, managing the expectations of top management, and helping employees to cope with their anxieties (Bryant and Stensaker, 2011). Consequently, they might often have to re-evaluate conditions and make decisions that might lead along different paths than those that were originally intended (Floyd and Wooldridge, 1994).

Therefore, by exerting these roles, middle managers shape the intended strategy by adapting it to the context and by influencing upper management. In other words, upward and downward roles are chisels that middle managers use to sculpt the intended strategy during the strategy-adaptation process, wherein strategy creation and implementation are entwined (Burgelman, 1983; Mantere, 2005; Mintzberg, 1978; Regnér, 2003). Therefore, as argued by Mantere (2005, p. 166) following Mintzberg (1987), "strategy emerges as a coherent pattern of collective activities, some executive and some operative." In other words, strategy adaptation is a "dynamic, social, and fully contextualized" process (Denis et al., 2007).

Notwithstanding, during the acquisition process, the acquired middle management is immersed in an organizational change that has removed their upward links overnight and has placed new players within their territory. Such changes trigger "strong emotions, anxiety, and stress" (Mantere et al., 2012, p. 189). In turn, the acquiring group faces the ambiguity of having to implement an intended strategy in an unfamiliar context that might be based on erroneous assumptions and be plagued with unrealistic expectations (Graebner, 2009; Jemison and Sitkin, 1986). They have to implement changes in an organization where they do not understand the rules and sociocultural codes; this challenges their task of connecting laterally to the acquired group (Rouleau and Balogun, 2011). These challenges are amplified in cross-border acquisitions. Therefore, during the acquisition process, managers from both organizations are confronted by a disruption to their middle managerial roles that they need to overcome, as they crucially need both strategizing roles to reconcile the combined organizations. For acquired-firm managers, the acquisition disrupts their upward roles. For acquiring managers, the acquisition disrupts their downward roles.

Recognized middle managers' functions during the acquisition process

When reviewing the M&As literature, we found that many scholars have recognized that middle managers undertake important functions in the acquisition process, yet only a handful of scholars have specifically focused their attention on middle managers (Balle, 2008; Chreim and Tafaghod, 2012; Ghorbal-Blal, 2011; Meyer, 2006; Moilanen, 2016; Schriber, 2012). In most of the reviewed papers, the reference to middle managers needs to be inferred from the paper's context, as the term used by the authors is "manager." In papers where the term "middle manager" is explicitly used, we note that the term is nevertheless broadly applied. The view extends from typical bureaucratic middle managers located below top managers and above first-level supervisors (Meyer, 2006; Rovio-Johansson, 2007; Schriber, 2012) to different types of mid-level staff and professionals (Mantere et al., 2012; Teram, 2010), divisional and business unit managers (Balle, 2008; Chreim and Tafaghod, 2012; Vaara, 2003; Vickers and Fox, 2010), as well as project managers (Gundolf et al., 2012; Öberg et al., 2007). Overall, the view of middle managers' role is related to strategy implementation. This includes tasks such as interpreting and refining the content of the intended strategy (Gundolf et al, 2012; Meyer 2006), implementing the intended strategy (Teerikangas et al., 2011; Vickers and Fox, 2010) , linking different areas of the organizations (Teerikangas, 2012; Vaara, 2003), linking customers and suppliers (Rouleau, 2005; Nordblom, 2006), creating a scenario for lower ranks to adapt to the new endeavour (Langley et al. 2012; Meyer 2006), transferring knowledge and experience (Hébert et al., 2005), and being, in themselves, a source of value creation (Graebner 2004, Meyer and Lieb Doczy, 2003).

These works have two important characteristics. Firstly, they consider middle managers from one organization only, without attention being paid to the interactions of managers from both organizations. Interestingly, Langley et al. (2012), in their analysis of two mergers of medical institutions, found that these interactions underpin the individuals' recognition of the sameness and differences among the groups. They argue that this recognition is at the base of the construction of common goals. In turn, Chreim and Tafaghod (2012), studying three domestic acquisitions of small firms by a serial acquirer, argue that a supportive attitude from acquiring managers can ease the integration journey for the acquired middle managers. However, they place acquiring managers in a powerful and detached position, far from the uncertain and complex position of the acquired managers. Aligned to this rationale, Moilanen (2016), studying the integration of a management and accounting control system in a cross-border acquisition, argues that acquiring managers follow a more rational perspective while acquired ones are prone to be more influenced by personal feelings. This view of the acquiring managers as powerful and detached is quite prevalent in the literature. However, none of these studies sees the acquisition process as a dynamic interaction between both groups of middle managers. Further, these studies disregard the role that this interaction might play in the acquisition's strategy-adaptation process.

Secondly, another interesting characteristic is that these studies compartmentalize the acquisition process into two stages: pre-acquisition and post-acquisition (or integration process). The majority of the papers analyzed are interested in the post-acquisition process; only a few papers focus on the pre-acquisition stage (Ghorbal-Blal, 2011; Teerikangas, 2012). But almost none of them is interested in the process as a whole. For example, Teerikangas (2012) studies the pre-acquisition stage in the target organization; she places middle managers as exerting an important influence on the employees' perceptions concerning the opportunity (or threat) that the acquisition poses and about their future as a company. Moilanen (2016) applies a more integrative perspective when analyzing the implementation of an accounting control system during a cross-border acquisition. She describes the pre-acquisition stage as the space where middle managers acknowledge the uniqueness of each firm by recognizing their similarities and differences.

As noted, most of the research focuses on the post-acquisition stage. An exemplar is Meyer (2006), where the context is a cross-border post-acquisition process. She expresses how the main goal of middle managers is the operationalization of the strategy generated by the top management. The importance of middle managers' influence was evidenced in her study as follows. As they were facing an unclear and ambiguous corporate strategy, they interpreted and implemented a local strategy to promote national segmentation that was not the top management's intended goal (Meyer, 2006, p. 415). In the same vein, Vickers and Fox (2010) show how a group of acquired middle managers promote and implement an alternative strategy to counteract a policy of downsizing that had been decided on without a deep understanding of the local context. Thus, Meyer (2006) speaks about the "destructive dynamics" of middle managers' involvement, while Vickers and Fox (2010) discuss middle managers "successfully" counteracting the official strategy. These efforts from middle managers to implement a strategy are complemented by creating the scenario to include the lower ranks in the post-acquisition process (Sinkovics et al., 2011).

