



Contents lists available at ScienceDirect

## Management Accounting Research

journal homepage: [www.elsevier.com/locate/mar](http://www.elsevier.com/locate/mar)

# From distrust to trust: Balancing between forcing and fostering management control systems in a hostile cross-border post-acquisition integration

Erkki Vuorenmaa

Turku School of Economics, University of Turku, Finland

## ARTICLE INFO

## Keywords:

Trust  
Distrust  
Forcing  
Fostering  
Mergers  
Management control systems  
Post-acquisition integration

## ABSTRACT

Extant research contends that in a context characterised by distrust, partners do not engage in developing trust in each other, and the use of management control systems creates tensions and increases distrust. This begs the questions of whether and how trust can be promoted and management control exercised in such a context. Thus, this paper examines the interplay between management control systems and (dis)trust in a hostile post-acquisition integration of two global companies. In doing so, this paper provides a detailed analysis of the role of management control systems as well as the underlying motives and the consequences of their use in various integration processes at different organisation levels. Applying the labour–management negotiation strategy theory, this study distinguishes between two modes of implementing management control. First, in the *forcing* mode, management control systems are used to coerce and monitor employees and instil top-down organisational values in them to promote controllability. Second, in the *fostering* mode, management control systems are exercised to promote mutual benefits, learning and shared values to support cooperation. The results show that the combined use of forcing and fostering management control systems supports the development of trust in the post-acquisition context characterised by distrust. Forcing control promotes trust by providing stability, creating accountability for cooperative achievements and supporting conflict resolution, whereas fostering control develops trust by facilitating goal sharing, mutual learning and value integration. This study advances the knowledge of management control systems and the relation between (dis)trust and control in the post-acquisition integration context by demonstrating why and how managers balance between forcing and fostering controls and how these control modes, separately and in combination, interact with (dis)trust.

## 1. Introduction

Trust and control are key elements for the success of organisational and inter-organisational relationships (Long and Sitkin, 2018). Trust promotes cooperation, advances open sharing of information, facilitates adaptability and flexibility and increases commitment (e.g., McAllister, 1995; Mishra, 1996; Uzzi, 1997; Woolthuis et al., 2005). In contrast, control is needed to coordinate, monitor and communicate goals and values (e.g., Dekker, 2004; Merchant and Van der Stede, 2007; Ouchi, 1979). Despite extensive research on the relation between trust and control (e.g., Coletti et al., 2005; Das and Teng, 1998, 2001; Dekker, 2004; Emsley and Kidon, 2007; Long, 2018; Tomkins, 2001; Van der Meer-Kooistra and Vosselman, 2000; Vélez et al., 2008), researchers have limited knowledge of how trust is promoted and how control is exercised to support a cooperative relationship in a distrusting context.

According to prior research, it is not possible to develop trust or to exercise control to support cooperation in a distrusting context. Scholars argue that if ex-ante distrust exists, partners do not engage in developing trust relationships, and compensating such lack of trust with reliance on control only creates tensions and increases distrust (e.g., Das and Teng, 2001; Dekker, 2004; Enzle and Anderson, 1993; Ouchi, 1979; Tomkins, 2001). However, in many business relationships, both intensive control and cooperation are desired despite the lack of ex-ante trust. For example, these requirements apply to interorganisational arrangements between competing firms, hostile mergers and acquisitions and intra-firm teamwork between conflicting parties.

This study examines the interplay between (dis)trust and control in a hostile post-acquisition integration context. Mergers and acquisitions are as common as they are important in business practices. For instance, the total value of yearly announced mergers and acquisitions worldwide

E-mail address: [erkki.vuorenmaa@utu.fi](mailto:erkki.vuorenmaa@utu.fi).

<https://doi.org/10.1016/j.mar.2024.100889>

Received 8 May 2019; Received in revised form 21 February 2024; Accepted 26 February 2024

1044-5005/© 2024 The Author(s). Published by Elsevier Ltd. This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>).

has ranged from US\$3.6 to US\$5.9 trillion over the last five years (Bain and Company, 2023).<sup>1</sup> According to extant research, more than one-half of mergers and acquisitions do not deliver the expected benefits (e.g., King et al., 2004; Porter, 1987; Sudarsanam, 2010). The central reason for this lies in the difficulties in managing post-acquisition integration (Larsson and Finkelstein, 1999).

The interplay between management control and (dis)trust is a relevant challenge in post-acquisition integration. Mergers and acquisitions typically target cost savings, not only through changes in structures and positions but also through layoffs; all these decisions can understandably create uncertainty, stress and hostility (Buono and Bowditch, 1989). At the same time, cooperation between the merging companies must be promoted since both will benefit from cross-selling and sharing best practices and knowledge (Haspelagh and Jemison, 1991).

Surprisingly, the management control literature has devoted little attention to the post-acquisition integration process or related practices. Prior studies have mainly focused on examining the integration of accounting functions, deviations in accounting policies between the merging companies, and changes in the use of management accounting during and after the mergers and acquisitions, in addition to the implementation of enterprise resource planning (ERP) and Sarbanes-Oxley (SOX) systems in the acquired companies (Granlund, 2003; Jones, 1985a, 1985b, 1986; Väisänen et al., 2021). Consequently, knowledge about how management control is used to realise synergies between companies and how the interplay between control and (dis)trust occurs in the post-acquisition integration process is currently limited.

This study examines the use of management control and its interplay with (dis)trust in the post-acquisition integration characterised by distrust. The empirical analysis is based on a four-year case study of two former competing companies, which, by merging, targeted synergies by both removing overlaps and sharing knowledge. To achieve the synergies, the merged company needed to implement intensive management control systems to execute restructuring and to develop trust in order to promote sharing best practices and establishing joint projects. Applying Merchant and Van der Stede's (2007) management control systems dichotomy, this study analyses how the merged company implemented management controls to deal with distrust and to promote trust in order to achieve targets in different post-acquisition integration processes.

By advancing the understanding of the interplay between (dis)trust and control in post-acquisition integration, this study contributes to existing trust and control research (e.g., Das and Teng, 2001; Dekker, 2004; Ghoshal and Moran, 1996; Tomkins, 2001; Vélez et al., 2008). Applying the labour-management negotiation strategy theory (Kenno and Free, 2018; Walton et al., 1994), this paper distinguishes between two modes of implementing management control. In the *forcing* mode, management control systems are used to coerce employees to abide by company policies and monitor employees' performance, as well as instil top-down organisational values in them to promote controllability. In the *fostering* mode, management control systems are exercised to promote mutual benefits, learning and shared values to support cooperation. This study shows that these two modes of control, separately and jointly, have different relations to (dis)trust in post-acquisition integration. This paper delineates how the combination of the forcing and the fostering management control systems supports the development of trust in the post-acquisition integration context characterised by distrust. This study demonstrates that forcing control promotes trust by providing stability, creating accountability for cooperative achievements and supporting conflict resolution, whereas fostering control develops trust by facilitating goal sharing, mutual learning and value integration. This paper shows that on one hand, intensive forcing control

pressures can cause untrustworthy behaviour; on the other hand, loyalty promotes benevolent behaviour despite distrust and forcing control in the post-acquisition integration context. This study's results contribute to current management control research (e.g., Malmi and Brown, 2008; Merchant and Van der Stede, 2007; Tessier and Otley, 2012) by depicting how and why forms of control are used to promote trust, mutual learning and unity.

This paper is structured as follows. Section 2 begins with a review of existing theories on the relation between trust and control to identify knowledge gaps, which serves as a further motivation for this study. Then, a distinction is made between forcing and fostering management control systems. In Section 3, the study's research design is described. Section 4 presents the empirical results of the study. In Section 5, the implications of the results are discussed. Section 6 concludes this paper.

## 2. Theory

### 2.1. Trust and control

Trust and control are central in forming a cooperative relationship since both factors can build mutual confidence, that is, each partner will act in the other's best interest (Das and Teng, 1998). In this research, trust is defined as 'the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor' (Mayer et al., 1995: 712). In relationships between individuals and groups, which this current study focuses on, trust can stem from perceptions of the other party's benevolence, competence and integrity (Mayer et al., 1995). These perceptions can be based on prior experience and on social categorisation. Individuals tend to categorise others under various social groups and expect these group members to act in a similar manner. Individuals who identify themselves with certain social groups or organisations may feel obligated to behave in a more trustworthy manner in their groups and to more easily trust the group members (Kramer et al., 1996).

In prior management control literature, the use of controls has been described as compensating for the lack of trust (e.g., Merchant and Van der Stede, 2007) and providing confidence in cooperative relationships as influencing the other party's behaviour to make it congruent with cooperation objectives (cf. Ouchi, 1979). Earlier research has identified three different forms of control – result, action and personnel/cultural controls (Eisenhardt, 1985; Merchant and Van der Stede, 2007; Ouchi, 1979). Result control refers to measuring individuals' performance, such as financial achievements. Action control involves monitoring and measuring the behaviours of actors, including using hierarchies, rules and codes. Personnel/cultural control means guiding employees by instilling top-down organisational values and norms in them and exerting social pressure on them to put these into practice.

### 2.2. Ambiguities in the co-development of trust and control in a distrustful context

In prior research, the co-development of trust and control has been described as a gradual process. The most comprehensive depiction of

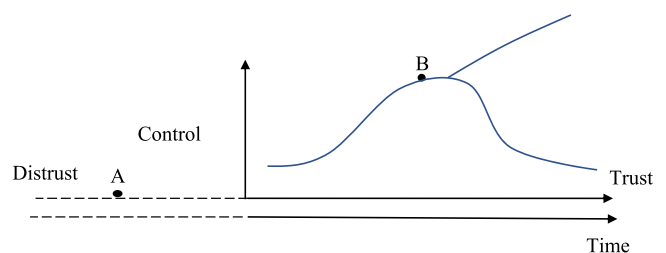


Fig. 1. Co-development of trust and control (adapted from Tomkins, 2001; Vélez et al., 2008).

<sup>1</sup> This figure includes only the announced deals that can be collected via databases. It does not account for, recognise or include the execution of several small deals.

this process thus far is Tomkins' (2001) theoretical model that assesses the relation between trust and control. The right-hand side of Fig. 1 (marked with an unbroken line) illustrates the current understanding that both trust and control are gradually increased as a cooperative relationship is intensified. If control is intensified without the necessary trust, it hampers the development of trust and escalates conflicts (Das and Teng, 2001; Dekker, 2004; Enzle and Anderson, 1993; Frey, 1993; Ouchi, 1979; Tomkins, 2001).

According to prior research, controls can promote trust only when the latter is mature. This requires controls to avoid posing a threat to autonomy and signalling a lack of trust; instead, they should be used for coordinating work (Christ et al., 2008; Emsley and Kidon, 2007; Malhotra and Lumineau, 2011; Tomkins, 2001). When a relationship is mature and trust is developed, controls can be decreased, as illustrated by the downward line in Fig. 1. However, if more commitment to the cooperative relationship is needed, the control of the mature relationship can be increased without decreasing the level of trust (e.g., Vélez et al., 2008). This explains the straight line drawn after the inverse U-shaped curve in Fig. 1.

According to extant research, should the point of departure be distrust, then achieving both a high level of trust and intensive control is not possible, that is, moving from point A on the left to point B on the right in Fig. 1.<sup>2</sup> Commitments cannot be made in a relationship where distrust exists (Tomkins, 2001). Distrust refers to a situation where individuals or groups suspect that their values and/or interests to be violated. These suspicions can stem from the lack of shared assumptions or values and from negative experiences (Sitkin and Roth, 1993). According to prior research, an actor who distrusts a partner or an organisation will likely be unwilling to take risks by attempting to develop trust. Thus, scholars have emphasised the search for a trustworthy partner (Dekker, 2004; Tomkins, 2001).

However, extant research has not considered situations where choosing a trustworthy partner and gradually developing trust is not possible. In many inter-organisational relations, choosing a trustworthy partner seems often possible, whereas in intra-organisational relationships, choosing a partner is usually out of one's hands. The composition of teams and other forms of cooperation are often dictated at upper organisational levels. In many cases, such as in reorganisations and mergers, there is often the need for instant intensive control and cooperation, frequently in a sensitive atmosphere. It calls for advancing a theory of how to manage a situation and develop trust in the context of a non-existent ex-ante trust.

According to prior research, establishing control also requires ex-ante trust. It is unlikely that divergent goals and distrust in a partner would result in agreements about goals, coordination and the evaluation of the achieved targets, all of which are needed to cultivate both trust and control (Goold and Quinn, 1990). Scholars have demonstrated that existing or emerging distrust in a relationship culminates in a degradation or a dissolution of the relationship (Emsley and Kidon, 2007; Free, 2007; Woolthuis et al., 2005). The current knowledge concerning the escalation of conflicts and the dissolution of relationships is based on either inter-firm (Free, 2007; Woolthuis et al., 2005) or conceptual studies (e.g., Das and Teng, 2001; Ghoshal and Moran, 1996). In ex-ante distrusting intra-organisational relationships, it seems unlikely for employees in every situation to resist management controls and for conflicts to escalate without the possibility of a good escape, such as an alternative work offer. It is more likely that attempts are made in one way or another to overcome distrust in hierarchical or lateral relationships so as to build beneficial relationships.

However, extant research has not provided tools to promote both trust and control in an ex-ante distrusting context. Scholars have argued

<sup>2</sup> Points A and B are merely illustrative in nature. The main point is how to proceed from distrust (the dotted line) to trust (the inverse U-shaped curve in the figure).

that the use of result and action controls can intensify suspicion and opportunism, weaken motivation and inflame hostility, and initiate a vicious cycle of escalating control and conflict if ex-ante trust does not exist (e.g., Free, 2007; Ghoshal and Moran, 1996; Ouchi, 1979). The use of personnel/cultural controls has been suggested, with the intent to develop trust (Das and Teng, 2001). However, the cited authors have not considered how parties who distrust each other would share the same values necessary for implementing and operating these controls. Thus, extant research does not support the idea of applying either result and action controls or personnel/cultural controls to promote cooperation in a distrusting context.

