

Hybridization: Understanding the microdynamics of a postacquisition integration process

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There is no shortage of theoretical or empirical research on mergers and acquisitions (M&A). Knowledge on the subject has grown substantially in recent decades. However, the integration of firms involved in M&A remains a challenging and often unsuccessful process. In addition, there is a scarcity of research on temporal dynamics within integration projects. This article reports on the postacquisition integration of a business school into a university using the concept of organizational hybridization as a theoretical lens. The aim was to identify the microdynamics that occurred during integration. We conducted an inductive case study, interviewing professionals involved in the integration process, analyzing a wide range of documents, and conducting participant observation over 6 years. Field research revealed that different organizational components underwent distinct hybridization processes that were characterized by different degrees of conflict. This study contributes to the understanding of the microdynamics that occur in postmerger or postacquisition integration processes, focusing on the complex adjustments inherent in these developments.

KEYWORDS

case study, mergers and acquisitions, microhybridization, organizational hybridization, postacquisition integration

1 | MEETING OF THE WATERS

Tourists traveling to the Brazilian Amazon often visit the “meeting of the waters,” which is the confluence of two rivers: the Negro River, with its dark black water, and the Solimões River, with its muddy brownish water. Instead of mixing, the waters of the two rivers run along the same bed for almost four miles but remain separate because of differences in their temperatures, densities, and velocities. The “meeting of the waters” is a suitable metaphor for many mergers and acquisitions (M&A), in which integration processes can take months or even years—or may never be fully completed.

M&A are undertaken to (supposedly) increase the value of the combined companies, strengthen strategic positioning, access new markets, and achieve economies of scale and synergy (Haspeslagh & Jemison, 1993; Hitt, Harrison, & Ireland, 2001). However, some studies show that approximately 50% of M&A fail (e.g., Datta, 1991; Lu, 2014). Other studies suggest that value creation may be related to the ability to integrate the operations of the companies involved

(e.g., Epstein, 2005; Jap, Gould, & Liu, 2017; Larsson & Finkelstein, 1999; Schweiger, 2002; Steigenberger, 2017).

Critical success factors for a merger or acquisition can be classified into two groups (see Gomes, Angwin, Weber, & Tarba, 2013). The first group includes factors that precede a merger or acquisition, such as the choice and evaluation of the strategic partner (Boyle & Winter, 2010), the payment of the right price (Hayward, 2002), and communication (Light, 2001). The second group includes factors that follow the merger or acquisition, such as integration strategies (Angwin & Meadows, 2015), postacquisition leadership (Nemanich & Vera, 2009), communication during implementation (Papadakis, 2005), and management of cultural differences (Liu & Woywode, 2013; Viegas-Pires, 2013).

Although this second group of factors is essential for the success of a merger or acquisition, few empirical studies examine integration (Daniliuc, Bilson, & Shailer, 2014). In fact, there is still a dearth of in-depth empirical studies that show how a postmerger or postacquisition integration process occurs in practice (Almor, Tarba, & Benjamini, 2009; Burgelman & McKinney, 2006; Rottig, Schappert, & Starkman,

2017) or that explore in detail the organizational microdynamics (Stahl et al., 2013) related to change. For instance, Birkinshaw, Bresman, and Håkanson (2000) and Vaara (2003) mentioned the absence of studies that perform a micro-level analysis on, for example, the impact of M&A on individuals working in a given firm or area and the backstage of this process. Recently, in an extensive review of the M&A integration literature, Steigenberger (2017) concluded that "there is a shortage of research on temporal dynamics within integration projects" (p. 408). One may hypothesize that this shortage is partially attributed to the difficulty of gaining access to integration processes.

To address this gap, the present study focuses specifically on organizational hybridization that arises from M&A, that is, the simultaneous and juxtaposed coexistence of structures, processes, models, and management systems and practices that are partially or fully antagonistic and have different origins. The objective of the study is to identify the microdynamics that occur during integration. We conducted an inductive qualitative study on the integration process that occurred after the acquisition of a business school by a university. Over several years, one of the authors of this article gained full access to pertinent people, events, and documents.