Therefore, even if the extant literature recognizes the strategy-implementation role of middle managers, acquired and acquiring middle managers are presented as unrelated agents working for the integration of the acquired organization. Notwithstanding, top managers are presented as the protagonists and as being in charge of the strategy, as they represent the values of the entire organization (Meglio et al., 2015; Risberg, 2001). At the same time, these studies departmentalize the acquisition process in quasi-unrelated stages. They consider the post-acquisition phase as starting with a blank slate. In this paper, we propose a strategy-adaptation perspective for the acquisition process. We operate with two premises: 1) we consider the interactions between acquired and acquiring middle managers to be at the heart of the acquisition process, and 2) we accord a processual character to the pre- and post-acquisition processes. Specifically, this work explores the following research question: *How do acquired and acquiring middle managers contribute to strategy adaptation throughout the acquisition process?* By strategizing practices, we refer to the explicit or tacit knowledge that middle managers deploy to purposefully contribute to the strategy-adaptation process (Rouleau, 2013; Teulier and Rouleau, 2013; Vaara and Whittington, 2012). Therefore, we bring middle managers forward as the protagonists of the acquisition process. We seek to understand how they contribute to the strategy-adaptation process through their day-to-day actions.

Methodology

To study how middle managers from acquired and acquiring firms contribute to the strategy-adaptation process in acquisitions, we focused our research context on transactions that present interfaces between both middle manager groups. We established that focal acquisitions needed to exhibit four characteristics. First, the transactions had to be made between related companies; this means that they require a high degree of integration – that is, interaction – in order to achieve the intended strategy (Olie, 1994). Second, the buyer had to be a multinational corporation; from this follows the existence of a group of middle managers that run integration projects. And third, the acquired company had to be either struggling economically or an outliner from the previous owner's strategy, therefore not receiving investments into its business. In such situations, the acquired organization might consider the acquisition as an opportunity rather than as a threat; this has been found to result in acquired-manager activeness in making the acquisition succeed (Teerikangas, 2012). Fourth, we selected acquisitions from a number of different countries to achieve international diversity in the sample.

Combined, these four characteristics were designed to enable the study of transactions where interactions between both manager groups take place, while ensuring contextual heterogeneity. Such a research setting enables us to compare and contrast their perspectives. All the while, this research design offers constancy with respect to the interest of the acquired managers toward the transaction and with respect to the related knowledge bases of the companies involved.

Data collection. The sampling was purposeful. The aim was to find cases that were rich and varied in lived experiences, that is, case heterogeneity (Patton, 2002). We used the snowballing technique (Patton, 2002) to select our informants. To this end, we started with the first author's industry contacts. This led us toward interviewing 52 middle managers in total, representing 28 acquired middle managers and 24 acquiring ones who were involved in an acquisition process. This totalled 24 transactions performed from 2004–2014 in North America, South America, and Europe. Several different activity sectors were represented including the insurance, banking, equipment & engineering, consulting, food-industry, automotive-industry, brewing, IT, petrochemical, chemical, and biotechnology sectors. Furthermore, in six transactions, we were able to interview middle managers from both the acquiring firm and the acquired firm. This enabled us to follow the same story from both perspectives.

The retrospective interviews focused on the managers' activities during the acquisition process. Interviews were carried out with informants who were involved at different stages of a focal acquisition. This research design allowed us to evaluate middle managerial practices at different stages of an acquisition. To cope with the potential detachment and the selective memory of middle managers whose experience was from several years back, we followed the suggestion of Rouleau and Balogun (2011) regarding retrospective studies, which is to constantly ask interviewees to tell us what they did and what they said. Interviews were complemented with secondary material. Prior to each interview, we retrieved information from newspapers, press releases, and company websites in order to have a better background for our reflections. This totalled over 200 documents. All interviews were recorded and transcribed. The average duration was 80 minutes. The transcriptions were kept in the original language (French, Spanish and English). Transcriptions yielded 560 pages (single-spaced).

Data analysis. Working close to the empirical data, we entered into a progressive theory-building exercise exploring the strategizing practices (e.g., what they said and what they did) through which middle managers contributed to the acquisition's strategy-adaptation process (Gioia et al., 2013). These strategizing practices underpin middle managers' strategic roles during the ambiguous acquisition process and allow us, at the same time, to differentiate the perspectives of middle managers from both groups. As Rouleau (2013, p. 551) expresses, this approach "looks for the ordinary practical reasoning by which practices are interconnected with one another and reproduce social life in organizations." Thus, the unit of analysis consisted of the experiences of each middle manager who underwent an acquisition process, with a special focus on how they constructed and understood these experiences (Gioia et al., 2013). By positioning our unit of analysis at the individual level, we deepen the analysis of the acquisition process by focusing on the experiences of middle managers involved in making it happen. We left the overall acquisition context in the background of the analysis. The insights gained from managers representing different transactions allowed us to identify common patterns of middle managers' strategizing practices during acquisitions.

The raw data was analyzed in three stages and coded using Atlas.ti software. In the first phase, we divided the data into the three stages of the acquisition process, as proposed by Weber (2012): pre-acquisition, negotiation, post-acquisition. The pre-acquisition stage starts with rumours about the acquisition of the acquired company or the press announcement of the transaction. The negotiation stage begins with the signing of the purchase agreement and finishes when the acquiring company takes control of the acquired operation. The post-acquisition stage commences when both groups of middle managers officially start interacting. There is no defined limit for this stage (Birkinshaw et al., 2000). This approach allowed us to examine the general characteristics of each stage and to familiarize ourselves with the expressions and terms used by the interviewees.

In a second phase, we built two repertoires of practices, one for the acquirer- and the other for the acquired-firm managers (Teulier and Rouleau, 2013). These repertoires contain the data related to what middle managers told us about "what they said and what they did" at different stages of the acquisition.

In the third phase, we performed a second-order analysis (Gioia et al., 2013), that is, we looked for the deeper analytical structure underlying these categories. We grouped the categories that seemed to go together and labelled them with phrasal descriptors that helped us to describe the studied phenomenon (Gioia et al., 2013). To extend this second-order analysis, we sought to theoretically aggregate these practices at a higher level. To do so, we carried out the same process as before, examining the similarities and differences between these practices in order to group them. This led us to identifying three broad forms of practices that were repeated during each acquisition stage: *framing the change*, *interacting through action*, and *building the future* (see Figure 1).