The knowledge of the relation between trust and control is also incomplete in trusting contexts. As existing research has focused on contexts where trust is already developed, there is a limited understanding of how trust and the uses of management controls interact during the development process. Prior research has concentrated on examining whether in the trusting context, the existence of controls hampers or strengthens trust (Dekker, 2004; Emsley and Kidon, 2007; Free, 2007; Vélez et al., 2008) and how the use of controls is limited to facilitating the development of trust at the early stages of a collaborative relationship (e.g., Langfield-Smith and Smith, 2003). Extant research has mainly offered the perspective of the smooth progressive development of ex-ante trust based on the reliance on the composition of trust and management control systems, without any requirement to use controls for solving trust-related problems during the cooperative relationship (e.g., Coletti et al., 2005; Väisänen et al., 2021). The result is limited (if any) empirical knowledge of how trust and control co-develop, whether and how management control systems are used to promote trust, and how the challenges in the co-development of trust and control are tackled.

Until recently, scholars had not considered managers' role and decision-making concerning the co-development of trust and control. Early results show that managers understand the importance of trust for cooperation and attempt to promote trust besides using management control systems (Long, 2018). Long's (2018) study is prominent, but because he focused on distinguishing between trust promotion activities and the use of management control systems, he did not analyse whether and how managers would consider the use of management control systems in promoting trust and how they would make decisions balancing between trust and control.<sup>3</sup> Examining the co-development of trust and management control systems from point A to point B offers this present study the possibility to contribute to the understanding of the interplay between management control and (dis)trust in both distrusting and trusting contexts.

### 2.3. Forcing and fostering management control systems

While prior literature on trust and control has not identified the controls used to promote trust, evidence from labour-management research shows that managers use control mechanisms differently, depending on whether the intention is to coerce or cooperate with labour (Walton et al., 1994). This present study uses Walton et al. (1994) labour-management negotiation theory that distinguishes between the forcing and the fostering strategies applied to deal with labour issues. For example, this framework has been applied in research on organisational and inter-organisational industrial negotiations (Bacon and Blyton, 2007; Helfen and Sydow, 2013), human resource management

<sup>3</sup> Long (2018) used manager interviews and survey data to examine how managers' demonstrations of their trustworthiness were associated with their use of management controls in ex-ante trust situations. His results do not increase the understanding of the interplay between trust and control *per se* since his study did not involve an examination of the effects of these trust-building activities on trust between managers and their subordinates and the use of management controls.

(Boxall and Purcell, 2000) and the use of accounting information in labour–management negotiations (Kenno and Free, 2018).

The forcing strategy refers to the traditional command-and-control style of management, where managers attempt to implement their plans, norms and values using coercion. Walton et al. (1994) argue that managers use this strategy when they have confidence in their positions of power, target substantive changes and suspect voluntary change as unsuccessful. The forcing strategy is exercised although managers acknowledge that it can ruin the cooperative atmosphere. In fact, part of this strategy can be intentional hostility, threats and confrontations, which are used to pressure employees to accept the planned changes.

The fostering strategy refers to the cooperative style of management, where managers intend to implement their plans through mutual benefits and aim for shared norms and values. Walton et al. (1994) explain that managers use this strategy when attempting to promote a positive atmosphere and shared goals, as well as facilitate trust to enhance mutual information sharing and problem-solving. The fostering strategy is also applied to soften employees’ resistance to substantive changes, increase their motivation to engage in cooperation, and promote flexibility in solving problems. The expectation that planned changes are either favoured or will later be admitted as beneficial lies behind this strategy.

In examining labour–management negotiations, Kenno and Free (2018) identified differences in the focus, precision and intent of accounting information and the type of interaction between the negotiation parties, that is, whether accounting information was exercised in a forcing or a fostering manner. They recognised that in the forcing use of accounting information, the focus was on hard bargaining and prescriptions, information sharing was limited, the use of information had a cost-oriented intent, solutions to problems were unilaterally presented, and interactions between parties were limited. In contrast, the fostering use of accounting information was focused on problem-solving and consensus-building between negotiating parties, the intent was development oriented, accounting information was openly shared, solutions to common problems were mutually developed, and interactions between parties occurred at a high frequency.

Applying Walton et al. (1994) forcing and fostering dichotomy and Kenno and Free’s (2018) distinction between forcing and fostering uses of accounting information, this study suggests four characteristics that distinguish between forcing and fostering management control, namely intent, focus, type of interaction and values. These characteristics are presented in Table 1. This study argues that the intents of exercising forcing management control are to implement unilaterally developed solutions by coercion and to focus on conformity and bottom-line development. In the forcing control mode, the command-and-control style describes the interaction between the management and subordinates and the management’s attempt to implement organisational values to support its pre-determined goals. The intent of fostering

control is to promote cooperation and consensus, focusing on mutual problem-solving and coordination. In the fostering control mode, mutual discourse characterises the interaction between the management and subordinates, and the management aims for shared organisational values.

Following the above-described characteristics of forcing and fostering management control, this study distinguishes between forcing and fostering uses of result, action and personnel/cultural controls, as described in Table 2.<sup>4</sup> The distinction between forcing and fostering uses of result controls is based on how Walton et al. (1994) describe the financial target setting and monitoring in both approaches. In the forcing strategy, managers set tight, top-down financial targets and focus on monitoring deviations. In the fostering strategy, managers enhance mutual commitment to goals, and financial targets are used more for coordination than for monitoring deviations.

The difference between forcing and fostering uses of action controls is based on Walton et al. (1994) explanation of the distinctive use of hierarchies in each strategy. In the forcing strategy, hierarchies are used to monitor behaviour and to enhance compliance, whereas in the fostering strategy, hierarchies are used to promote mutual learning and commitment and to support flexibility. Finally, this study distinguishes between forcing and fostering uses of personnel/cultural controls based the implementation of values and norms in each strategy, according to Walton et al. (1994). In the forcing strategy, managers attempt to instil their norms and values in their subordinates, which serve the managers’ goals. When subordinates do not share these values, this can cause a cultural confrontation, whereas in the fostering strategy, managers pursue shared values and norms.

Walton et al. (1994) recognise that managers can use both forcing and fostering strategies to mitigate the risks posed by each strategy. The forcing strategy can be used concurrently with the fostering strategy to promote accountability for changes when it is expected that relying only on the fostering strategy will not create enough pressure to commit to and implement changes. In contrast, the fostering strategy is employed to promote a positive attitude towards changes and facilitate the development of creative solutions to problems when relying only on the forcing strategy can escalate conflicts and distrust. However, Walton et al. (1994) argue that ex-ante trust seems to precede the use of either the fostering strategy or the combination of forcing and fostering strategies in labour–management negotiations. Thus, it is fruitful to employ

**Table 1**  
Characteristics of forcing and fostering management control systems.

	Intent	Focus	Type of interaction	Values
Forcing control	Coercion	Bottom-line development and compliance with organisational rules and procedures	Command-and-control	Implemented top-down (not necessarily shared) to support conformity with targets
Fostering control	Consensus and cooperation	Mutual problem-solving and coordination	Mutual discourse and open sharing of information	Mutually shared to support community-building and problem-solving

**Table 2**  
Forcing and fostering management control systems.

	Forcing	Fostering
Result control	Financial targets are implemented in a top-down manner, and the control focuses on monitoring deviations. Financial targets are used to limit autonomy and promote compliance with goals.	Financial targets are implemented in a discursive manner to support open sharing of information, learning, finding mutually beneficial solutions and commitment. Financial targets perform coordinating and communicative roles.
Action control	Hierarchies are used to limit autonomy, monitor behaviour and enforce compliance with procedures.	Hierarchies are used to promote communication, coordination and mutual learning and to support flexibility.
Personnel/cultural control	Controls are used to implement values and norms to support conformity with top-down set financial targets and rules.	Controls are used to promote the development of both shared values and norms to support mutual problem-solving and community-building.

<sup>4</sup> Forcing control can include exploitative characteristics (see Walton et al., 1994), which are not included in the text and in Table 1 since they are not the focus of this study.

the dichotomy of forcing and fostering uses of management control systems to examine whether and how trust can be promoted in a distrustful context.

#### 2.4. Research context

Post-acquisition integration represents a prominent context in which to explore the dilemma of control and (dis)trust. In post-acquisition integration processes, the balance of trust and control plays an important role in achieving stability and synergy. While excessively limited control can result in the lack of coordinated integration and the risk of failing to achieve the targeted synergy, excessively intensive control over the acquired company can be taken as a sign of disrespect and risks hampering the establishment of a collaborative atmosphere. A lack of trust can create an unhealthy organisational environment, hindering cooperation and resulting in instability in the merged company, which can consequently impede the integration process (Buono et al., 1985).

The extant literature paints post-acquisition integration as a tense process with several obstacles to the development of trust. Some scholars have found that the atmosphere between merging parties can be negative beforehand due to difficult merger negotiations and prior competition (Marks and Mirvis, 2000; Olie, 1994). Often, difficult matters that may be expected to hamper negotiations are avoided in merger negotiations, and sometimes, even false promises are made. As these false promises are revealed, additional problems arise during post-acquisition integration (Buono et al., 1985; Graebner, 2009; Jemison and Sitkin, 1986).

During the integration process, cooperation problems have been found to emerge from employees' hostility and uncertainty regarding organisational changes and career prospects (Buono and Bowditch, 1989; Cartwright and Cooper, 1993); loss of identity and suspicions concerning the merger partner (Maguire and Phillips, 2008); difficulties stemming from the merging parties' different management styles and cultural clashes (Bresman et al., 1999; Datta, 1991; Granlund, 2003; Vaara, 2003; Weber et al., 1996); and organisational changes that can cause infighting, resistance to change, divided loyalties and power shifts (Haspelagh and Jemison, 1991). While tensions between merging parties can delay cooperation and integration (Bresman et al., 1999), it has been found that even in friendly mergers, where rationalisations are not needed, fostering cooperation is difficult when the merging parties believe that they will not benefit from collaborating and do not identify with the partner company (Empson, 2001). Prior literature has concentrated on collaboration problems in post-acquisition integration, and research on the development of trust between merging parties has been called for (Graebner et al., 2017).

According to prior research, acquiring companies have typically not trusted their acquired companies and have thus compensated for this lack of trust with intensive management control. This is manifested as taking power out of the hands of the acquired company's managers, for example, by limiting their decision-making authority and intensifying control over the acquired company (Granlund, 2003; Jones, 1985a, 1985b; Roberts, 1990). Scholars have found that reducing the power of the acquired company's managers and implementing the acquirer's systems have created problems. For instance, not all managers have been willing to adjust to their new, less powerful roles; new, tight procedures and leadership styles have weakened employee morale; and eventually, personal conflicts and power games have hampered the integration process (Granlund, 2003; Jones 1985a, 1986). The acquirer's typical arrogance towards the acquired company – 'since we acquired you, we are smarter than you are' (Jemison and Sitkin, 1986: 159) – does not offer a good foundation for a healthy organisational climate and cooperation. In contrast, when an acquirer has trusted the acquired company and invested in mutual understanding in the implementation of new intensive controls, cooperation has been fluent (Väisänen et al., 2021). Despite considerable research on how accounting control systems are implemented, limited attention has been paid to how management

control systems have been used for governing synergy processes and establishing collaboration between parties.

Scholars have also reported that the acquired company's commitment to the merger can be encouraged by giving its key managers prestigious roles and financial incentives, forming the new top management team from both merged companies and showing respect for the acquired company, for instance, by travelling from the headquarters to the acquired company to meet its personnel and be familiarised with its operations and maintaining continuous communication. Effective mechanisms also include transition teams, the involvement of senior management, bonding retreats, celebrations and temporary social exchange/rotation (Ashkanashy and Holmes, 1995; Haspelagh and Jemison, 1991; Larsson and Lubatkin, 2001; Ranft and Lord, 2002). While these studies have generated knowledge about effective mechanisms for committing the acquired company's members to the merger in a friendly post-acquisition, there is a need for more information about how these mechanisms are deployed in post-acquisition integration processes marked by heightened tension.

To summarise, the post-acquisition integration process and all of its corresponding challenges related to achieving synergies between the merging firms comprise a productive context in which to analyse the relation between management control and (dis) trust. Examining this subject offers an opportunity to answer the calls for enhancing the understanding of the role and use of management control (Granlund, 2003) and the development of trust in post-acquisition integration (Graebner et al., 2017). Foremost, this context offers the potential to advance the theoretical understanding of the relation between trust and control.

### 3. Research design

#### 3.1. Case selection

Researching the evolution of trust and control requires the collection and analysis of longitudinal qualitative data. For this purpose, a longitudinal case study of the merger between two global companies – one Finnish and one Dutch – was carried out. The Finnish company acquired the Dutch company, which was twice its size. Both companies maintain manufacturing and sales operations in more than 30 countries.