The remainder of this article is organized as follows: the second section introduces the theoretical lens adopted, the third section presents the methods used in the study, the fourth section describes the case study, the fifth section presents a discussion of the study findings, and the sixth section provides final comments.

2 | DEFINING ORGANIZATIONAL HYBRIDIZATION

The term hybrid has its origin in biology and is commonly associated with the product of crossing animals or plants of different breeds or species (Houaiss, 2007). It derives from the Latin word *hybrida*, *hibrida*, or *ibrida*, which means insult and outrage. This meaning derives from the fact that plants or animals of different breeds or species are not able to produce common descendants (Holanda Ferreira, 1999).

The terms hybrid and hybridity have been appropriated by the sociology and cultural studies fields, and hybridity has come to be associated with an existential quality or condition (Bhabha, 1984, 1994; Burke, 2003; Canclini, 2003). Burke (2003) understands culture as a composite of attitudes, mentalities, and values that is also expressed in the form of artifacts, practices, and representations. He perceives that hybridity is manifest in the coexistence of distinct elements originating from different cultures. In turn, Canclini (2003) associates hybridity with miscegenation, syncretism, and acculturation. His concept of hybridization refers to a heterogeneous condition of social formation.

In the field of organizational studies, the terms hybrid, hybridity, hybridism, and hybridization have been used to refer to situations, forms, practices, and manifestations of mixtures of juxtaposed elements. Such studies can be classified into four groups. The first group addresses hybrid organizations, focusing on the issue of governance

(Bruton, Peng, Ahlstrom, Stan, & Kehan, 2013; Rocha de Moura & Fernandes, 2009; Schmitz, 2015). The second group focuses more specifically on the coexistence of antagonistic logics, such as a developmental logic versus a financial logic (Battilana & Dorado, 2010; Battilana, Singul, Pache, & Model, 2015) or a market-oriented logic versus a human development-oriented logic (Haigh, Walker, Back, & Kickul, 2015; Pache & Santos, 2013). The third group addresses hybrid management practices, emphasizing leadership (Bolden & Kirk, 2009; Kakar, Kakar, Kets de Vries, & Vrignaud, 2002) and functional practices, such as human resources (Newenham-Kahindi, 2009) and strategic (Moraes & Zilber, 2004) and operations management practices (Feyzioglu & Pierreval, 2009). The fourth group specifically addresses the cultural hybridization that occurs as a result of M&A. A considerable number of these studies highlight cultural integration as a critical factor for successful integration (Weber, Shankar, & Raveh, 1996; Zhu & Huang, 2007).

These four groups of studies acknowledge the coexistence of antagonistic elements. However, they do not emphasize how those elements interact with one another. This study helps develop this field of research by indicating how the elements relate to one another over time. Relations among them are called the microdynamics of organizational hybridization.

3 | METHODOLOGY

This study focuses on the process of the postacquisition integration of a business school, which is referred to here as *Negotium* (a fictional name), into a university, which is referred to here as *Universitatis* (also a fictional name). At the time of the acquisition, in 2008, *Universitatis* had approximately 35,000 students, 550 professors, and 4,000 employees. It offered 35 programs at 15 campuses located in 12 Brazilian states and had an annual revenue of approximately 500 million reais (approximately \$250 million USD at the time). It was owned and managed by a Brazilian education group (51%) and a US education group (49%). For its part, *Negotium* was an elite school, located in São Paulo, with a focus on offering graduate programs in business administration. It had approximately 250 students and 30 professors. *Negotium* had quickly built a prestigious brand among executives of large local companies. A small group of founding partners managed it.