Findings

Our analysis led us to identifying four stages in the acquisition process: pre-acquisition, negotiation, and two distinct phases of integration, namely post-acquisition phase I and post-acquisition phase II. In presenting our findings, we follow these four stages of the acquisition process. At each stage we found three common sets of practices that underpin middle managers' strategic roles during the acquisition process: *framing the change, building the future,* and *interacting through action*. *Framing the change* denotes middle managers' attempts to position themselves toward the events brought about by the acquisition. *Building the future* represents middle managers' practices through which they influence other stakeholders. *Interacting through action* interlaces the two previous practices and reflects the multiple day-to-day activities that bring both groups of middle managers to operate together. The process unfolds for each group of managers in a cyclical and iterative sequence of practices entwined by the *interacting through action* practices (see Figure 1). Figure 1 acts as a conceptual framework and illustrates the main categories identified in the analysis and the relationships between these categories.

We proceed in the next sections as follows. First, we describe the acquisition process based on acquired and acquiring middle managers' strategizing practices (marked in italic). We pay particular attention to how acquired and acquiring middle managers' interactions impact the enactment of these strategizing practices. Interactions enable middle managers to maintain or recover their roles in strategy adaptation. In the second part, we present an integrative model of middle managers' strategizing practices.

INSERT FIGURE 1 AROUND HERE

Pre-acquisition: "Whether or not to bet"

This stage begins with the announcement of the transaction and ends with the signing of the purchase agreement. The announcement provokes mixed feelings in **acquired middle managers**. They recognize opportunities for the growth of their company through the incorporation of technical and managerial knowledge. Yet, they hardly know the possible new owner and they ponder over how they might fit in the new structure. This brings feelings of anxiety and apprehensiveness. Contrary to their colleagues, **acquiring middle managers**, involved in the transaction, are emotionally detached. For most of them, the transaction represents another professional challenge about how "to insert a new piece in the gear" to get the sought after corporate benefits.

Framing the change. Beyond their feelings and expectations, after the news of the transaction, **acquired middle managers** start collecting information to make sense of the transaction. They try to foresee how these two businesses are going to complement each other and they start *imagining a future*. As we said, for the majority of these managers, the transaction is an opportunity for growth. Once the identity of the prospective owner is known to them, they start conceiving of ways in which the new owners could help them to develop their business.

Meanwhile, **acquiring middle managers** are *evaluating the transaction*. They understand the transaction by assessing different characteristics including intellectual property, country market share, return on investment, international market coverage, financial stability of the target country, and company growth. For those working actively on due diligence, this period of pre-acquisition is charged with stress. They have to collect information via intermediaries (investment banks, brokers, lawyers) to generate the strategy for the transaction. These managers work in small groups, trying to keep everything out of reach from the media, while the clock is ticking. The following quote illustrates this:

> *The stress comes from the fact that you have many things to manage, a lot of information to process and report in no time. So, we work quickly, precisely to avoid information leakage, and also to keep the momentum. Because there is nothing that is more disappointing than to stretch the negotiation and realize that the other is abandoning the transaction when you have invested millions of dollars with your consultants, time, and energy.* (Acquiring middle manager)

It is important to note that the managers interviewed for this study were not dedicated full time to due-diligence tasks. This renders their situation even more stressful.

Interacting through action. During this period, interactions between the two organizations are conducted via intermediaries. Actual interactions between the middle ranks are scarce. Nevertheless, when these interactions occur, they are tinted with power unbalance: acquiring managers are assessing, while acquired managers are informing. These encounters can take the form of facility visits, informational meetings, and in some cases, audits. During these encounters, acquiring managers are *appraising the target's managers* and retrieving all possible information to build the case for the transaction. The following quote exemplifies this point:

> *Over time we realized that during those meetings [the acquirer's management] was deciding if they would maintain the actual management to continue driving the target business or if we would be transferred to the selling part, as we inferred from the first rumours.* (Acquired middle manager)

During these encounters, acquired middle managers are *observing the buyers*. They try to understand the "whys" of the transaction. They are bridging cautiously, they are not going to play all their cards, they are not certain about the transaction, and they might still mistrust the other side. As one acquiring manager explained when referring to a situation during an audit: "It was weird for them to receive competitors that were asking about their orders, their designs, their financial statements; the situation was a bit tense." Nevertheless, these interactions allow acquired managers to start rethinking their future and transmitting the change inside their organization. It is noteworthy that Teerikangas (2012) found that a positive alignment of acquired managers with the acquisition during the pre-acquisition stage leads to positive employee reactions after the deal.

Conversely, acquiring middle managers are detached from their acquired colleagues' journey. They work on the stressful present of the transaction. All information retrieved from interactions is considered as data with which to build the acquisition strategy. Acquiring middle managers feel endorsed with the power of the buyer; they are assessing their counterparts, and they are preparing to convince acquired-firm managers of the intended integration projects.

Building the future. During this stage, **acquired middle managers** forge their resolution of *betting or not on a future* in the combined organization. They are conscious that the changes that the acquisition can bring will impact not only their careers, but also their families. This is when they start pondering about their decision to stay: "we ended up deciding to bet on this prospect, as I thought it was opening doors that were not there before." All the while, for others, this moment marks the beginning of their departure. After their first interactions with the new owner, they realize that their future is not with this company. Though they contributed to the growth of the acquired organization, this organization no longer exists.

For **acquiring middle managers,** the situation is quite different. Those that are involved in target selection and running the due-diligence phase are, at the same time, *building the strategy* for the transaction, as the next quote illustrates:

> *The CFO is going to come to see me and he will say: "Look, we want to take a look at this transaction, see from the legal point where we are, how we can make the money circulate, we may borrow so much, develop a strategy asap at large." So, I have to think about that, and I will make proposals. That is my part.* (Acquiring middle manager)

The development of the transaction's strategy is an iterative process. It is triggered by top management, but subsequently brought toward some middle managers to analyze and generate proposals. Thereafter, the strategy is returned to the top for further modifications: "I tell you, [the strategy] goes up and down all the time." This iterative work ends when everyone agrees with the strategy for the acquisition and top management accepts the proposal. This is followed by different reactions amidst middle managers on the two sides of the transaction. On the one hand, acquired middle managers are betting on a future with mixed feelings. On the other hand, the acquiring middle managers are rationally designing the future of the transaction.