This merger was considered suitable for studying the establishment of trust and the interplay between (dis)trust and control for several reasons. First, the acquisition process between these formerly fierce competitors was as difficult as it was volatile. This was mostly due to the Dutch company executives' resistance, which subsequently evolved into an often tense relationship between the parties. Second, the acquisition was framed as a 'merger of equals' by people both inside and outside the merged entity. This framing predicted that the merging parties would devote their attention to the development of trust in the merged entity. Third, the companies were mainly complementary and targeted synergies through sharing best practices and establishing joint projects. The recognition of synergies in these areas underscored the need to develop good conditions for cooperation in the newly merged company. Fourth, aside from their complementary characteristics, both companies also operated numerous overlapping businesses. There was substantial pressure to implement a number of rationalisation projects to achieve multiple synergies. Both during and after these rationalisation projects, opportunities were presented to explore the management of cooperation. Lastly, considering the delicate nature of the subject matter, it was fortunate that the case company was open to the research project and its accompanying data needs.

#### 3.2. Data collection

The data collection for this project commenced less than two years after the completion of the merger, while many integration projects were ongoing, and it lasted for three years. Primarily non-retrospective data were collected, although some retrospective elements were

included. Similar to prior studies using only retrospective data (e.g., Langfield-Smith and Smith, 2003) or both retrospective and non-retrospective data (e.g., Vélez et al., 2008) to investigate trust and control relations, this study also applied multiple data collection and analysis techniques to avoid the weaknesses of retrospective data and to strengthen the validity and reliability of non-retrospective data.

The data collection also involved interviews with actors who participated in the integration process and a review of acquisition and integration materials, such as assessments of the acquisition target, business and strategy plans for the merged company, several integration and implementation plans, and external and internal news items. In total, 33 interviews with 27 actors at different organisational levels were conducted in 6 countries. The Appendix provides the list of interviewees. Of the interviews, 19 were held with individuals working for the acquiring company, while 8 were conducted with employees of the acquired company. The interviewee selection was designed to produce a comprehensive picture of a range of integration processes – that said, the primary focus was on those integration processes that were expected to require thorough cooperation between the merging parties.

The interviewees also represented different organisational levels. At the group level, interviews were conducted with the Chief Executive Officer, the Chief Financial Officer and other executive team members, as well as with representatives from human resources, communications, group operations and accounting functions. At the business group and business unit levels, the interviewees included Business Unit and Group Managing Directors and Controllers, a Shared Service Director, and Sales and Operations Managers and Directors. The author's confidential relationship with the case company made it possible to interview people who would be laid off shortly after the interview. In addition to the then-current management and employees, some retired directors who no longer had any obligations to their former companies were also interviewed. Besides interviewing the people involved in the integration at different organisational levels for the purpose of obtaining a more complete picture of the use of management control and its relation to cooperation, interviews were held at several hierarchical levels to target data triangulation. The interviews had an average duration of about two hours<sup>5</sup> and were audio recorded and then transcribed verbatim. The data collection ceased when data saturation was achieved. Data were also gathered from informal discussions (e.g., during factory tours, lunch and coffee breaks) with people who may or may not have been interviewed.

### 3.3. Data analysis

The data analysis comprised several phases. First, an overview of the acquisition and the integration process was developed by classifying the empirical materials chronologically and then identifying key events. During this phase, it was recognised that it would be helpful to distinguish among four levels of integration, namely governance, procedural, operational and internal networking.<sup>6</sup> *Governance* integration refers to decisions on the merged company's strategy, targets, structure and investments and high-profile decisions related to (among others) culture and identity and steering the whole integration process. *Procedural*

<sup>5</sup> Each interview lasted from one hour to over four hours, depending on the number of integration projects in which the interviewees were involved. For example, the longest interview was held with an individual involved in four integration projects; most interviewees were involved in just one or two projects.

<sup>6</sup> This classification separates the whole integration process into independent and interdependent subprocesses. This classification differs from those found in the extant literature, for example, human and task (Birkinshaw et al., 2000), managerial and sociocultural, and physical and procedural integration (Shrivastava, 1986). These previous classifications have separated the social processes of integration from tangible processes, whereas in this study, the social processes are analysed at each integration level.

integration means harmonisation and integration of procedures and processes, such as human resource, accounting and information systems. This study focuses on the integration of accounting systems. *Operational* integration involves the integration of assets such as manufacturing, back-office functions and sales forces at the business unit level. Finally, *internal networking* entails building relationships between merging companies to support cross-selling, joint business projects and benchmarking, as well as giving a hand, for example, when there are problems with the same customers or similar machines.

Second, control and (dis)trust were analysed at these different integration levels. Theoretical constructs, such as result, action and personnel/cultural controls, were used in this categorisation process. At each integration level, how and why different forms of controls were used, what effects the use of controls had on (dis)trust and how current (dis)trust influenced the use of controls were analysed. Third, the analysis focused on explaining how and why the use of controls had different influences on (dis)trust. Fourth, an attempt was made to explain the change from cultural clashes to cultural integration.

During the data analysis, various case reports were written, and key elements of the study were coded. These short reports were helpful in carrying out the fieldwork by directing subsequent enquiries and identifying potential interviewees. Apart from scrutinising the interview responses, the interviewees' behaviours were cross-checked by interviewing individuals from different levels of the newly merged company. Both analytical perspectives were needed to construct a coherent picture of the development of trust within the merged company. After the empirical data collection period, the forcing and fostering framework was applied to explain the interplay between (dis)trust and management control.

## 4. Case study findings

This section provides an analysis of the motives for and consequences of using management control systems to promote controllability (force) and to facilitate cooperation (foster), as well as the interplay between these control modes and (dis)trust. After the underlying reasons for both the merger and distrust between the parties are described, each subsection focuses on different aspects of the relation between control and (dis)trust. Table 3 summarises the key dimensions of the analysis. First, this study shows how personal experiences and preferences resulted in employing forcing control in governance integration and how exercising forcing control provoked distrust, hampering commitment, mutual learning and cultural integration. Second, this paper describes how and why the acquirer made decisions concerning balancing between forcing and fostering controls in other integration projects. Third, in examining operational integration, this study delineates why forcing control pressures can result in untrustworthy behaviour. Fourth, in describing procedural integration, this paper shows how loyalty promoted benevolent cooperation despite forcing control and distrust. Finally, in examining the establishment of internal networking, this study shows how the merged company was able to promote trust and cultural integration using the combination of forcing and fostering controls. Each subsection ends with a summary of the key findings. The Discussion section pulls together the study's implications for management control and trust research.

### 4.1. Journey to the merger

This case study of the integration process involving one of the largest Finnish companies and a publicly listed Dutch company twice the size of the Finnish company is a sensitive and complex matter in the sense that the Dutch company initially approached the Finnish company with a proposal to buy it. During the negotiations, the roles were reversed when it was revealed that the Finnish company had a much stronger balance sheet and the difference in market values made a merger unrealistic. However, for political reasons, the acquisition was named a 'merger of

Table 3

Descriptions of uses, purposes and outcomes of management control systems (MCSs) at different integration levels in the merged company.

Integration level	Primary function	MCS mode	Acquirer's MCS purpose	Outcome
Governance	Strategy, structure and identity of the merged company	Forcing	Secure its own interests, and limit the autonomy of the acquired company.	Tensions, lack of mutual learning and of cultural integration
Operational	Integration of manufacturing, sales forces and back offices	Forcing	Implement drastic cost reductions and asset relocations.	Untrustworthy behaviour for the purpose of meeting the required targets
Procedural	Harmonisation of procedures and group systems, such as accounting	Forcing	Implement the acquirer's procedures and systems to achieve conformity.	Tensions, but strong loyalty of the acquired company's accounting personnel supported benevolent cooperation
Internal networking	Building unity for knowledge sharing and joint projects	Forcing and fostering	Engage and motivate employees to build trust in order to support intellectual resource sharing.	Sharing of intellectual resources and community-building

equals' to receive support from the acquired side.

Nonetheless, the rationale for joining forces was quite clear. The companies were largely complementary in terms of both product range and regional coverage, although overlaps existed in their headquarter functions and in some geographical areas. The consolidation of customers, suppliers and competitors also created growth pressure for both companies. Customers had started to prefer companies that offered the capability for global tenders; thus, small local companies were not regarded as likely to survive in the face of global competition.

Despite the rationality of the merger, the negotiation process turned political and fostered distrust between the parties. After long negotiations, it became clear that the main owner of the acquired company was reluctant to sell its shares. Thus, the directors of the acquired company started pressuring the acquiring company to make a hostile bid – they had their own agenda. The acquirer's CEO described this process:

*The management was frustrated. They had their own agenda. They thought we needed to make a hostile bid. So, we agreed with the CEO of the acquired [company] that we would make it public. As a result, the stock price jumped to the target level, and the management from the acquired [company] sold their options, and each management executive earned several millions. It was totally immoral, as they knew much more than was made public.*

After the sale of the options, the acquired company's CEO started to object to the acquisition. His behaviour was publicly regarded as unethical, and he was summarily dismissed. The remaining management team members retained their positions. As a result of the increase in the share price, the acquired company's main owner became in favour of the acquisition.

To gain this main owner's support for the deal, the merging parties found to frame the acquisition as a 'merger of equals'. The merger-of-equals approach was developed and communicated on the basis of equal ownership. Both companies had wealthy foundations as their largest shareholders. In the transaction contract, it was agreed that both foundations would each own a maximum of 15% of the merged company and would have the right to nominate one or two members to the nine-member board, depending on their degree of ownership. The merged company's executive team would comprise three members from both sides, but the CEO would come from the acquiring company. The Integration Director was appointed from the acquired side to gain its commitment.

Tensions between the merging parties revealed that the CEO of the acquirer would have liked to use an external consultant to evaluate candidates for the second level of the management hierarchy, but the acquired company's acting CEO refused it. Thus, this second level was also formed to support the equality approach. In fact, there were more managers from the acquired side because it was larger, and it also operated in a business area that did not belong to the acquiring company's business portfolio and in which the latter had no expertise. The combined company was also renamed to integrate the names of both firms.

Despite the distrust due to complicated negotiations and the unethical sale of stock options, the acquiring company's directors acknowledged their dependence on their counterparts in planning and executing the integration process. However, the acquired company's directors were suspicious of the acquirer's intentions and wanted to protect their side's interests. To obtain the acquired side's commitment and expertise, the negotiations proceeded in a merger-of-equals manner. The parties jointly completed an integration plan. Their study included the vision of the merged company, the business strategies and market positions of different segments, the potential synergies in the different businesses and geographical functions, and the investments required to avail of the targeted growth opportunities. The estimated synergies in different areas, the impacts of the integration on the merged company's earnings before interests and taxes, the initial asset relocations and the headcount reductions were all calculated. The merging parties also analysed how both could leverage their market positions and each other's customer contacts. Based on this business study, the initial synergy targets were set. Joint planning of the integration created the acquired company directors' sense of a merger of equals and some initial trust in the fair behaviour of the acquirer.

Although the merger-of-equals approach was communicated during and after the closing of the deal, at different organisational levels of the acquired company, its employees felt suspicious and showed resistance to the integration with the acquirer. Being acquired was a bitter pill for the Dutch company to swallow, especially since the acquiring company was smaller and considered to be in a less internationally dominant country. The acquirer also had much less experience in the industry. Anger, uncertainty and hostility towards the acquisition were openly shown after the deal was finalised. Although the acquisition was communicated in a way that foregrounded the benefits for both companies, they were often ignored. A Group Vice President from the acquired side described the atmosphere at the beginning of the integration as follows:

*Some people who are no longer with us say it is all shit and don't want to have it. Why? It is terrible that such a small company took us over, such a big company. That could be actually what you could hear.*

This state of affairs did not make it an easy integration process; instead, tense and – in some cases – hostile relationships between the merging parties created several obstacles. The next subsection describes how the talk of the merger of equals, which had promoted some initial trust between the top directors on both sides, especially the acquired company directors' trust in their counterparts on the acquirer side, turned into the walk of acquisition, breaking this trust and creating escalating conflicts and distrust between the merging parties (cf. Free, 2008).

#### 4.2. Governance integration: forcing control and escalation of tensions

This section describes the governance integration process, which means making high-profile decisions on matters such as strategy,

structure and culture and steering the group during the integration. The analysis focused on why the acquiring company's CEO exercised forcing management control to limit the autonomy of its acquired company and implement its own policies and procedures to enable controllability and what the consequences of this control mode were for the interplay between control and (dis)trust.

After the deal, the CEO exercised forcing control as he preferred controllability over cooperation. He implemented the *forcing action control-based*, executive team governance style, where decision-making was centralised under the CEO's authority, and many of his decisions were not discussed and transparent to the rest of the executive team. He wanted to keep matters under *his* control, especially in situations where he did not trust the acquired company. The chosen governance style assigned a much more significant role to the acquirer's CEO than to the acquired company's directors, refuting the merger-of-equals notion. The acquired group experienced this governance as not reflecting what they had negotiated; thus, they felt betrayed.

Cultural differences between the merging companies influenced how they adapted to this forcing governance style. The acquired company's managers were accustomed to discussing and making collective decisions. They knew the business situation in areas of responsibility other than their own very well. In the newly merged company, the collective decisions to which these managers were accustomed were now made solely by the CEO or presented by the latter to the board of directors. The acquired company's executive team members explained that the rest of the acquirer's executive team acted as 'assistants of the CEO' and just nodded, while the CEO felt that the acquired company's executive team members attempted to play a greater role than they were given. He and his team members were used to the centralised decision-making style. Thus, they did not understand the acquired company directors' scrutiny. As the latter had become financially independent by selling their stock options, they had nothing to fear from criticising the governance and decisions being made.

The implemented forcing action control style hampered mutual learning in the companies and did not foster trust. Rather than making collective decisions concerning strategy and organisational structure, the acquirer implemented its own decisions, to which the acquired side objected. The acquired company's team members complained that the acquirer's style focused on the short term and was decidedly technocratic, whereas they considered themselves more pragmatic and focused on long-term strategies. When asked about mutual learning with the acquired side, the acquiring company representatives' comment between the lines implied that since they were able to buy the company, their own company had better talent. The CEO prioritised keeping things under his control over developing cooperative relationships with the acquired directors.