3.1 | Data collection

The data collection process was inspired by Gioia, Thomas, Clark, and Chittipeddi (1994) and Corley and Gioia (2004), in addition to the guidelines of Maxwell (1996), Marshall and Rossman (1999), Denzin and Lincoln (2000), and Creswell (2009). This process involved interviews, documents, and participant observations by one of the authors who was an associate professor at *Negotium*. The multimethod approach enriched the level of insight into the phenomenon, allowing us to identify differences and consider distinct perspectives on the studied phenomenon (Miles & Huberman, 1994). The study was encouraged by the organizations involved, which allowed us full access to respondents and data sources.

From 2007 until the first half of 2012, we conducted participant observation, and during the second half of 2012, we conducted non-participant observations. Participant observation included faculty meetings (23 occasions), classes (334 events, mostly of MBA programs), lectures (12 opportunities), and celebrations (6). We also observed informal events, such as happy hours and training breaks. The nonparticipant observation consisted of faculty meetings (2), MBA classes (41), and one celebration. We took field notes throughout the entire period and visited seven *campuses*. These visits contributed to a more coherent view of reality as we could consider the process from distinct spots in space and time. For both kinds of observations, we tried to balance involvement and detachment as well as familiarity and strangeness. We were interested in discovering aspects that participants would not talk about during interviews and in detecting features that they were unable to perceive. We were open to discoveries and to the unpredictable. Our main intention was to capture context in order to give meaning to experiences.

From 2008 to 2012, we collected two types of documents for both institutions: documents whose audience was the external public (such as mission statements, annual reports, flyers, posters, and advertisements in general) and, more abundantly, internal documents (such as strategic plans, training material, policy, and student manuals). In addition to these, we assembled visual presentations, emails, and documents about the M&A, both official and internal ones. We elected three criteria to select these documents. First, we prioritized quality over quantity, and to that end, we pondered the bias and subjectivity of the authors as well as their role in the integration. Second, we considered the target audience, an aspect that could strongly misrepresent the conveyed message. Third, we sought to consider the latent content of each of the documents. We attached a note considering those aspects to each one to guide us through document analysis.

Interviews were designed in 2011 and conducted in 2012. The respondent sample was intentional and consisted of individuals from *Negotium* and *Universitatis*. Respondents were selected based on the following criteria: years of service in the organization, position in the organization, and involvement in the integration process. First, professionals from *Negotium*'s top management were interviewed, and through the snowball technique (Given, 2008), these individuals suggested others whom they considered relevant to the understanding of the case. We decided to begin the interview process with managers of both organizations because these professionals typically have stronger ties to the integration, as well as a broader view of it, before and after a merger or acquisition (Isabella, 1990).

We interviewed 19 individuals from *Universitatis* (8 females and 11 males) and 22 individuals (9 females and 13 males) from *Negotium*. Interviews were divided into two stages. The first stage contained broader and more open-ended questions, such as "How was the university prior to the acquisition?," "In your opinion, what were the main changes brought by the acquisition?," and "Please describe the integration process, as you see it." We created a repertoire of possibilities. These initial questions were flexible and versatile in order to elicit participants' experience, knowledge, and narratives and to accommodate our research goals. They also permitted us to identify the aspects respondents knew best and to delve deeper into

these aspects. For example, some of them focused on changes on processes, some concentrated on leadership, and some emphasized programs.

In the second stage, we explored in depth the participants' specific experiences. We asked for detailed situations, and we helped bring their ideas, perspectives, and experiences to the surface using questions such as "Please describe in more detail in what sense the association of brands is not something good for the *Negotium*, as you mentioned earlier," "Why, in your opinion, did the enrollment process get more efficient?," or "We would like to better understand why working for *Universitatis* will not be something good for your career; could you elaborate on that?"

In addition, we showed the participants specific documents (for instance, program brochures and institutional presentations) and described some of our field observations (e.g., speeches and conflicts) to help elicit their own relevant experiences. We also discussed aspects mentioned by previous participants in order to check for consistency and discrepancies. This approach, which required frequent debriefing between researchers, provided a thick description of our investigation, which was strongly supported by real representations and episodes.