Negotiation: "We are up in the air"

The negotiation stage covers the period from the signing of the purchase agreement until the acquirer takes control. This stage is supposed to last no more than four months. However, this phase can often even be extended to over a year due to governmental regulations or negotiation issues after the deal.

Framing the change. During this period, ***acquired middle managers*** are *facing the transaction*. They make an effort to understand their present when, more often than not, the only certainty they have is the name of the buyer. The dilation of this stage reinforces the climate of uncertainty, as one of them shared: "It is like a trapeze jump, you're on a trapeze, you let go, and are waiting for the other trapeze to arrive. We are up in the air." While up in the air, they claim that nothing happens: There are no projects, no investments. At the same time, these managers start to perceive that they are moving away from their previous organization. They are abandoned to their own devices. They do not get to be evaluated on their performance; they do not get feedback. Consequently, it is difficult to remain loyal to the procedures of the current owner. They start looking to the other side, trying to gauge what the new proprietor may expect from them.

> *[Our previous owner] is a large corporation with procedures where everything is written, while [the acquirer] is totally different. [For the acquirer], your intuition and your sense of business is more important than anything else. […] To be honest, less than half of the managers understand that.* (Acquired middle manager)

However, some managers struggle to see themselves working for the new owner and they remain attached to the procedures of the current owner. Conversely, those that like the idea of change, not only for their organization but also in terms of their careers, start *sketching new scenarios* and start reasoning about ways in which to approach the new owner.

On the other side, ***acquiring middle managers*** who have been asked to participate in the integration activities are plagued by questions about how they will implement the intended strategy. Therefore, those that are proactive start *thinking of the strategy operationalization* and designing a plan to collect all the information they need within as rapid a timeframe as possible.

Interacting through action. Even if interaction during this period is not allowed, in some cases, the two organizations agree to choose a reduced group of managers from the two sides to meet and share operational information. However, the owner of the divested company sets the rules for this transfer of information. This leaves middle managers in a delicate position, as expressed in the following citation:

> *More than anything, it is a personal decision, how far you go, what you do say, and what you don't say, how flexible you are; I tell you, this has created a rift among us, we have very strong differences.* (Acquired middle manager)

This situation becomes even more sensitive over time, as acquired managers believe that these rules jeopardize the future operation. Therefore, some of them start *bridging behind the scenes*.

For them, “smuggling” information after receiving “border-line” requests from the new owners can be proof of alignment to the acquiring side. Over time, even managers that are not part of the selected group start interacting with acquiring managers. These meetings, formal or informal, allowed or not, are the ways in which managers from the acquired side proactively “start working toward the future.” Their flexibility allows them to start bridging toward the other side. It is important to note that the decision to collaborate (or not) rests at the individual level.

Despite these interactions, acquiring middle managers are still emotionally detached from the transaction; they continue collecting information to be able to operationalize the acquisition strategy once the takeover starts. By the end of this period, they start *selling their intentions*. Sometimes, these presentations are based on promises that are detached from their consequences. This can become a problem when they cannot be transformed into delivered action in the months following the takeover. Acquired managers are attentive to any piece of information they can get from the acquiring managers, and they use it not only to frame their own understanding, but also to influence their subordinates. Therefore, the lack of alignment between these promises and realized practices negatively impacts the progress of integration (Cording et al., 2014).

Building the future. Long negotiation periods bring a feeling of tiredness to the acquired organization. Everything is reduced to the present moment; there is no thinking in terms of the medium or long term. ***Acquired middle managers*** *struggle to reconcile present and future*. Nevertheless, they resist this mood by keeping active:

> *With the people who work for me, I was telling them: “Guys, we have two paths: either we do nothing till our heads explode, or we put our hands in the dough and we keep ourselves occupied working, solving problems for our customers.”* (Acquired middle manager)

They try to continue working on their goals and try to keep their troops on board. However, as they do not have enough or valid information, they fill those gaps with their own understandings and expectations: “I was adding my flowers.” Nonetheless, they understand that they need to be careful about what they say; otherwise, they could fall into self-created traps.

Conversely, ***acquiring middle managers*** are devoted to *introducing the transaction to external stakeholders* during this period. For example, some mentioned that they would portray the advantages of the transaction for corporate customers. Also during this period, they start negotiations with labor unions in order to be ready for the takeover.

Post-acquisition (Phase I): “They struggled through it with us”

The negotiation period finishes when the acquirer takes control of the acquired operation. This is when post-acquisition starts. Our analysis led us to dividing post-acquisition integration into two phases. In the first phase, the inter-organizational fence is torn down and the two groups start interacting at the acquired facility.

Framing the change. During the first phase, ***acquired middle managers*** continue to see the arrival of the new owner as offering a ray of hope. Nonetheless, this is when the difficult practice of *maneuvering in two organizational worlds* begins. Indeed, they have to learn from scratch how they should operate. For instance, they observe important changes in the way that the new owner controls their operations. These new processes have a bearing on their day-to-day work, yet without necessarily improving operational efficiency. As an example, operations managers are puzzled when they see their decisions questioned by other departments, be it the human resources, legal, or finance departments.

A crucial point impacting how managers frame their buy-in toward the new owner is how the latter expects them to relate to internal and external stakeholders, that is, managers from other subsidiaries, but also competitors, suppliers, and customers. The most difficult aspect for middle managers working at the interface to the external environment is the perceived changes regarding how to deal with customers. For these managers, modifying the level of priority given to customers is non-negotiable: “The primary focus was the execution of internal procedures, but for me, the first priority should always be customers.” Therefore, these managers may find elements in this phase that do not fit with their values and beliefs.