Previous negative experiences reflected the CEO's choice to exercise forcing management control beyond the executive team. This was recognised in his decision to implement a matrix organisation structure in the merged company. On many occasions, the author observed the CEO discussing previous negative experiences with strong, independent business structures, which he called 'kingdoms'. He argued that these large business structures had multiple opportunities to hide their real financial performance.

The imposition of tight action control, in the form of a matrix structure for the lower levels of the merged company, fostered distrust on the acquired side. Most of the second-layer directors of the acquired company viewed the application of this matrix structure as an attack on their values. The acquired company had consisted of strategic business units (SBUs) independently operating in several countries and thus enjoyed a high degree of autonomy to administer their own strategies as they saw fit. As a result of their diminishing autonomy, some former SBU directors decided to simply resign with their severance package.

Distrust and tensions between the parties hampered cultural integration and unity in the merged company. The parties disagreed on the values to implement. The central reason for this was the centralised

management control that the acquired company's directors could not accept. The conflict over the logo of the merged company illustrates the crucial differences between the companies' management approaches, which stoked distrust between the parties and hampered unity. An executive team member from the acquired side described this conflict over the logo as follows:

*Suddenly, in the executive team, we were presenting pla plan plaa, you know, nice slides. The logo should be like that, and at the end, the CEO shows: 'This is the new logo.' It was the logo of the acquirer and below, the motto of the acquired. We were all frustrated, not by the content but by the way it was done. We were used to having discussions, presentations and more discussions so that there was a consensus on it. I was going to say, pissed off, very aggressive against the way it worked. The team [members] of the CEO of the acquirer were only 'yes men', and the CEO needs to say 'ding', and yes men say 'yes', and we were not yes men.*

In addition to cultural conflicts in the executive team, the organisation below it also had difficulties in accepting top-down implemented cultural integration. A Group Vice President gave an account of an episode at the headquarters of the acquired company, describing the challenge of accepting acquisition and the cultural conflicts arising during the integration:

*I was present at the headquarters of the acquired when the merged company's CEO was making a speech. Badges with our new logo on them were distributed. Some made the sign of the cross and refused to take them, some attached the badges to their chests upside-down, and others took them and loyally attached them to their chests. I wondered how this [would] go on when this small issue brought about so much variance in behaviour.*

The forcing management control exercised at the top of the organisation escalated tensions, which spread to the lower levels of the organisation, sowing confusion and speculation. Instead of showing an example of unity, the respondents mentioned that there followed 'a battle' between the top management on both sides. As a result of overwhelming tensions in the merged company, cultural integration rested on partial *forcing cultural controls* – the logo and symbols were implemented top-down, but other parts of cultural control were largely abandoned for four years – to avoid further tensions.

In sum, this subsection contributes to the current knowledge of how managers make decisions concerning the interplay between trust and control (Long, 2018) and what these decisions' organisational consequences are for post-acquisition integration (Graebner et al., 2017). The findings showed that the CEO's own motives and prior experiences resulted in his preference for controllability over building trust. He wanted to keep things under his control, and his prior negative experiences from allowing leeway led him to exercise the forcing control mode. The acquired company's directors and managers had difficulties in accepting the forcing management control style, having been accustomed to fostering control. Applying this forcing control mode hampered mutual learning, cultural integration and commitment to the merged company. To overcome the negative influence of control on trust, Das and Teng (2001) have suggested the use of personnel/cultural controls to develop trust. This study's findings illustrated how the lack of value congruence hampered the use of cultural controls to support building unity and cultural integration. Instead, the attempts to push top-down the lack of shared values increased tensions and distrust between the merging parties.

The following subsections broaden the interplay between management control and (dis)trust. They explain how and why both forcing control and the combination of forcing and fostering controls facilitated the integration projects and why cultural integration was eventually achieved.

#### 4.3. Deciding to balance between forcing and fostering management controls

This subsection describes why and how the acquirer decided to use either forcing control or the combination of forcing and fostering management control systems in different post-acquisition integration projects. This subsection also shows how both the expected organisational atmosphere and the integration targets influenced the choices concerning the use of management control systems.

The acquirer had expected a considerable amount of difficulties due to size of the acquired company, the complexity of the integration process and escalating politicking in the merger negotiations. As shown in the previous subsection, these anticipated issues were manifested as overwhelming tensions and distrust. The acquirer responded to these challenges with a special integration governance structure. This was considered necessary to eliminate political manoeuvring and smoothen the flow of control in the integration process. This situation was described by a Group Vice President from the acquiring company:

*In all other acquisitions we have made, we have tried to handle them on our own. But this was such a big case that we expected many conflicts, and it was seen as important to have an external facilitator to keep all things together.*

Consultants were hired to provide resources for governing the integration and to support neutrality in the integration process. They brought an internationally renowned governance structure, consisting of various mechanisms to support highly intensive controllability and objectivity. The integration structure also involved a steering group, whose task was to manage the integration process, the integration teams, integration reporting and conferences, which were used to both communicate the merger plans and familiarise the parties with each other.

The acquiring company decided to use both *forcing* and *fostering* management control systems, depending on whether there were targeted cost synergies and conformity or knowledge sharing and cooperation. Forcing control was imposed to achieve conformity regarding issues such as accounting policies and group identity and to implement cost synergies, such as headcount reductions, the relocation of machinery and the integration of sales forces. Fostering control was used to facilitate cooperation to achieve unprogrammable synergies, such as transferring knowledge and promoting joint projects between the merging companies. In terms of forcing management control, result targets, action timetables and plans were specifically determined top-down, and action control hierarchies served to closely monitor the progress and resolve conflicts. As for fostering management control, result targets were coordinative and used to introduce joint opportunities; action control hierarchies were employed to familiarise the parties, coordinate progress and promote a positive atmosphere for cooperation. Integration conferences played both forcing and fostering roles – creating social pressure to achieve pre-set targets and to familiarise people with one another.

Upon recognising the uncertainty and political turmoil on both sides of the merged company, it was decided that fostering control should be combined with forcing control to establish knowledge-sharing synergies. This meant that forcing control was used to promote accountability and solve problems in integration teams, thereby securing their commitment and shifting their attention away from worrying about their own prospects. In contrast, fostering control was exercised to promote cooperation and trust. An integration team leader from the acquirer described the role of forcing control systems as ensuring commitment during turbulent times:

*In a way, the issue [uncertainty] was partly handled so that almost everybody was bundled into integration work, and about 20 integration teams [were formed, whose members] thought about this or that issue. And that certainly kept individuals committed, and there was an*

*enormous hurry, which kept [them] committed. If there is time to think, then faith is shaken, and if there is a horrible hurry all the time, then you start to work and not to wonder, 'OK, who is next to be swept away?'*

Based on the business study analysis report and the initial integration plan, 22 integration teams were formed to study and implement synergies in different business, functional and geographical areas. These integration teams comprised a mix of members from both companies. Forcing control was exercised in both functional teams, such as HR, Finance and Purchasing, and regional teams, consisting of different geographical teams, such as from the UK, Germany and the US. These teams planned the standardisation of practices and the execution of implementation plans for cost cuts in headcounts, contracts and consolidation of assets. Fostering control alongside forcing control was exercised in commercial teams and product technology teams to review the growth potential of cross-selling and new innovations, standardise pricing policies and examine the transfer of best practices.

To summarise, these findings contribute to the understanding of how managers balance between the two control modes, depending on their control and trust purposes (e.g., Long, 2018; Tomkins, 2001), and exercise these control modes to gain synergies in post-acquisition integration (Granlund, 2003; Jones, 1985a, 1985b, 1986; Roberts, 1990). The studied case showed forcing control being exercised when mutual trust was not considered necessary, whereas fostering control was implemented when the development of trust between the merging parties was perceived as important. Forcing control was applied to enhance conformity and implement rationalisation processes, whereas fostering control was used to facilitate intellectual resource-sharing. The case revealed that the organisational atmosphere also influenced the decision to balance between forcing and fostering control modes in post-acquisition integration. Because of the existing distrust, it was decided that fostering control be exercised concurrently with forcing control to create stability and accountability to promote cooperation.

#### 4.4. Operational integration: forcing management control and untrustworthy behaviour

This subsection explains how the readiness to adapt to a new regime, the strong bottom-line pressure and the individual desire to strengthen one's own image caused some integration team leaders and members to resort to untrustworthy behaviour to meet the forced targets. These themes are described in the operational integration process, which refers to the integration of business units and sales forces, back-office consolidation and physical asset relocations.

Forcing management control was exercised to create accountability for implementing pre-decided plans concerning closures, relocations, the integration of functions and the necessary headcount reductions in integration teams. In most cases, the use of forcing management control triggered the commitment to achieving the set targets. This commitment can be explained in terms of both the strong pressure from the management and the two parties' willingness to adjust to the merged company. It was also clearly evident that the integration period represented a type of testing period as the executive team did not know the managers coming from the two companies. Thus, some redundancies were expected after the integration period. Thereby, the integration team members were willing to be identified as 'trusted persons' capable of delivering what was asked of them.

Commitment to integration targets and their achievement were employed using various controls. *Forcing result control* involved separate synergy-reporting procedures following pre-determined targets, relocation costs and the progress of different integration projects. Since the budget had already been created in the autumn, these synergy savings could not have been included in the budgeting procedure because the integration teams started making their first integration plans at about the same time when their yearly budgets were being presented. Interim reporting was done monthly, requiring the reporting of cost savings,

divided into three categories: sales and administration, manufacturing and purchasing. The additional sales growth compared to the integration plans was also reviewed. Some integration plans were connected to individual managers' incentive plans to increase their motivation to complete these projects.

The integration plans were reviewed by the integration steering group, which returned the plans to the integration teams for revision if they failed to meet the targets. This iterative process, which also involved suggestions concerning the areas where synergies should be sought if the teams did not progress properly, continued until the plans met the goals determined in the business plan. Subsequently, the integration teams' progress was followed closely to ensure that they would deliver on their promises.

*Forcing personnel/cultural control* was employed using social control. Public integration presentations were used to make integration leaders accountable and to test team leaders. An executive team member described the function of these presentations as follows:

*We went to this [formal presentation]. Each guy presented his sheet, and that was the formal aspect. You know [that] it pressures and assigns responsibility to each integration team and to us, as the integration steering group, to follow these targets. So, everybody hears. At the end, if you don't reach your target, I mean, everybody points at you, so yes, it is a way of putting pressure on people.*

As most integration team members were committed to these integration targets, political manoeuvring and uncertainty spread downwards in the organisation. The employees speculated about their future and tried to build up their profiles to guarantee their career prospects. For example, salespeople tried to hide customer information and convince their superiors that they had important personal relationships with certain valuable customers. While politicking was apparent on the subordinate side, it also influenced the integration team leader side since it was evident that the acquirer company's team leaders favoured their own side and the acquired company's team leaders preferred their own side in nominations and removals at the local level.

*Forcing action control* involved separate integration structures, including timetables and hierarchical structures, which were guided by a steering group. To ease political manoeuvring, the steering group employed close monitoring, occasionally attending the integration team meetings.

*Our task in this integration steering group was to facilitate these integration teams' active work together. This structure worked according to the basic model, where they held meetings and we sat there in these integration team meetings for a while, so that we gained an understanding of how they worked together. If they hit their heads against the wall, we got to open that seam. (A steering group member)*

Constant intensive control created the pressure to meet the targets. The behaviour of the top management intensified this pressure. The author was informed that the presentations and progress delineated in the integration reports meant much in terms of experiencing controllability and building trust. The top management praised the integration leaders who delivered integration plans, which consisted of detailed plans exceeding pre-set targets. However, untrustworthy behaviour was recognised when some teams attempted to create a 'trusted' image for themselves. Several cases in which integration teams cut corners to meet pre-set targets or to execute pre-made plans without criticism were identified.

As the integration teams were assigned to implement pre-set closures and the relocation of machines, local competence was utilised to a limited extent in these decisions. For example, several factories that were manufacturing special products were shut down, and machines were relocated to factories that had no experience in using these relocated machines. The questions of whether the receiving units would be able to use the machines and whether customer relations would be managed from new locations were not addressed and thus unresolved.

As a result, several unproductive synergy integration programmes were executed. One integration team member illustrated some problems related to relocating machines to units that had no capability to operate them.

*We had a crucial shortage in our service for the whole summer. So, we started losing business; our customers started moving to more reliable forms of practice, with shorter lead times and more reliable products. The business is probably now something like [16% of the original before the relocation].*

The constant synergy pressures resulted in myopia, especially in units that had poor performance. There were several examples of machinery relocations, where it was planned that workers from the closed factories would train personnel in the receiving factories on how to operate the machines but were instead assigned to operate these machines themselves to avoid double occupancy. As these workers left after the interim period, incoming workers were unable to operate the machines properly; thus, the benefits of their relocation were not realised:

*What happened [was] instead of transferring skills, they ran machines. So, when they finished running machines and left due to redundancy, there weren't people coming through who had been trained to run these machines. Again, that was because we were very nervous about doubling headcount because then, you also have to pay for additional headcount. (A business group management team member)*

The integration reports suffered from embellished documentation and the lack of commitment to implementing the decisions made. The author found that in several integration team presentations, a much more detailed picture of the integration process was provided than what was actually executed. For example, in one business area, a comprehensive presentation on sales force integration described how new assignments and education in new responsibilities were arranged. However, these plans were never executed, as sales forces were not committed to new arrangements and instead wanted to eliminate the costs of these presented arrangements. Thus, sales forces concentrated on serving their old customers and paid limited attention to new responsibilities for which they did not receive any training.