The combination of methods enabled the formulation of an internalized perception (from the perspective of the researchers) of the most important aspects of the organizations before and after the acquisition (e.g., processes, leadership, strategies, programs, images, and brands) and, therefore, of the most important organizational changes as well as behaviors and feelings that emerged over time.

3.2 | Data analysis

Data analysis, which began in 2012, was undertaken concurrently with data collection and followed a process similar to that described by Corley and Gioia (2004) and Gioia et al. (1994). It was conducted in three stages. In the first stage, we analyzed the transcripts of all interviews. We had 41 narratives and detailed descriptions of particular experiences and points of view. One by one, we extracted and identified the linguistic fragments that constituted a semantic unit of meaning, such as "there was a brand conflict since the beginning."

In the second stage, we grouped the semantic units into codes. Here, we tried to find patterns and repetitions. Our goal at this stage was to group all semantic units associated with a specific experience or idea into a code—a linguistic unit representing the same meaning as, for example, "brand conflict." We also explored opposing patterns, attempting to ensure that specific experiences and ideas meant something—and not its opposite. This technique helped us compare the narratives and views of members of *Universitatis* and *Negotium*, which were convergent with respect to some ideas and divergent with respect to others. Another technique that was extremely helpful at this point was the systematic search for rival codes, or anti-patterns. We did that inductively and logically until we could not find support for the opposing pattern and were sure about the best fit between semantic units and corresponding codes.

In the third stage, we established relationships and similarities between codes by grouping them into themes (such as "brand management"). We used the same techniques of finding opposing and

anti-patterns to ensure the trustworthiness of the themes. Another useful procedure at this stage was the triangulation of participants' narratives (including the crosschecking between those from Negotium and those from Universitatis), our observations, and the documents we obtained to ensure consistency in defining the themes. We also built a processing scheme through which we systematically returned to semantic units and codes. The whole (themes) would be more consistent if semantic units (parts and codes) were repeatedly reassured. This scheme required perseverance but created coherence in our analysis.

Concurrently, we assigned these themes to four stages of the integration process, which we identified based on interviews and other documents, following the recommendations of Van den Ven and Poole (1990) and Zerubavel (2003). The process of associating themes to the periods of the integration process was a space-time allocation and a linear accommodation of events to facilitate the unfolding of reality and to reinforce context.

4 | FINDINGS: HYBRIDIZATION IN THE INTEGRATION PROCESS

4.1 | Period I—The preacquisition context

Universitatis was founded in 1982. During the 1990s, the number of programs increased, and new campuses were opened. In the 2000s, Universitatis continued its expansion. Its main feature was that it offered innovative programs in the fields of fashion, design, and the culinary arts. In 2005, an American educational group acquired 49% of the institution's control, which led to important strategic, operational, and cultural changes. The acquisition transformed the institution from a family business, which had entrepreneurial leadership that was focused on innovation and featured an agile decision-making process, into an international organization with a strong national presence and a bold financial orientation, as expressed by the pursuit of growth and profitability. After the acquisition, new programs were launched, management activities were professionalized, and managers began to be held accountable for financial and operational goals.

Negotium was founded in 1995 as a graduate business school, having been a pioneer in Brazil by offering courses that were taught completely in English. It developed by seeking differentiation with the help of experienced professors. It attracted students in prominent positions in local organizations with new and sophisticated facilities, personalized service, and an agile and lean administrative structure. Over time, it was able to create the image of an elite school. In the early 2000s, Negotium was already an important institution in the Brazilian business education market. However, the country's economic instability temporarily shook the executive education market. Negotium suffered the negative effects of a reduction in demand, which led to financial problems. In 2007, representatives from Universitatis approached Negotium, seeking an acquisition. The initiative led to a restructuring and to the implementation of cost-reduction measures. Later that year, Negotium was acquired by Universitatis.

4.2 | Period II—2008: The lost year

In mid-2008, Negotium was transferred to a building on one of Universitatis' campuses. It was established on two floors inside this building, which were refurbished to meet its students' needs. The rooms were transformed into amphitheatres, and new chairs, projectors, and whiteboards were installed.