Conversely, ***acquiring middle managers*** are *assuming their role* of leading integration projects *in the acquired context*, a context, nevertheless, that is alien to them. These managers know their mandate, but they are left to their own devices to accomplish their tasks. And as one of them said, you are going to make mistakes, and you “adjust, you adjust your shot while you are running.” Focusing on their mandate, they do not see the acquired organization as something that they have to build on, but mainly as something that they need to assess and change. Notwithstanding, this confidence about the changes that need to be undertaken cohabits with the personal insecurity of confronting a new organization, which at the individual level can be quite disruptive:

> *Then we have the challenge of making ourselves known. We arrived as corporate people from a foreign country, speaking another language, to this [central country], and we arrive there and say: “In fact, what you are doing it’s good but not good enough.” […] And of course, we arrive there with a spirit of collaboration and discussion, but in fact we know perfectly well where we are going and the business model we want these people to adopt.* (Acquiring middle manager)

Interacting through action. During this first phase, managers start working together in the implementation of integration projects. For acquiring managers, there is no time for consensus or for paying attention to the context. Understanding the context takes time, and the common characteristic in this phase, as experienced by these managers, is that “they are in a hurry.” Consequently, they are *imposing the new strategy*. Regardless, acquired managers are eager to collaborate and to give their advice in order to influence the course of the integration. They do so by *laying bridges*. However, these are bridges that acquiring managers are not yet confident in accepting. For example, the following statement is the view of an acquiring manager regarding the level of understanding of the implementation plan and the path to follow:

> *Sometimes it took a few times before they understood what we wanted ... the direction we wanted to go in ... and sometimes, it was just a matter of "getting lost in translation," where we would suggest something, and they'd say we cannot do that ... But in the end, what they understood was not what we wanted to say.* (Acquiring middle manager)

It is worth quoting the view that the acquired informant had on this point:

> *At that time, they were not really open for dialogue. It was like they had brought their idea, and it had to be done that way because they had always done so. No questions. [...]. At times, there was "no room for discussion or for the exchange of ideas."* (Acquired middle manager)

From both statements, we can see the attachment that the acquiring manager has to the plan and the willingness of the acquired managers to add their contextual knowledge. On one side, the misunderstanding is due to a problem of "translation" and, from the other side, because of "a lack of dialogue." Acquiring managers are not interested in discussing issues that are already decided.

Therefore, despite the bridging effort of acquired managers, acquiring managers implement their projects without including the local context. The two sides struggle together on the integration journey. Acquiring managers pretend that they are selling their integration projects. They do not allow for questions, and they avoid including the acquired knowledge and context into their plans. Over time, through these interactions and the joint struggles when faced with operational problems, acquiring managers start questioning the intended strategy. At the same time, acquired managers start acknowledging the intended strategy that has been conceived for their operation. After this inflection point, acquiring middle managers begin influencing the top management about the reformulation of the strategy with the inclusion of acquired-firm contextual factors. This is where the acquired management can help to solve the gap between the strategy content and context.

This inflection point is not reached in all acquisitions, as managers fail to understand that their mutual interdependency impacts the success of integration. So this erodes the possibility of the success of an acquisition. Interactions are avoided from one or the other side. This mitigates the possibility of interlocking the strategy content with the context of the acquired firm.

Building the future. Despite their frustration concerning the implementation of the integration projects, ***acquired middle managers*** consider that *reassuring their subordinates* is an important task to accomplish. This practice also allows them to build trust with the acquiring management. They consider themselves as the natural channels between the acquired operational lines and the acquiring organization. To get their employees on board, they recognize the importance of accomplishing old requests thanks to the intervention of the acquirer. This includes, for example, small investments that can facilitate the tasks at operational level. Such “small victories” are a helpful instrument for acquired managers to reassure their subordinates.

Acquiring middle managers, on their side, start *questioning the strategy* they have applied up to this moment, based on the results obtained. Then, as the group handling the integration in different areas of the acquired organization, they seek to make sense of the lessons learned. They realize the importance of working side-by-side with their acquired colleagues, sharing responsibilities. Moreover, they understand that they have to protect the acquired organization from unnecessary or irrelevant corporate demands. They even influence the senior management with this change of mind to gain their support: “one of my first comments was that actually it had been my task to protect [the acquired] against [the corporate people of the acquirer].” Therefore, by the end of this first post-acquisition phase, acquiring managers working on the transaction convey a message that challenges the current strategy to their corporate colleagues, and to the top management.

Post-acquisition (Phase II): “The shared experience”

Acquiring managers’ understanding of the importance of the context and acquired managers’ better comprehension of the strategy content triggers the second post-acquisition phase. Depending on the transaction, this inflection point is usually reached before the second year of integration.

Framing the change. Over time, ***acquired middle managers*** better understand how they fit within the acquiring organization. They embark on a process of proactive adaptation; they are *rethinking their new position*. At this stage, acquired managers have more contact with top management. Consequently, acquired managers start analyzing the new owner’s communication patterns, degree of flexibility, and listening capacity. Acquired managers start delineating strategies to reach top management. For example, they learn what kind of knowledge, technical or managerial, they should deploy during their encounters, and how they should prepare and manage their reports.

After a period of struggling with their projects, ***acquiring middle managers*** understand that they have to include the local factor and they continue *reflecting on the strategy* for the integration. They devote themselves to a better comprehension of the acquired operation and the local environment. As they observe, they have to “back off” and think better how “not to kill the differences” that make up the strengths of the acquired organization. During this exercise, they reflect on the necessity of including local knowledge in their projects, and on the way in which they should approach their acquired colleagues. Due to the acquisition, these managers are not at corporate headquarters very often. Subsequently, they have to review their upward links; they might have difficulties communicating their view of the acquired firm’s situation and the changes needed in the strategy to top management. More often than not, they regret being far from the corporate core. Many of them consider the efforts and time dedicated to the acquisition as a threat to the development of their own departments.

Interacting through action. After the struggles of the first projects, both groups of managers set the pace for a new relationship. As one of them said, evoking the spirit of Borges: "The understanding of the word is based on the shared experience." Acquired managers' *bridging* efforts start bearing fruit and the initial inter-managerial monologue turns into a dialogue. Acquiring managers welcome the introduction of local knowledge; acquired managers remain attentive to the knowledge that the acquirer can bring. This is illustrated next:

> *On some issues, we presented a different position, but if they could prove that their solution was better, then we ended up going with that. And in the cases where we were able to demonstrate that we could have problems, especially because we were talking about products that were not very common for plants in the North (basically products for the domestic market), they accepted what we were proposing.* (Acquired middle manager)

Acquiring managers are *selling by reconciling* the integration requests from the corporate world with the possibilities offered by the acquired organization. They understand their dependence on the acquired organization. After the struggles, they found that "it [was] easy to destroy a performance but it [was] very cumbersome to build it up." This is illustrated next:

> *If you lose the focus on the business, you can't improve the performance. Now, if we speak of the performance of [the acquired], we are actually performing better than the rest of [the acquirer]. Then, obviously, if we want to implement everything they have in [the acquirer], then the risk is that we are going to be lowering our performance to the [acquirer's] level. So ... that is why we would like to take it a little carefully, so we would rather say that we will take a little bit more time until we reach 100% integration.* (Acquiring middle manager)

Related to the quote above, the acquired counterpart working side-by-side with his corporate colleague is thankful for this approach and recognizes the effort made: "[The integration] was done step by step. He has been introducing the [acquirer's] working procedures slowly to our system."