As a result of the complicated performance measurement and impression management, integration team leaders were able to maintain their 'trustworthy' image, ironically fabricated by their untrustworthy behaviour, as the reporting system hid comparability in regions where massive restructuring was effected. Structural changes such as closures and the integration of units and sales forces could obscure negative synergies, such as decreasing sales and increasing costs of manufacturing.

*The integration process creates uncertainty in every sense; it creates a situation where you don't know what the effects on the company will be, and with every change, we look worse in comparison. We don't know whether it was good or bad performance. (A group-level manager)*

*[An integration team leader] gave very good presentations. And he showed good results for the first few years because of the synergies in his region. We did not recognise the problems first. Then, of course, when the synergies did not influence the trend line, a more complete picture came out. (A group executive team member)*

At the end, depicting themselves as 'trustworthy' via untrustworthy behaviour was counterproductive for some of the integration leaders and their team members since they were responsible for the financial results of their units. When the short-term focus hurt the long-term performance, they suffered for it in their performance reviews. Eventually, a few directors were removed from the company.

The findings of this subsection contribute to the knowledge of the interplay between trust and control. While prior trust and control literature has described how intensive control in a distrusting context can create escalating distrust, conflicts and control (e.g., [Das and Teng,](#)

2001; Ghoshal and Moran, 1996; Ouchi, 1979; Tomkins, 2001), this subsection shows that forcing management control in a post-acquisition integration context characterised by distrust can provoke untrustworthy behaviour to project a contrived trustworthy reputation. In the studied case, pressures led some integration leaders to resort to short-sighted decisions and untrustworthy behaviour to meet the pre-given targets as they wanted to be identified as 'trusted persons'. The findings also showed that the forcing control used to enable tight controllability in a distrusting context can provide a false sense of security. This was recognised when the top management executives built their confidence in integration leaders based on tight controls, which occasionally provoked untrustworthy behaviour.

#### 4.5. Procedural integration: forcing control and benevolence based on loyalty

In contrast to the untrustworthy behaviour described in the prior subsection, this study recognised that a strong work ethic and identification with one's own organisation cultivated loyalty and benevolence in cooperation, despite distrust and forcing control, which violated existing values. This was identified in the procedural integration, which meant the integration of the policies and procedures in the merged company. In its accounting department, this denoted the integration of accounting systems. This procedural integration was conducted in the forcing control manner, implementing mainly the acquirer's policies, procedures and systems in the acquired company, instead of the two companies planning together and searching for best practices. This created anger and frustration among the acquired company's group controllers, which did not diminish the fact that after the integration period, almost all of them would lose their jobs.

The group controllers of the acquired company were annoyed about the acquisition and let their feelings be known. They had difficulty in accommodating the new governance, especially since the integration evidently meant the loss of their own accounting function. They were proud of their accounting function and experienced it as better than the acquirer's.

*I regret that we didn't adopt [the acquired] reporting format. It was much easier to handle and provided much more detail in managing business. In [the acquiring company,] the financial reporting has been the first priority. [The acquirer] was a holding company, a conglomerate; they were only gathering financial information for shareholders. (A controller from the acquired company)*

Cooperation between the parties was not helped by the fact that the acquired company's employees did not respect their counterparts and the latter's functions. The merging parties had very different headquarters' functions and career patterns. The acquiring company had a long tradition of being a conglomerate, where its headquarters had focused on consolidating the data provided to the financial markets. Working at the headquarters had been an entry-level job for the controllers who consolidated the reports from the business units. In contrast, the acquired company's headquarters had a strong business control function, where experienced controllers had worked in the group's business units for a long time.

*We had experienced controllers at the headquarters, who were also doing business analysis. They were only consolidating data for group reporting. Young scholars who just graduated had never been in a real-world environment, except in a controller's department. We were able to drill down to a product level, and now it was consolidated segment data for group reporting and financial markets. (A controller from the acquired company)*

The change in the reporting format meant a considerable setback for the acquired company because it made business analysis difficult. The frustration and lack of trust in the acquiring company's competence are understandable, considering that its controllers made insider jokes

about the product-level reporting that the acquired company applied.

Despite the acquired company's reservations and lack of enthusiasm, its group controllers wanted to work properly while they were still employed in the company. They understood the need to harmonise group accounting and did not want to cause any harm; in fact, they wanted to develop the accounting function that they would leave behind. The reason for this cooperative behaviour under these circumstances can be explained by the robust *personnel control* that developed in the acquired company, namely self-control, which was realised as a strong work ethic and loyalty to one's own organisation.

The personnel's self-control can be perceived as rooted in their company culture and a long tradition of employment. The author was told that the acquired company had a tradition of long careers, and the devotion of its employees can be observed in even the retired personnel's tradition of regularly having coffee at the headquarters. As these controllers had built their careers by progressing from business units to the headquarters, they had become closely attached to their company. These long careers and devotion to the company were manifested by its controllers taking pride in their functions, which was reflected in their cooperation in opposite ways. In a positive way, they did not want to cause any harm. However, they openly showed disrespect for the acquiring company's controllers and the latter's accounting function. The acquiring company's controllers really valued the input of the acquired company's controllers but acknowledged that the personal communication between the merging accounting departments was coarse.

The devotion of the acquired company's group controllers meant that despite having left and working elsewhere, they helped with the financial statements and provided suggestions on how to improve the accounting function of the merged company. These former controllers' assistance was significant during the preparation of the financial statements since group adjustments were described as quite considerable and not completely documented in the acquired company. The controllers demonstrated their benevolence by providing materials and suggestions on how to develop the merged company's accounting function after the drastic integration project.

To summarise, this subsection contributes to the current understanding of the interplay between trust and control in a distrusting context. While prior research has highlighted how intensive forcing control has resulted in a cycle of increasing tensions and control (e.g., Das and Teng, 2001; Ghoshal and Moran, 1996; Ouchi, 1979; Tomkins, 2001), the findings reported in this subsection revealed that a strong work ethic and identification with one's own organisation could result in trustworthy behaviour despite distrust and forcing control in post-acquisition integration. Although the implemented forced control contradicted the existing values of the acquired company's controllers, they wanted to perform good work and contribute to the success of the merged company. Their trustworthy behaviour can also be explained with the logic of understanding the exercising control (Enzle and Anderson, 1993) – they realised the need for forcing control.

#### 4.6. Internal networking: combining forcing and fostering management controls to promote trust

This subsection describes how and why the combination of forcing and fostering controls promoted trust and laid the ground for bottom-up cultural integration despite the initial distrust between the merging parties. This was recognised in the acts of establishing internal networking, which meant promoting cross-selling, developing joint projects between business units, sharing knowledge about customers and marketing contacts and offering a helping hand in manufacturing. Forcing control promoted trust by promoting stability, creating accountability for achieving cooperative targets and facilitating solving conflicts in cooperation. Fostering control developed trust by promoting mutual interests, goals and learning and creating unity.

At the beginning, the benefits of integration were not perceived,

especially from the acquired side, and there was not much enthusiasm about working together. Many managers from the acquired side were demoted because of organisational structure changes; thus, joining forces with a smaller competitor generated mixed feelings. However, some managers from the acquired side recognised this integration work as an opportunity to demonstrate their competence as they were aware that several managers would be demoted after the integration period. The following paragraphs describe how the combined forcing and fostering controls were exercised during the establishment of internal networking. Table 4 gathers these control mechanisms together.

*Forcing result control* was exercised to commit the merging parties to cooperation. The integration teams were given tight financial targets and action timetables, which were monitored regularly. In contrast to the operational integration described in Subsection 4.4, where only forcing control was exercised, these targets were set on an open scale to facilitate commitment and encourage the use of local knowledge. This financial and process accountability urged the tense and distrusting parties to engage in cooperation. An integration team leader (a former SBU Director) from the acquired side described the beginning of his integration teamwork as follows:

*Initially, people did not see the benefits. I started in the integration team by just grabbing people from both sides and saying, 'You are in the team and you as well; here are the targets. We have to realise them.' I initiated their work together.*

The benefits for both sides were introduced by using *fostering result control*. In several gatherings, it was discussed how the merger would bring synergies for both sides. A new business strategy was presented, which brought up how both companies could leverage each other's good customer contacts, knowledge and market positions. Recognising the benefits of sharing knowledge and starting joint projects, both parties started from easy wins, for example, sharing their pricing information for their mutual customers to conform with their selling practices. After first showing the benefits of mutual cooperation, it was deepened. An integration team leader from the acquired company commented on the start of the integration as follows:

**Table 4**

The combination of forcing and fostering controls in establishing internal networking.

	Forcing control	Fostering control
Intent (coercion versus cooperation)	Accountability for synergies and development projects were implemented to obligate the merging parties to undertake integration work.	Cooperation was facilitated by providing information on mutual benefits to facilitate engagement in integration work.
Focus (bottom-line monitoring and conformity versus mutual problem-solving and coordination)	Synergy objectives and development projects targeted both bottom-line and top-line development and integration of processes.	Integration teams and other hierarchies were organised to promote mutual problem-solving, information sharing and learning.
Interaction (command-and-control versus mutual discourse and open sharing of information)	Continuous reporting, active top-down monitoring and interventions in integration teams were implemented to achieve set targets.	Integration teams were allowed to develop synergy projects by themselves. Information on all integration projects was openly shared.
Values (top-down transmission to support conformity versus mutually shared to support community-building)	Strong social pressure was exerted to achieve synergies.	The merging companies' cultures were integrated by working together.

*We tried to get some early wins. Basically, what we did was to use good marketing contacts from the acquired company to find business for the acquirer.*

*Forcing action control* was used to enhance accountability for integration targets and solve conflicts in cooperation. The steering group members followed the integration teams' progress, occasionally participated in team meetings and facilitated solving conflicts in teams. If necessary, the combination of the teams was changed, and team leaders were supported in how to deal with difficult situations. The steering group comprised members from both companies, as well as consultants, providing neutrality to the process and reducing politicking.

An example of integration between two product technologies illustrates the obstacles that had to be overcome with forcing control to facilitate cooperation with fostering control. In one product technology integration team, two integration co-leaders, one from each side, were appointed. The acquired company's co-leader experienced the merger, especially the implemented matrix structure, as a considerable setback. He did not recognise any benefits from the merger and concentrated on resisting the matrix organisational structure. The *forcing result control* accountability did not motivate him to cooperate as he belonged to the group of employees that would receive a substantial severance package. As a result, he neither attended integration meetings nor permitted his subordinates to participate. He did not even allow the acquiring company's team members to visit the acquired factories under his command.<sup>7</sup> In doing so, *fostering result control*, covering such aspects as sharing knowledge of cooperation opportunities and mutual benefits, could not be implemented. In this case, for example, the acquirer already had both a potential customer and a raw material supplier for a new product that the acquired company could offer. Because the acquired company's director chose to be fired rather than give up his resistance against the implemented organisational structure, the potential product project totally collapsed.

*Forcing result control*, which was actively used to monitor the progress of the integration teams, was exercised to promote trust by pressuring the merging parties to engage in a cooperative relationship in order to achieve integration targets. Continuous monitoring and reporting also facilitated solving conflicts in teams. For example, the above-mentioned problem related to the former SBU Director was partly solved when his subordinates recognised the need to deliver integration plans to the steering group for their own future. As a result of this accountability, these subordinates started building relationships and cooperating with the acquiring company's integration team co-leader. However, this cooperation was unable to save all joint benefits as the potential customer had already committed to other alternatives.

To promote both bottom-up decision-making and accountability, the steering group used the iteration process. The teams were given an open target for achieving synergies and broad suggestions on where to look for the synergies. The steering group monitored whether the teams' integration proposals met the allowable synergy targets, which were not published in advance. The teams delivered their synergy projects and timetables, and the steering group sent the plans back to them if the targets were not meeting their pre-determined criteria. This provided the teams with a free hand to plan their joint projects but clear accountability for executing the cooperative projects.

*Personnel/cultural control* was used to promote cooperation and commitment through social pressure and socialisation. Forcing control involved social pressure exercised at conference presentations, as described in Subsection 4.4. These presentations were used to pressure teams to demonstrate cooperative achievements in a regular manner, in other words, to require the team leaders to develop mutual trust

<sup>7</sup> As the executive team had disagreements concerning the organisational structure, the steering group – led by the Integration Director from the acquired side – did not exercise forcing action control in this matter.

between their respective team members. These presentations also played an important fostering control role in familiarising the parties with each other to create cooperation opportunities. As tensions had been evident at the early stage of the merger, these conferences were also used to promote a positive atmosphere. In these meetings, *fostering result control* was also exercised as company strategies were presented, the benefits of joining forces were outlined, and the development of integration in different areas was introduced. One integration team leader from the acquirer explained the function and importance of these conference meetings as follows:

*Those meetings were first of all designed [for both sides] to get to know each other, to keep the excitement going, to keep the people informed, so they were information meetings, and also, it was important that people had the feeling that we were on track; we were going forward.*

*Fostering result control* was also used to promote an atmosphere conducive to securing commitment and cooperation during the merger, besides integration conferences and team meetings. The vision and strategy of the newly merged company, including its financial targets, were actively communicated, and early successes were reported, for example, in newsletters and different functional meetings. This communication was regarded as important since only integration leaders participated in integration conferences. The respondents told the researcher how a constructive atmosphere began to develop as the parties started understanding the logic of the strategy and recognised the early achievements of the merger.

Despite major distrust and conflicts during the integration period, the author observed both forcing and fostering management control systems facilitating unity and trust. During the intensive integration period, the merging parties became acquainted with each other and learned about the opportunities that the merger could provide them. Realising the benefits of the merger and having the opportunity to influence the integration process eventually reduced hostility and led to sharing the same vision. A Group Vice President from the acquired side (a former SBU Director) described the atmosphere change and sharing the vision on the acquired side during the integration as follows:

*I think [that] gradually, people who are still here see, by merging, that we are in a better situation in a global network, which is probably unique. There is nobody else with such a wide product range, with such a product portfolio in [the name of the] business and such a global network. I think that is something that people realise now. Through these integration teams, people [have] gradually realised [that] it is not so bad as it looked in the beginning. You've got to know that [the name of the acquirer] people are not idiots; merging is the way for something more.*

The pressure to report the results of the integration teamwork, familiarisation in integration teams, and improvements in the company atmosphere started to coalesce in favour of cooperation. As the atmosphere became more positive and the benefits of cooperation were recognised, cooperation and trust between the parties also started to grow. This clearly improved the flow of the integration work. A Group Vice President from the headquarters described the development of integration teams as follows:

*I think that these teams were ambitious because they developed a lot of different action plans. I was sometimes even dizzy with what they invented. I think that the reasons for their progress were both the ambitious targets that were set and the mutual learning in these teams, whose members were from both companies. Both these targets and learning from each other developed joyful cooperation and an atmosphere of action.*

As evidence of the development of trust, the merging parties started brainstorming about riskier cooperative projects in which the parties were more dependent on each other's performance. One success story was initiated during a meeting about two complementary production technologies in which they evaluated possibilities for gaining synergies. A Business Group Managing Director from the acquirer side provided

details about the meeting with the acquired company's sales team:

*[A sales guy from the acquired company] was discussing a project with [a worldwide company], and then, we recognised that we could supply this part of the end product here. So, we gave a full package to them. And that was one of the successful stories and one of the positive ones, yeah.*

The role of forcing controls ended when distrust between the parties was mitigated and trust started to grow. Several *fostering action control* hierarchies were built after the integration to support the development of trust and boost benchmarking, knowledge-sharing and intercompany sales. They were not only important for building cooperation to support synergies, but they also facilitated communication and decreased barriers between the merging companies. These structures were able to provide information on the benefits of cooperation, build bonds between the merged parties and discover each other's ways of working, which all promoted trust between the parties. A Business Unit Managing Director from the acquired side described the importance of these structures and how they fostered the relationship between the parties:

*The first thing you have to know is your colleagues, not only by phone; you have to get in contact with your colleagues. You have to work together, you have to have a beer together, and if I know somebody, afterwards it is not a problem to make a phone call and say, 'Hey, hello in Australia, what about that customer? I have this information; is that right?' It is very important to have this cooperation, and through it, bring profits for people by holding events, meetings, sales conferences and general managers' conferences, where all the different people can come together and discuss things as openly as possible.*

Over time, fostering management controls facilitated unity between the merging parties, and people from both parties identified with the merged company. This was evidenced by two facts. First, employees from competing business units identified with the same company, and both trusted and felt obligated to help their competing sister units. This was recognised by continuously asking for and offering a helping hand, for example, to solve technical problems in their competing sister units. Second, the need to formalise the cultural integration arose in the merged company. A Group Vice President from the headquarters explained the situation as follows:

*At the beginning of the integration, the cultural integration was on the agenda, but it was abandoned mainly because of the disagreements in the executive team. Now we are planning to launch the programme [three years after the integration] because there is a demand for it. The managers I have met have been asking for statements of values, etc., for a couple of years. This issue has been raised continuously in our corporate development programme. Now we are ready for this. Our company was never strong on formal values and statements. The Dutch have delivered these social elements here, and we are now ready for them also.*

As the merging parties had worked together in integration teams and met through several structures, they had mutually mixed the cultures of both companies from the bottom up. The merged company blended the two organisations' cultural characteristics. The respondents described how at various levels of the organisation, a more discursive style of management developed, and the social elements of management became more important over the years.<sup>8</sup> Abandoning the forced cultural

<sup>8</sup> When the cultural integration was implemented, the executive team comprised five members from the acquiring company and one from the acquired company. One acquired company director resigned due to disappointment with the governance style; one director left with a division, which was sold, and the integration director retired after the integration process. One former SBU Director from the acquired company was appointed to the executive team after the retirement of the Integration Director. Although the merged entity's executive team had more members from the acquiring company, that company's cultural elements were blended with those of the acquired company.

integration process, represented by the top-down implemented logo and values, and relying on fostering cultural integration, where the parties developed shared values, made the formalisation of cultural integration possible. In the beginning, resistance to the cultural campaign (which included a stage where all managers showed their subordinates a video presentation of the CEO talking about the values of the acquiring company and how to progress according to company values) would have been strong. A Group Vice President (a former SBU Director) from the acquired side described the cultural integration in the merged company as follows:

*We have worked together; we have developed a new culture. A new [culture] is not the same as [what the acquirer] had before. That is true; I think [that] people see and respect it. That's why it is easy for them to accept; they would have fought against it [the cultural campaign] five years ago.*

In sum, the evidence presented in this subsection contributes to the understanding of the interplay between management control and (dis)trust (Tomkins, 2001; Vélez et al., 2008), showing how the intensive use of the combined management controls promoted trust and cultural integration within a hostile post-acquisition integration. Forcing control promoted trust by providing the appropriate structure for cooperation, creating accountability for engaging in cooperative relationships and facilitating solving conflicts in cooperation. Fostering control advanced trust by providing information about mutual interests, promoting mutual learning and problem-solving and supporting the development of shared values. Table 5 summarises the findings on how different control mechanisms promoted trust in the post-acquisition integration context characterised by distrust.

5. Discussion

This study examined the development of trust and the interplay between trust and control in the post-acquisition integration context characterised by distrust. Employing the forcing and fostering dichotomy (Kenno and Free, 2018; Walton et al., 1994), this study suggests that management control may serve either two different or

**Table 5**  
Functions of forcing and fostering management control systems in promoting trust in a post-acquisition integration context characterised by distrust.

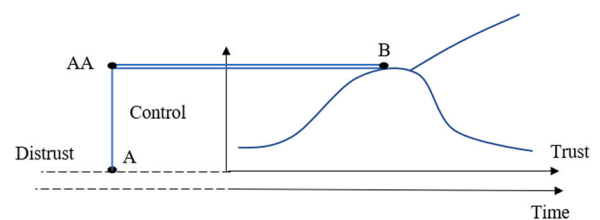
Control mechanism	Forcing	Fostering
Result control	Financial and process targets assigned to integration teams promoted trust by pressuring them to engage in cooperative relationships and demonstrate trusting and trustworthy behaviours.	Providing information on cooperation benefits and equipping the parties with the ability to influence their mutual projects established trust relationships as they learned about their common interests and were able to determine the progress of their commitment.
Action control	Process accountability, close monitoring and interventions in integration teams – used to provide stability and impartiality and resolve conflicts – supported the development of trust.	Hierarchies established to support mutual learning, bonding, a positive atmosphere and problem-solving promoted trust relationships as the parties either shared common interests or made trust decisions based on social categorisation.
Personnel/cultural control	Social pressure in integration conferences promoted trust by providing accountability for developing cooperative relationships.	Shaping together the culture of the merged company promoted trust relationships as the parties started to share the same values and identified with the same social group.

combined purposes: to promote controllability (force) and/or facilitate cooperation (foster). This study's findings indicate that the balance between these control modes depends on the motives and the perceived need for trust. This study showed that forcing control was exercised when controllability was perceived as more important than trust, such as in decisions concerning taking power in one's own hands, imposing conformity and implementing drastic rationalisations. In contrast, fostering control was used when the establishment of trust was perceived as needed, such as promoting intellectual knowledge-sharing. This study's findings suggest that the development of trust in the post-acquisition integration context characterised by distrust may require the combination of both forcing and fostering control modes.

This study contributes to prior research on the interplay between trust and control by delineating how the combined forcing and fostering control modes promoted trust in a post-acquisition integration context characterised by distrust. While prior trust development research has described ex-ante trust as required for engaging in a cooperative relationship and intensive exercising management control as hampering the development of trust (Tomkins, 2001; Vélez et al., 2008), this study's findings suggest that in the post-acquisition integration context, despite ex-ante distrust, the management can both promote trust and employ intensive control by co-exercising both forcing and fostering control modes. Fig. 2 describes the combination of forcing and fostering control modes in the trust development process in the post-acquisition integration context characterised by distrust compared to the predominant gradual model.

The upward single line from A to AA in Fig. 2 suggests that intensive forcing management control is required to form the foundation for developing trust between distrusting parties in post-acquisition integration. This study's findings indicate that forcing action control enables hierarchies to stabilise tensions and manage cooperation between distrusting parties. This effect was recognised in how integration structures such as teams, the steering group, milestones and continuous reporting engaged the distrusting parties in cooperation, facilitated the shift in attention from uncertainty to the search for synergies and offered possibilities to closely monitor the progress in cooperation. This study suggests that forcing result control supports distrusting parties' engagement in cooperation by providing financial and process targets for mutual achievements. The case evidence showed how tight integration targets compelled the distrusting parties to search for mutual cooperation possibilities despite the initial tensions. The study's findings indicate that forcing result control can be supported with the social pressure exerted by forcing personnel/cultural control. This involves public presentations of mutual plans and achievements, which enhance accountability. This case study revealed how conference presentations were used to exert stronger pressure on the team leaders in their efforts to achieve integration cooperation.

The horizontal double line from AA to B suggests that the intensive combination of forcing and fostering management controls can mitigate distrust and promote trust in post-acquisition integration. Forcing control promotes trust by exerting co-operation pressure and facilitating conflict resolution, whereas fostering control develops trust by supporting mutual benefits, learning and values. If insufficient pressure is experienced and/or the benefits of cooperation are unrecognised, actors



**Fig. 2.** Proposed co-development of trust and control in the context of post-acquisition characterised by distrust (adapted from Tomkins, 2001; Vélez et al., 2008).

may make no effort in developing trust. This study showed an example of the failure in developing trust when a former SBU Director chose to be fired and accepted a substantial severance package rather than be willing to adjust under the new regime.

This case demonstrated that forcing action control supported the development of trust by promoting impartiality, facilitating solving cooperation problems and providing process accountability for common achievements. Fostering action control hierarchies developed trust by supporting mutual learning, bonding and problem-solving. Trust was developed by sharing common interests or being based on social categorisation. The case described forcing result control as advancing trust by pressuring distrusting parties to engage in cooperation and achieve mutual goals, whereas fostering result control developed trust by introducing mutual interests and allowing both parties to determine the progress in their commitment. The case showed that on one hand, forcing personnel/cultural control promoted trust by exerting social pressure on the parties to build cooperative relationships to achieve mutual goals. On the other hand, fostering personnel/cultural control developed trust by mutually shaping the corporate culture through which the parties began to share common values and to identify themselves with the same social group.

This study's results suggest that after distrust has been mitigated and trust has been established, trust can be further developed and sustained by relying only on fostering control. The evidence from the study indicates that forcing control is no longer required when former distrusting parties start to share the same values and identify themselves with the same group. After trust is established, the roles of fostering control are to strengthen trust and boost further cooperation benefits, such as sharing knowledge. This study provides empirical support for prior theoretical research by showing how social categorisation positively influenced both trustworthy behaviour and decision-making regarding trust (Kramer et al., 1996). This was recognised in internal networking, where the competing business units started giving each other a hand in solving technical problems, and sales managers from the formerly competing companies openly shared information about the same customers.

The study broadens prior knowledge about the relation between forcing control and trust. Existing research shares the assumption that exercising forcing control escalates conflicts, thus hampering cooperation, at least if ex-ante trust is absent (e.g., Das and Teng, 2001; Ghoshal and Moran, 1996; Ouchi, 1979; Tomkins, 2001). This study showed that forcing control had a more complex relation with trust and cooperation in the post-acquisition integration context. Besides explaining the combined use of forcing and fostering control to develop trust, this study showed that a strong work ethic and loyalty to one's own organisation may result in trustworthy behaviour, despite existing distrust and exercising forcing control in post-acquisition integration. This was recognised in the procedural integration, where the acquired company's controllers cooperated benevolently because they did not want to harm the merged company, even if most of them experienced the changes to the acquired company as setbacks and they would lose their jobs after the integration period. However, the results also showed that forced control pressures may promote untrustworthy behaviour in post-acquisition integration. In operational integration, the integration team members showed their willingness to adapt to the new regime and meet the imposed targets to maintain their positions in the merged company. There was evidence of short-sighted behaviour to meet the targets and window-dressing to build a 'trusted' image.

The study's results suggest that when the logic of exercising forcing control is recognised (Enzle and Anderson, 1993), forcing control neither creates tensions nor prevents cooperation in post-acquisition integration. At all integration levels, except governance integration, where most tensions occurred, the organisation's members mainly understood the need to exercise forcing control to promote integration. For example, in procedural integration, tensions emerged, due to the content of some decisions, not because controls were used to harmonise

group accounting. In contrast, in governance integration, the battles were mostly related to the forcing style of governance, which many employees from the acquired company found difficult to accept.

Existing management control research has treated trust and control as alternative modes used to promote the achievement of organisational goals and has distinguished control activities from trust-promotion activities (e.g., Long, 2018; Merchant and Van der Stede, 2007; Ouchi, 1979). This seems to be a reason why prior research has focused on how to use control systems to attain organisational goals through coercion and monitoring of employees and instilling organisational values in them (Malmi and Brown, 2008; Merchant and Van der Stede, 2007; Ouchi, 1979; Tessier and Otley, 2012), instead of examining whether and how controls are used to promote trust. Extant management control typologies have concentrated on forcing control. The case evidence from establishing internal networking suggests that management control systems may also be used to develop trust by promoting mutual benefits, learning, bonding and shared values. In doing so, management control systems advanced the establishment of joint projects, supported knowledge sharing, facilitated identification with the new organisation and eventually promoted cultural integration despite ex-ante value incongruence.