An important meeting point for middle managers from both companies is the shared professional exercise of developing new customers, coordinating integration projects, improving the acquired business, developing human resources, introducing new technology, etc. The practices of acquiring managers' *selling by crafting* and acquired managers' *bridging by crafting* enhance and catalyze their mutual understanding. Their interaction through these practices allows them to create and apply shared solutions. This exercise renders the acquired's context more intelligible for acquiring managers, while, in parallel, rendering the new owner's intended strategy's content more intelligible for the acquired middle managers. Importantly, the acquiring managers' crafting practice brings them closer to the acquired employees at lower levels of the hierarchy:

> *I think it came from the initial group, during the takeover, going to the floor, talking to the people, talking at their level. […] They went out to the floor, they talked to the hourly operators, they talked to the supervisors, talked to the management, and they built those relationships.* (Acquired middle manager)

In many cross-border acquisitions, acquiring managers are the only visible face of the new organization that the acquired personnel are confronted with. Herein resides the importance of acquiring managers also reaching employees working on lower levels of the hierarchy. As one of the acquiring managers described himself: We are "the first line of defence, or the first line of attack," thus putting across the idea of real "boundary spanning" agents (Balogun et al., 2005).

Building the future. At this stage, ***acquired middle managers*** are *courting internal and external stakeholders*. For example, the opening of new markets introduces these managers to international regulatory and audit agencies and potential customers. Changes to their organizational structure lead them to rethink their insertion into the industrial environment; this creates the necessity for them to connect to different external research and development networks.

Acquired managers not only have to sell their business to the external environment, but they also have to sell their projects to the new internal network. In this endeavour, they are competing for funds with other subsidiaries. In many cases, this internal network can also open the doors to international markets. Consequently, it is up to them to locate the important nodes that can bring more business to their units. For example, they need to earn the confidence of corporate sales managers to be able to reach new international customers.

Many ***acquiring middle managers*** consider introducing the newcomers to the internal network as part of their task. At first, they play the role of intermediaries as regard concrete problems. Over time, they start sharing the virtues of the acquired firm within the internal network. And as one of the interviewees observed, “It is not only moving people, but also moving knowledge.” Moreover, acquiring middle managers have to reshape the acquired firm’s connection to its own environment. They do so by activating new networks with the external constituencies of the acquired organization. For example, they establish links with local suppliers, regulatory and governmental agencies, and possibly with unions. As they represent the tangible face of the corporation in this new environment, acquiring middle managers have to enhance a set of new connections with strategic stakeholders to sustain the intended strategy.

Middle managers’ interactions at the heart of the acquisition process

This analysis leads us to observe that for each group of managers, the three sets of strategizing practices – *framing the change*, *interacting through action*, and *building the future* – unfold in chained cycles (see Figure 1). These three sets of practices are far from unrelated. Instead, they are connected via the interactions of middle managers. In so doing, the three strategizing practices come to reinforce one another as the acquisition progresses.

As we have seen, middle managers’ interactions are embedded in their operational activities. These interactions emerge through the tensions and problems that the managers face and deal with throughout the acquisition process. It is worth noting that the practice of *interacting through action* interconnects the practices’ cycles from both groups of managers. In so doing, this practice enables the evolution of the meaning of the two other sets of practices in an iterative way. This means that the interactional practices allow managers not only to reformulate their position toward the acquisition *(framing the change*), but also to shape the intended strategy by influencing different stakeholders (subordinates, other subsidiaries' members, top management, suppliers, customers, etc.) (*building the future*).

As we saw in the findings sections, *interacting through action* practices have different meanings for the two groups of managers. On the one hand, these practices reflect *bridging* initiatives for acquired middle managers. This refers to the attempt to connect with their counterparts with the aim of introducing their contextual knowledge and influencing the course of the acquisition process. These *bridging* initiatives evolve according to the different stages. They reach their peak during the second phase of the post-acquisition stage (see Figure 1: Observing the buyers → Bridging behind the scene → Laying bridges → Bridging and bridging by crafting). At this point, acquired middle managers' recover the upward roles they lost in earlier phases of the acquisition process, as they are now included in the strategy conversation (Westley, 1990).

On the other hand, *interacting through action* practices represent *selling* initiatives for acquiring middle managers, that is, their attempts to influence their counterparts to implement the intended strategy. These attempts are embedded, in the first three stages, with the idea of the buyer's supremacy (see Figure 1: Appraising the target's managers → Selling their intentions → Imposing the new strategy). In these stages, acquiring managers seek compliance from the acquired side. All other types of acquired engagement are considered disruptive. This situation changes rather abruptly in the second post-acquisition phase, as the acquiring-firm managers recognize the necessity of understanding the local operation and its environment in order to successfully perform their downward strategic roles (Selling by reconciling and by crafting from Figure 1). This is illustrated in Figure 2.

The pairing of acquired and acquiring middle managers' practice loops (*framing–interacting–building*) through the *interacting through action* practices enables the start of the second phase of the post-acquisition process. During the second phase, acquired managers' *bridging* initiatives amalgamate with acquiring managers' *selling* initiatives. This enables the emergence of a shared, mutual understanding. As a result, "the 'right' knowledge is in the 'right' place at the 'right' time" (Ambrosini et al., 2007, p. 85). This collaboration and working together allows middle managers from both sides to better frame the intended changes, and in so doing, to contribute to strategy adaptation by influencing external and internal stakeholders. This shared understanding helps to address the tensions between the strategy content and context. It further boosts the integration between both organizations and reinforces the acquisition's strategy-adaptation process. Consequently, such activities are manifest in acquisition value creation (Angwin and Meadows, 2015; Haspeslagh and Jemison, 1991; Meglio et al., 2015).

Notwithstanding, the second phase of the post-acquisition is not always reached in a transaction. This was observed in the studied acquisitions in that ten transactions reached the second stage of integration, eight transactions did not, whereas six were in the early stages of the process (i.e., they were studied during the negotiation stage or at the beginning of the post-acquisition stage). In transactions where the second phase was not reached, the potential value from the transaction was not reaped. Why is this? In such situations, middle managerial interactions are avoided from one or the other side. This decreases the possibility of interlocking the two managerial cycles. As a result, the potential value from the acquisition remains untapped.

INSERT FIGURE 2 AROUND HERE

Discussion and Conclusion

In this paper, we explore the strategizing practices of middle managers when involved in strategy adaptation during acquisition processes. The research offers three contributions to the literature on M&As.

Middle managers' strategic role in acquisitions. First, we advance research on the under-examined strategic role of middle managers set amidst the complex and ambiguous dynamics of cross-border acquisitions (Meyer, 2006; Moilanen, 2016; Vaara, 2003; Vickers and Fox, 2010). Whereas previous research recognizes the role of managers in acquisition-strategy implementation, top management is nevertheless considered as the drivers of change (Meglio et al., 2015; Risberg, 2001). Our findings enable placing middle managers at the core of the strategy-adaptation process in times of acquisitions. We do so by delving into middle managerial interactions and by considering acquisitions as a process vs. focusing on one stage only.

As a radical change to the involved organizations, the acquisition context significantly alters the strategic roles of middle managers (Floyd and Wooldridge, 1994). In this context, we observe that middle managers enact three sets of interrelated strategizing practices: *framing the change*, *interacting through action*, and *building the future*. These practices enable middle managers to recover their important roles related to strategy adaptation.

We found these three strategizing practices to be embedded in the day-to-day operations of both groups of managers. What is more, these practices evolve along the acquisition process. This evolution is, however, enabled by the managers' interactional practices (see the middle of Figures 1 and 2). These interactional practices can further be divided into (acquiring managers') *selling* and (acquired managers') *bridging* initiatives. Over time, through these interactions, managers from both sides are guided to understand their interdependency in the acquisition's strategy-adaptation process. In sum, it is through the combined work of acquired and acquiring managers that strategizing in acquisition proceeds. As Regnér (2003) suggests, strategy adaptation in the acquisition process is inductive and exploratory work, where both groups of middle managers play equally important roles.

Moreover, by using a processual approach (Haleblian et al., 2009; King et al., 2004; Meglio and Risberg, 2010), we are able to show that the success of post-acquisition integration is conditional upon acquired and acquiring middle managers' mutual contribution to strategy adaptation. This was visible in the latter part of our findings, where we observed that those acquisitions where inter-firm managerial interactions occurred proceeded to a second phase of post-acquisition integration. In these cases, the acquisition's intended strategy was adjusted to the acquired context. As a result, the potential value from the acquisition could be tapped.

Based on extant research on the role of middle managers, it has been established that middle managers, through their agency and their firm- and environment-specific knowledge, purposefully adapt their firm's intended strategy when met with a changing environment (Burgelman, 1983; Regnér, 2003). This is de facto the role of middle managers in organizations. The acquisition context, however, disrupts this scenario. In the case of acquisitions, firm- and environment-specific knowledge is distributed between two groups of managers. Until the two sides come to a mutual understanding, little of this knowledge is shared. An acquisition's success is thus dependent on middle managers' ability to share and mutually exploit this knowledge. This study therefore supports a processual and dynamic view of strategy adaptation in acquisitions, where middle managers are not only influencers and/or implementers, but also architects of that strategy in their day-to-day interactions that de facto shape the future of focal acquisitions.

A four-phased acquisition framework with middle managerial interaction at the core. In contrast to previous research that takes a segmented view on the acquisition process (Ghorbal-Blal, 2011; Meyer, 2006; Teerikangas, 2012; Vickers and Fox, 2010), we propose a processual framework along a four-phased acquisition process: pre-acquisition, negotiation, and two post-acquisition phases. These four phases are interrelated. We observed middle managers' interactional dynamics to evolve progressively along these four phases. In this process, middle managers use their past to make sense of new episodes and shape the tacit knowledge required to confront the future. This finding leads to our second contribution, which evidences that middle managers' interactions are at the core of acquisition processes. We argue that the success of a focal transaction depends on the evolution of these interactional dynamics. We show next how this occurs per acquisition stage.

During the pre-acquisition stage, middle managers from the acquired and acquiring sides observe each other amidst a context of power and emotional asymmetry. This context precludes them from sharing all information openly. Our finding contradicts Moilanen (2016), who considers this phase as facilitating the acknowledgement of similarities and differences between the two organizations.

Moving on to the negotiation stage, to our knowledge, this study is among the few in the M&As literature to examine the pre-acquisition negotiation stage. For middle managers and from a strategy-adaptation perspective, we found this phase to be critical within the overall acquisition process. Even though middle managers are not formally involved in the negotiations, we found them to be informally working on post-acquisition integration planning as soon as the deal had been closed. The negotiation phase thus impacts the integration process depending on how managers share information with one another. All the while, the acquired management resides in an organizational limbo, facing emotional uncertainty.

Following this stage, our study posits a two-phased view of post-acquisition integration. In the first phase, acquiring managers resist embracing the acquired managers' contextual knowledge. This leads to acquiring managers struggling with their implementation projects. The acquisition literature shows acquired middle managers resisting the intended strategy as they provide their interpretation of the context (Meyer, 2006; Vickers and Fox, 2010). In contrast, we show here that, more often than not, their interventions only express the acquired managers' need for continuity (Mantere, 2008), and that it is their way of contributing to the strategy-adaptation process.

Importantly, the arrival of the second integration phase is key to the success of the acquisition process. In the second phase, by means of their interactions, both groups reconcile the strategy content with the local acquired-firm context. They start to valorize their differences. Through this process, strategy adaptation is enabled, and the resulting strategies fit the local acquired-firm context. This leads us to argue that middle managers' interaction dynamics need to be considered as one of the "unidentified variables" that explain the low rate of success of M&As (King et al., 2004). This echoes Larsson and Finkelstein's (1999) finding that integration is at the heart of synergy realization in acquisitions. Based on our findings, taking a strategy-adaptation perspective, we claim that integration occurs via strategy adaptation, the success of which depends on middle managerial interactions. Whereas previous research has alluded to the roles of middle managers in acquisitions, to our knowledge, our study is the first to study the two parties in tandem. This approach leads us to highlight the importance of middle managerial interactions to acquisition and strategy-adaptation success.