This study's results suggest that instead of discussing trust and control as separate mechanisms of governance, future research should focus on further developing the knowledge of how management control systems could be used to promote trust. This would offer more insights into how various management control mechanisms support creating the suitable conditions, in both organisational and inter-organisational contexts, for all the positive consequences of trust, such as increased commitment, shared values, better adaptability, facilitation of cooperation and fluent flow of information (see also, e.g., Cooper and Slagmulder, 2004; McAllister, 1995; Mishra, 1996). The dichotomy of forcing and fostering controls provides the platform for accumulating knowledge.

Walton et al. (1994) and Kenno and Free (2018) have developed their forcing and fostering frameworks in industrial negotiation. Based on their analysis, this study built the dichotomy of forcing and fostering management control systems. This study suggests that forcing and fostering management control systems can be distinguished, based on four features, namely intention, focus, type of interaction and values. This dichotomy helps to illustrate the uses of management control systems in different ways, whether managers attempt to achieve organisational goals either by coercion or cooperation, and to capture how management control systems can support the development of trust.

Recent research has examined the intentions of managers in implementing bureaucratic control systems, in other words, result and action controls, either to limit autonomy and promote conformity or to decentralise decision-making and allow flexibility to react to local contingencies, thus exercising the enabling and coercing dichotomy (e.g., Adler and Borys, 1996; Adler and Chen, 2011; Ahrens and Chapman, 2004; Tessier and Otley, 2012). The forcing and fostering dichotomy expands the understanding of how managers' intentions influence the use of both bureaucratic and nonbureaucratic management control systems. This study showed that when aiming to meet organisational targets, managers used result, action and personnel/cultural controls differently, either by using the command-and-control style or by promoting dialogue, mutual learning and shared values. This study's findings also illustrated that managers may use the combination of forcing and fostering control modes to achieve organisational goals. This dichotomy offers scholars a theoretical tool to increase the understanding of the use of management control systems/package or the outcome of their use (Malmi and Brown, 2008).

This study broadens the understanding of the post-acquisition integration process. Although post-acquisition integration has been regarded as a phase that is critical for success in mergers and acquisitions, it has remained a black box. Fundamental questions, such as why structural changes commonly do not bring expected synergies and why

cultural integration between merging firms often fails, remain unanswered (e.g., Graebner et al., 2017; Larsson and Finkelstein, 1999; Smeulders et al., 2023). This study adds to extant research by showing how management control choices can influence the execution of synergy projects and cultural integration in the post-acquisition process. This study demonstrates that uncertainty and distrust between merging companies can result in employing the forcing mode of management control. The evidence from the study also indicates that implementing forcing controls only can hinder mutual learning and commitment and trigger cultural confrontations between merging parties. In contrast, when merging parties attempt to cooperate and build trust in each other, by using forcing and fostering controls, they can promote accountability for synergy projects, support commitment and mutual learning and build shared values.

The developed taxonomy of governance, procedural, operational and internal networking levels offers scholars a tool for conducting research and provides practitioners with a framework for identifying key processes in post-acquisition integration. While prior research on management control has focused on procedural integration, specifically the integration of accounting and internal controls (Granlund, 2003; Jones, 1985a, 1985b, 1986; Väisänen et al., 2021), this study delineates a broader role of management control in steering post-acquisition integration. This study has shown that management control is used to promote trust in order to create the conditions suitable for mutual commitment and sharing between the merging parties, tackle tensions and blur the boundaries between organisational cultures to build an integrated identity that will facilitate achieving the integration goals. This study has taken the first steps to analyse management control at the governance, operational and internal networking levels, yet further knowledge about these levels remains to be revealed.

## 6. Conclusions and suggestions for further studies

This study examined the development of trust and the interplay between management control and (dis)trust in post-acquisition integration. Drawing on the labour-management negotiation strategy theory (Kenno and Free, 2018; Walton et al., 1994), this study distinguished between forcing and fostering management control systems. This study showed when attempting to achieve organisational goals, managers balanced between forcing and fostering controls by using either coercion or cooperation strategies, respectively. As found in this study, the combination of forcing and fostering may be required to mitigate distrust and promote trust in a post-acquisition integration characterised by distrust. Forcing control promotes trust by providing stability, enhancing accountability for mutual achievements and facilitating solving conflicts in cooperation, whereas fostering control supports the development of trust by facilitating goal sharing, mutual learning and value integration.

## Appendix

### Interview data

(Shorter discussions, meetings, etc., which were also held with persons other than the listed interviewees, are not reported here.)

Interviewee (position during the post-acquisition integration)	Interview time (hours and minutes)
1. CEO	1'55
2. CFO	2'35
3. Integration steering group member/business area group vice president (VP)	2'25
4. Business Group VP A	2'00
5. Group VP, Human Resources	2'00
6. Group General Counsel	2'25
7. Group VP, Communications	2'00

(continued on next page)

This study's limitations offer several avenues for further research. This study examined how the acquiring company used control systems to support mitigating distrust and to develop trust in post-acquisition integration. Further studies focusing on alliances and joint ventures (among others) could examine the role of control systems in developing trust in more equal relationships. As this study represented a tense post-acquisition integration, it would be interesting to study whether and how forcing and fostering controls could be balanced in friendly mergers and acquisitions, both in executing synergy projects and supporting the development of trust. This study examined the role of control systems in developing unity in a newly merged company. Further studies could investigate how control systems could support renewing unity and trust, for example, after crises in a mature organisation. As this study examined the established dichotomy of forcing and fostering controls in the development of trust, further research could increase the understanding of these control modes, for instance, by focusing on how they could be exercised to support learning, adaptability and innovation. An interesting theme, among others, could be how an organisation that previously leaned on forcing control would attempt to adapt to the fostering control mode. The context of this study was the merger between Finnish and Dutch companies. Further studies could explore whether an organisational or a national cultural context would influence balancing between forcing and fostering controls and what consequences their use would have for trustworthy behaviour (among others). Finally, the examined case depicted the merger of two global manufacturing companies. Further studies on different industries and company sizes could provide new knowledge about the use of forcing and fostering controls and their interplay with trust. For example, in mergers between technological companies of similar or different sizes, diverse challenges concerning the integration of intellectual capital could be expected (e.g., Ranft and Lord, 2002) at various integration levels, which might influence the use of forcing and fostering management control systems and their interplay with trust.

### Declaration of Competing Interest

None

### Data Availability

The data that has been used is confidential.

### Acknowledgments

I thank the editor Matthew Hall and two anonymous reviewers for their constructive comments, which significantly contributed to improvements in this paper. I am also grateful to my colleagues, especially Jaana Tähtinen, for their feedback on my research.

(continued)

Interviewee (position during the post-acquisition integration)	Interview time (hours and minutes)
8. Group Controller A	2'40
9. Business Group VP B/executive team member	1'50
10. Integration steering group member/business area group VP	1'25
11. Business Group VP C	2'35
12. Business Group Controller A	1'00
13. Business Group Deputy Managing Director/Shared Service Centre Director	2'50
14. Business Group Sales Manager A	2'20
15. Business Unit Managing Director A	2'15
16. Site/Operations Director A	2'20
17. Business Group Sales Manager B	2'40
18. Business Unit Managing Director B	1'45
19. Group Controller B	2'45
20. Business Unit/Group Managing Director C	4'30
21. Integration Director/executive team member	2'10
22. Group Manager Operations/Operations VP	2'40
23. Business Group Deputy Managing Director/SSC Director	2'15
24. Business Unit Operations Director	2'00
25. Business Group Controller B	1'40
26. Site/Operations Director B	1'15
27. Sales/Operations Manager	2'30
28. Business Group Sales Manager C	1'35
29. Business Group IT Manager	1'35
30. Business Group Sales Manager A	1'15
31. Business Group Controller A	1'50
32. CFO	1'55
33. CEO	1'40

## References

- Adler, P.S., Borys, B., 1996. Two types of bureaucracy: enabling and coercive. *Adm. Sci. Q.* 41 (1), 61–89. <https://doi.org/10.2307/2393986>.
- Adler, P.S., Chen, C.X., 2011. Combining creativity and control: understanding individual motivation in large-scale collaborative creativity. *Account. Org. Soc.* 36 (2), 63–85. <https://doi.org/10.1016/j.aos.2011.02.002>.
- Ahrens, T., Chapman, C.S., 2004. Accounting for flexibility and efficiency: a field study of management control systems in a restaurant chain. *Contemp. Account. Res.* 21 (2), 271–301. <https://doi.org/10.1506/VJR6-RP75-7GUX-XHOX>.
- Ashkanashy, N.M., Holmes, S., 1995. Perceptions of organizational ideology following merger: a longitudinal study of merging accounting firms. *Account. Org. Soc.* 20 (1), 19–34. [https://doi.org/10.1016/0361-3682\(94\)00024-P](https://doi.org/10.1016/0361-3682(94)00024-P).
- Bacon, N., Blyton, P., 2007. Conflict for mutual gains? *J. Manag. Stud.* 44 (5), 814–834. <https://doi.org/10.1111/j.1467-6486.2006.00668.x>.
- Bain & Company, 2023. Value of Mergers and Acquisition (M&A) Transactions Worldwide from 2000 to 2022 (in trillion U.S. dollars). Statista. Statista Inc. (<https://www.statista.com/statistics/267369/volume-of-mergers-and-acquisitions-worldwide/>). accessed: December 28, 2023.
- Birkinshaw, J., Bresman, H., Håkanson, L., 2000. Managing the post-acquisition integration process: how human integration and task interaction processes interact to foster value creation. *J. Manag. Stud.* 37 (3), 395–425. <https://doi.org/10.1111/1467-6486.00186>.
- Boxall, P., Purcell, J., 2000. Strategic human resource management: where have we come from and where should we be going? *Int. J. Manag. Rev.* 2 (2), 183–203. <https://doi.org/10.1111/1468-2370.00037>.
- Bresman, H., Birkinshaw, J., Nobel, R., 1999. Knowledge transfer in international acquisitions. *J. Int. Bus. Stud.* 30 (3), 439–462. <https://doi.org/10.1057/palgrave.jibs.8490078>.
- Buono, A.F., Bowditch, J.I., 1989. *The Human Side of Mergers and Acquisitions: Managing Collisions Between People, Cultures, and Organizations*. Jossey-Bass Publishers, San Francisco. ([https://scholar.google.fi/scholar?cluster=2747726895136962913&hl=fi&as\\_sdt=0,5](https://scholar.google.fi/scholar?cluster=2747726895136962913&hl=fi&as_sdt=0,5)).
- Buono, A.F., Bowditch, J.I., Lewis, J.W., 1985. When cultures collide: the anatomy of a merger. *Hum. Relat.* 38 (5), 477–500. <https://doi.org/10.1177/001872678503800506>.
- Cartwright, S., Cooper, C.L., 1993. The psychological impact of merger and acquisition on the individual: a study of building society managers. *Hum. Relat.* 43 (3), 327–347. <https://doi.org/10.1177/001872679304600302>.
- Christ, M.H., Sedatole, K.L., Towry, K.L., Thomas, M.A., 2008. When formal controls undermine trust and cooperation. *Strateg. Finance* 89 (7), 39–44. (<https://www.proquest.com/scholarly-journals/when-formal-controls-undermine-trust-cooperation/docview/229794354/se-2>).
- Coletti, A.L., Sedatole, K.L., Towry, K.L., 2005. The effect of control systems on trust and cooperation in collaborative environments. *Account. Rev.* 80 (2), 477–500. <https://doi.org/10.2308/accr.2005.80.2.477>.
- Cooper, R., Slagmulder, R., 2004. Interorganizational cost management and relational context. *Account. Org. Soc.* 29 (1), 1–26. [https://doi.org/10.1016/S0361-3682\(03\)00020-5](https://doi.org/10.1016/S0361-3682(03)00020-5).
- Das, T.K., Teng, B.-S., 1998. Between trust and control: developing confidence in partner cooperation in alliances. *Acad. Manag. Rev.* 23 (3), 491–512. <https://doi.org/10.2307/259291>.
- Das, T.K., Teng, B.-S., 2001. Trust, control, and risk in strategic alliances: an integrated framework. *Organ. Stud.* 22 (2), 251–283. <https://doi.org/10.1177/0170840601222004>.
- Datta, D.K., 1991. Organizational fit and acquisition performance: effects of post-acquisition integration. *Strateg. Manag. J.* 12 (4), 281–297. <https://doi.org/10.1002/smj.4250120404>.
- Dekker, H.C., 2004. Control of inter-organizational relationships: evidence on appropriation concerns and coordination requirements. *Account. Org. Soc.* 29 (1), 27–49. [https://doi.org/10.1016/S0361-3682\(02\)00056-9](https://doi.org/10.1016/S0361-3682(02)00056-9).
- Eisenhardt, K.M., 1985. Control: organizational and economic approaches. *Manag. Sci.* 31 (2), 134–149. <https://doi.org/10.1287/mnsc.31.2.134>.
- Empson, L., 2001. Fear of exploitation and fear of contamination: impediments to knowledge transfer in mergers between professional service firms. *Hum. Relat.* 54 (7), 839–862. <https://doi.org/10.1177/0018726701547003>.
- Emsley, D., Kidon, F., 2007. The relationship between trust and control in international joint ventures. *Contemp. Account. Res.* 24 (3), 829–858. <https://doi.org/10.1506/car.24.3.7>.
- Enzle, M.E., Anderson, S.C., 1993. Surveillant intentions and intrinsic motivation. *J. Person. Soc. Psych.* 64 (2), 257–266. <https://doi.org/10.1037/0022-3514.64.2.257>.
- Free, C., 2007. Supply-chain accounting practices in the UK retail sector: enabling or coercing collaboration? *Contemp. Account. Res.* 24 (3), 897–933. <https://doi.org/10.1506/car.24.3.9>.
- Free, C., 2008. Walking the talk? Supply chain accounting and trust among UK supermarkets and suppliers. *Account. Org. Soc.* 33 (6), 629–662. <https://doi.org/10.1016/j.aos.2007.09.001>.
- Frey, B.S., 1993. Does monitoring increase work effort? The rivalry with trust and loyalty. *Econ. Inq.* 31 (4), 663–670. <https://doi.org/10.1111/j.1465-7295.1993.tb00897.x>.
- Ghoshal, S., Moran, P., 1996. Bad for practice: a critique of the transaction theory. *Acad. Manag. Rev.* 21 (1), 13–47. <https://doi.org/10.2307/258627>.
- Goold, M., Quinn, J.J., 1990. The paradox of strategic controls. *Strateg. Manag. J.* 11 (1), 43–57. <https://doi.org/10.1002/smj.4250110104>.
- Graebner, M.E., 2009. Caveat venditor: trust asymmetries in acquisitions of entrepreneurial firms. *Acad. Manag. J.* 52 (3), 435–472. <https://doi.org/10.5465/amj.2009.41330413>.
- Graebner, M., Heimeriks, K., Huy, Q.N., Vaara, E., 2017. The process of post-merger integration: a review and agenda for future research. *Acad. Manag. Ann.* 11 (1), 1–32. <https://doi.org/10.5465/annals.2014.0078>.
- Granlund, M., 2003. Management accounting system integration in corporate mergers: a case study. *Account. Audit. Account. J.* 16 (2), 208–243. <https://doi.org/10.1108/09513570310472822>.
- Haspelagh, P., Jemison, D.B., 1991. *Managing Acquisitions: Creating Value Through Corporate Renewal*. The Free Press, New York. ([https://scholar.google.fi/scholar?hl=fi&as\\_sdt=0%2C5&q=Managing+Acquisitions%3A+Creating+Value+Thorough+Corporate+Renewal&btnG=](https://scholar.google.fi/scholar?hl=fi&as_sdt=0%2C5&q=Managing+Acquisitions%3A+Creating+Value+Thorough+Corporate+Renewal&btnG=)).

- Helfen, M., Sydow, J., 2013. Negotiating as institutional work: the case of labour standards and international framework agreements. *Organ. Stud.* 34 (8), 1073–1098. <https://doi.org/10.1177/0170840613492072>.
- Jemison, D.B., Sitkin, S.B., 1986. Corporate acquisitions: a process perspective. *Acad. Manag. Rev.* 11 (1), 145–163. <https://doi.org/10.5465/amr.1986.4282648>.
- Jones, C.S., 1985a. An empirical study of the role of management accounting systems following takeover or merger. *Account. Org. Soc.* 10 (2), 177–200. [https://doi.org/10.1016/0361-3682\(85\)90015-7](https://doi.org/10.1016/0361-3682(85)90015-7).
- Jones, C.S., 1985b. An empirical study of the evidence for contingency theories of management systems in conditions of rapid change. *Account. Org. Soc.* 10 (3), 303–328. [https://doi.org/10.1016/0361-3682\(85\)90022-4](https://doi.org/10.1016/0361-3682(85)90022-4).
- Jones, C.S., 1986. Organizational change and the functioning of accounting. *J. Bus. Financ. Account.* 13 (3), 283–310. <https://doi.org/10.1111/j.1468-5957.1986.tb00499.x>.
- Kenno, S.A., Free, C., 2018. Fostering and forcing uses of accounting: labour-management negotiations in the automotive crisis in Canada 2008–2009. *Manag. Account. Res.* 39, 17–34. <https://doi.org/10.1016/j.mar.2017.06.001>.
- King, D.R., Dalton, D.R., Daily, C.M., Covin, J.G., 2004. Meta-analyses of post-acquisition performance: indications and unidentified moderators. *Strateg. Manag. J.* 25 (2), 187–200. <https://doi.org/10.1002/smj.371>.
- Kramer, R.M., Brewer, M.B., Hanna, B.A., 1996. Collective trust and collective action. In: Kramer, R.M., Tyler, T.R. (Eds.), *Trust in Organizations: Frontiers of Theory and Research*. Sage Publications, Inc., Thousand Oaks, CA, pp. 357–389. ([https://scholar.google.fi/scholar?hl=fi&as\\_sdt=0%2C5&q=Collective+trust+and+collective+action&btnG=](https://scholar.google.fi/scholar?hl=fi&as_sdt=0%2C5&q=Collective+trust+and+collective+action&btnG=)).
- Langfield-Smith, K., Smith, D., 2003. Management control systems and trust in outsourcing relationships. *Manag. Account. Res.* 14 (3), 281–307. [https://doi.org/10.1016/S1044-5005\(03\)00046-5](https://doi.org/10.1016/S1044-5005(03)00046-5).
- Larsson, R., Finkelstein, S., 1999. Integrating strategic, organizational, and human resource perspectives on mergers and acquisitions: a case survey of synergy realization. *Org. Sci.* 10 (1), 1–26. <https://doi.org/10.1287/orsc.10.1.1>.
- Larsson, R., Lubatkin, M., 2001. Achieving acculturation in mergers and acquisitions: an international case survey. *Hum. Relat.* 54 (12), 1573–1607. <https://doi.org/10.1177/00187267015412002>.
- Long, C.P., 2018. To control and build trust: how managers use organizational controls and trust-building activities to motivate subordinate cooperation. *Account. Org. Soc.* 70, 69–91. <https://doi.org/10.1016/j.aos.2018.05.006>.
- Long, C.P., Sitkin, S.B., 2018. Control–trust dynamics in organizations: identifying shared perspectives and charting conceptual fault lines. *Acad. Manag. Ann.* 12 (2), 725–751. <https://doi.org/10.5465/annals.2016.0055>.
- Maguire, S., Phillips, N., 2008. Citibankers' at Citigroup: a study of the loss of institutional trust after a merger. *J. Manag. Stud.* 45 (2), 372–401. <https://doi.org/10.1111/j.1467-6486.2007.00760.x>.
- Malhotra, D., Lumineau, F., 2011. Trust and collaboration in the aftermath of conflict: the effects of contract structure. *Acad. Manag. J.* 54 (5), 981–998. <https://doi.org/10.5465/amj.2009.0683>.
- Malmi, T., Brown, D., 2008. Management control systems as a package—opportunities, challenges and research directions. *Manag. Account. Res.* 19 (4), 287–300. <https://doi.org/10.1016/j.mar.2008.09.003>.
- Marks, M.L., Mirvis, P.H., 2000. Managing mergers, acquisitions, and alliances: creating an effective transition structure. *Organ. Dynam.* 28 (3), 35–47. [https://doi.org/10.1016/S0090-2616\(00\)88448-X](https://doi.org/10.1016/S0090-2616(00)88448-X).
- Mayer, R.C., Davis, J.H., Schoorman, F.D., 1995. An integrative model of organizational trust. *Acad. Manag. R.* 20 (3), 709–734. <https://doi.org/10.5465/amr.1995.9508080335>.
- McAllister, D.J., 1995. Affect- and cognition-based trust as foundations for interpersonal cooperation in organizations. *Acad. Manag. J.* 38 (1), 24–59. <https://doi.org/10.2307/256727>.
- Merchant, K.A., Van der Stede, W.A., 2007. *Management Control Systems: Performance Measurement, Evaluation and Incentives*, second ed. Prentice Hall, Pearson Education Limited, Harlow, Essex, England ([https://scholar.google.fi/scholar?cluster=3189855139321078891&hl=fi&as\\_sdt=0,5](https://scholar.google.fi/scholar?cluster=3189855139321078891&hl=fi&as_sdt=0,5)).
- Mishra, A.K., 1996. Organizational responses to crisis: the centrality of trust. In: Kramer, R.M., Tyler, T.R. (Eds.), *Trust in Organizations: Frontiers of Theory and Research*. Sage Publications, Inc., Thousand Oaks, CA, pp. 261–277.
- Olie, R., 1994. Shades of culture and institutions in international mergers. *Organ. Stud.* 15 (3), 381–405. <https://doi.org/10.1177/017084069401500304>.
- Ouchi, W.G., 1979. A conceptual framework for the design of organizational control mechanisms. *Manag. Sci.* 25 (9), 833–848. <https://doi.org/10.1287/mnsc.25.9.833>.
- Porter, M.E., 1987. From competitive advantage to competitive strategy. In: *Harv. Bus. Rev.*, 65, pp. 43–59. (<https://hbr.org/1987/05/from-competitive-advantage-to-corporate-strategy>).
- Ranft, A.L., Lord, M.D., 2002. Acquiring new technologies and capabilities: a grounded model of acquisition implementation. *Organ. Sci.* 13 (4), 420–441. <https://doi.org/10.1287/orsc.13.4.420.2952>.
- Roberts, J., 1990. Strategy and accounting in a U.K. conglomerate. *Account. Org. Soc.* 15 (1), 107–125. [https://doi.org/10.1016/0361-3682\(90\)90017-O](https://doi.org/10.1016/0361-3682(90)90017-O).
- Shrivastava, P., 1986. Postmerger integration. *J. Bus. Strat.* 7 (1), 65–76. <https://doi.org/10.1108/eb039143>.
- Sitkin, S.B., Roth, N.L., 1993. Explaining the limited effectiveness of legalistic "remedies" for trust/distrust. *Organ. Sci.* 4 (3), 367–392. <https://doi.org/10.1287/orsc.4.3.367>.
- Smeulders, D., Dekker, H.C., Van den Abbeele, A., 2023. Post-acquisition integration: Managing cultural differences and employee resistance using integration controls. *Account. Org. Soc.* (107) (<https://doi.org/10.1016/j.aos.2022.101427>).
- Sudarsanam, S., 2010. *Creating Value from Mergers and Acquisitions: The Challenges*. Prentice Hall, Harlow. ([https://scholar.google.fi/scholar?hl=fi&as\\_sdt=0%2C5&q=Creating+Value+from+Mergers+and+Acquisitions%3A+The+Challenges&btnG=](https://scholar.google.fi/scholar?hl=fi&as_sdt=0%2C5&q=Creating+Value+from+Mergers+and+Acquisitions%3A+The+Challenges&btnG=)).
- Tessier, S., Otle, D., 2012. A conceptual development of Simons' levers of control framework. *Manag. Account. Res.* 23 (3), 171–185. (<https://doi.org/10.1016/j.mar.2012.04.003>).
- Tomkins, C., 2001. Interdependencies, trust and information in relationships, alliances and networks. *Account. Org. Soc.* 26 (2), 161–191. [https://doi.org/10.1016/S0361-3682\(00\)00018-0](https://doi.org/10.1016/S0361-3682(00)00018-0).
- Uzzi, B., 1997. Social structure and competition in interfirm networks: the paradox of embeddedness. *Adm. Sci. Q.* 42 (1), 35–67. <https://doi.org/10.2307/2393808>.
- Vaara, E., 2003. Post-acquisition integration as sensemaking: glimpses of ambiguity, confusion, hypocrisy, and politicization. *J. Manag. Stud.* 40 (4), 859–889. <https://doi.org/10.1111/1467-6486.00363>.
- Van der Meer-Kooistra, J., Vosselman, E., 2000. Management control of interfirm transactional relationships: the case of industrial renovation and maintenance. *Account. Org. Soc.* 25 (1), 51–77. [https://doi.org/10.1016/S0361-3682\(99\)00021-5](https://doi.org/10.1016/S0361-3682(99)00021-5).
- Vélez, M.L., Sánchez, J.M., Álvarez-Dardet, C., 2008. Management control systems as inter-organizational trust builders in evolving relationships: evidence from a longitudinal case study. *Account. Org. Soc.* 33 (7–8), 968–994. <https://doi.org/10.1016/j.aos.2008.02.006>.
- Väisänen, M., Tessier, S., Järvinen, J., 2021. Fostering enabling perceptions of management controls during post-acquisition integration. *Contemp. Account. Res.* 38 (2), 1341–1367. <https://doi.org/10.1111/1911-3846.12639>.
- Walton, R.E., Cutcher-Gershenfeld, J.E., McKersie, R.B., 1994. *Strategic Negotiations: A Theory of Change in Labor-Managements Relations*. Harvard Business School Press, Boston, Massachusetts. ([https://scholar.google.fi/scholar?hl=fi&as\\_sdt=0%2C5&q=Strategic+Negotiations%3A+A+Theory+of+Change+in+Labor-Managements+Relations&btnG=](https://scholar.google.fi/scholar?hl=fi&as_sdt=0%2C5&q=Strategic+Negotiations%3A+A+Theory+of+Change+in+Labor-Managements+Relations&btnG=)).
- Weber, Y., Shenkar, O., Raveh, A., 1996. National and corporate cultural fit in mergers/acquisitions: an exploratory study. *Manag. Sci.* 42 (8), 1215–1227. <https://doi.org/10.1287/mnsc.42.8.1215>.
- Woolthuis, R.K., Hillebrand, B., Noteboom, B., 2005. Trust, contract and relationship development. *Organ. Stud.* 26 (6), 813–840. <https://doi.org/10.1177/0170840605054594>.