Novel view to the standing of middle managers in acquisitions. This research offers a novel view of middle managers in acquisitions, and in so doing, abandons the classic view of acquiring managers as conquerors and acquired managers as resistors (Datta, 1991; Jemison and Sitkin, 1986). Our findings lead us to question the pervasive view in the extant research that considers acquiring managers as distant and unquestionable process drivers (Chreim and Tafaghod, 2012; Moilanen, 2016; Teerikangas et al., 2011) and acquired managers as hesitant followers immersed in a conflictive context with eroded positions (Chreim and Tafaghod, 2012; Schriber, 2012). Our findings posit that regardless of their respective position, the acquisition process increases the characteristic of the middle managerial role "being in the middle" (Harding et al., 2014).

Moreover, we find that the acquisition context accentuates the necessity of middle managers deploying diverse resources and skills in order to offset their lack of formal power (Rouleau et al., 2015). Mantere (2008) argues that middle managers use past experiences to evaluate their inclusion in the strategy conversation. However, middle managers immersed in the acquisition process have lost this anchor point – for middle managers from both sides, the anchor point belongs to a different context (previous owner for acquired managers, acquiring-firm view for acquiring managers). As a result, the acquisition context leads middle managers from both sides to deal with numerous paradoxes and competing rationalities regarding the change (Bryant and Stensaker, 2011; Lüscher and Lewis, 2008).

Implications for management practice and future research. This research bears three important implications for practice. First, top management needs to favour dialogue between managers from both organizations from the start of the acquisition process onward. Shared experiences need to be encouraged in order to accelerate the acquisition's progress and to enable a focal acquisition to move on to the second post-acquisition phase. Second, acquiring middle managers need to understand the importance of their interventions throughout the entire acquisition process. Acquired managers are attentive to any signal coming from the acquiring organization. Importantly, acquiring managers need to ensure that they involve the acquired representatives.

Third, an acquisition represents a disruption in acquiring middle managers' careers, as integration work takes much effort, and might represent long periods far away from home and far from the political node of headquarters. Therefore, acquiring organizations must keep an eye on these managers as they might start to doubt pursuing their careers at the acquiring firm.

Going forward, our research bears important implications for future research. To begin with, we call for more research on the role of middle managers in times of acquisitions. More research is also warranted on the impact of pre-acquisition and negation stages on the post-acquisition (integration) process, particularly from a managerial perspective. Clearly, the acquisition puzzle is far from being resolved. We suggest that more effort on the role of middle managers is needed.

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Figure 1: Acquired and acquiring middle managers' strategizing practices along the acquisition process

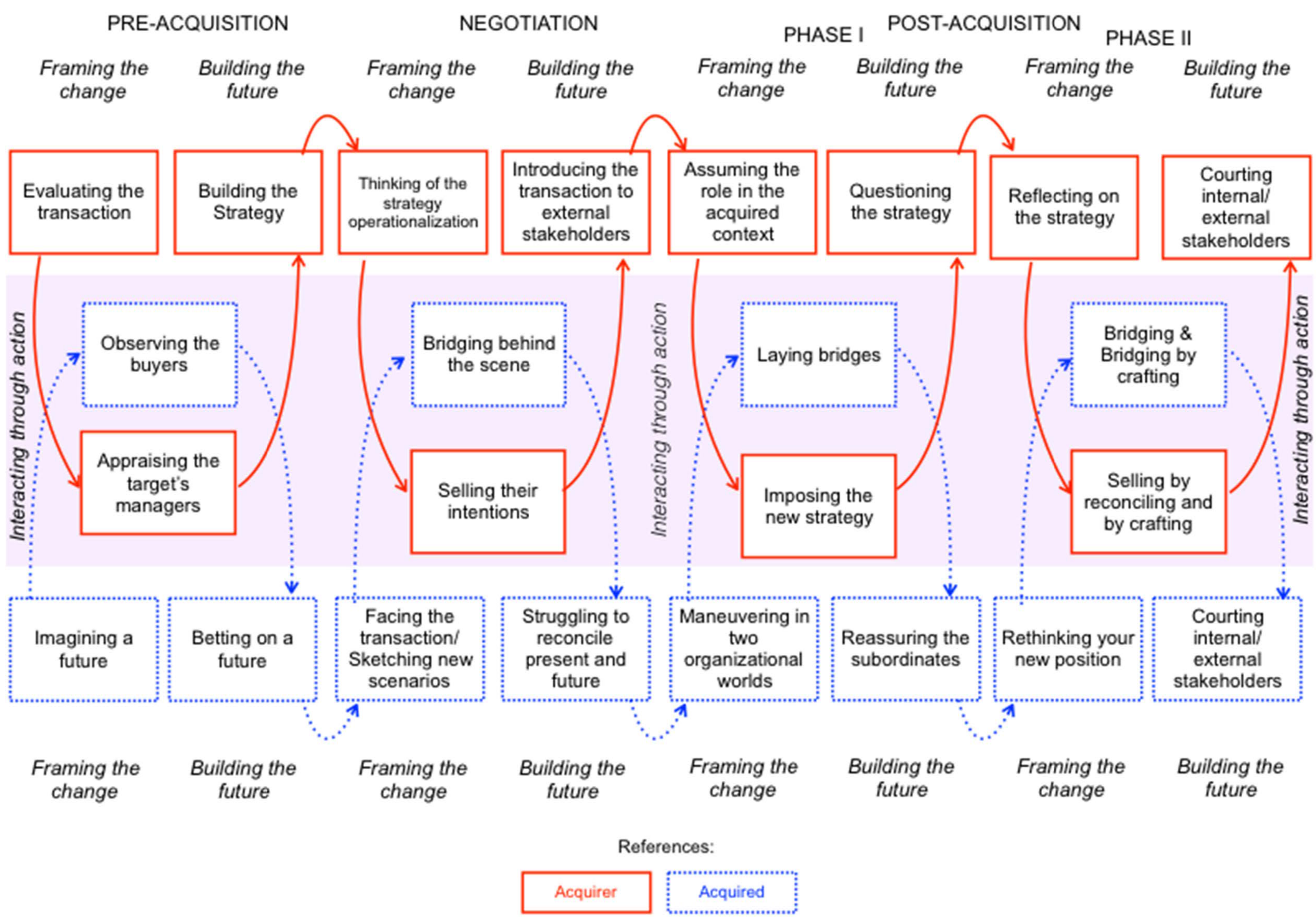

Figure 2: Pairing of acquired and acquiring practice's cycles in successful acquisitions