Negotium professors responded to the changes with anxiety and dissatisfaction because Universitatis was not a strong business education brand. A new dean was appointed but failed to establish a good relationship with his subordinates, which led to tension and conflict. The financial results were disappointing and contributed to the deterioration of the organizational climate.

4.3 | Period III—2009–2010: The golden years

At the beginning of 2009, the unpopular Negotium dean was replaced, and a new period in the integration process began. The new leader adopted a more collaborative and communicative leadership style, involving his subordinates in major decisions. This change made it possible to develop important projects, such as a review of the program portfolio. This project facilitated the launch of new products that would soon become a great success.

The improvement in organizational climate and other changes, such as organizational restructuring, program renewals, new product launches, and marketing initiatives, resulted in better financial performance. Therefore, there was a positive reversal of expectations and circumstances relative to the previous period.

4.4 | Period IV—2011–2012: Integration

The following period was marked by a closer relationship between the professionals of the two institutions, although a full merger did not occur. Negotium established itself as a graduate business school, a characteristic it had held since its inception, whereas Universitatis maintained control over the undergraduate program, which it had controlled since the creation of this program.

In terms of leadership, each institution retained an academic dean and a specific body of coordinators. Planning routines and market and product strategies were kept separate. Some integration activities that involved program coordinators, professors, and students were initiated, but their implementation was limited. A management model characterized by limited integration between the institutions was thus configured.

This same limited integration model was used in the commercial department. The Negotium team remained separate and worked toward a specific focus, operating under a customized sales logic, whereas the Universitatis team operated according to a mass-scale sales logic. Initially, management attempted to join these processes, but the initiative faced strong resistance and was later abandoned. On the other hand, support functions, such as administration, financial, legal, marketing, and personnel management, began to be fully performed by Universitatis.

Although professional groups from both institutions resisted the merging of brands, the brands indeed merged by the end of the

consolidation period. This joiner grouped the brands together under a single umbrella. However, the two brands remained distinct.

Both physical environments reflected and helped to create conditions for this limited integration. As noted above, after the acquisition, *Negotium* was physically allocated to a *Universitatis* campus. However, it maintained a distinct identity as it was housed on exclusive floors with more refined furniture and dedicated elevators.

4.5 | Limited organizational integration

In 2012, 4 years after the beginning of the integration process, *Universitatis* and *Negotium* comprised a hybrid organization, a result of the interpenetration of the professionals, functions, and processes of the two original organizations. Table 1 presents a summary of the situation, indicating for each component the final condition in the period: separation, joining, or a combination of the two. The items are illustrated by respondents' statements, which are evidence of the suggested condition.

5 | DISCUSSION: THE MICRODYNAMICS OF ORGANIZATIONAL HYBRIDIZATION

Pache and Santos (2013) coined the term microhybridization to describe hybridizations occurring in organizational dimensions such as departments, structures, products, brands, physical environments, processes, and practices. Several studies have specifically addressed microhybridization in human resource practices (Oliver & Montgomery, 2000), leadership practices (Bolden & Kirk, 2009), general management practices (Gamble, 2010), and institutional logics (Pache & Santos, 2013).

In this case study, microhybridization involved opposing logics that interacted and found a certain level of balance. At the beginning of the integration process, employees held different expectations regarding the joining of *Negotium*, which focused on graduate programs, with the *Universitatis* business school, which focused on undergraduate programs. While *Negotium* professionals believed in the union under its control of all programs, *Universitatis* professionals believed in the maintenance of separate structures. There were attempts to bring the two together, but the developments were modest.

The identified solution—that is, accommodation—included the maintenance of independent command structures, separate course management, and the segregation of certain functions that were considered strategic. On the other hand, as shown in the previous section, support functions, systems, and processes were joined or partially joined. Over time, the spheres of influence of the two institutions were consolidated, creating a mode of coexistence based on juxtapositions.

The following analysis was conducted based on the relational model for hybrid organizations (Wood, 2010). The author defines three types of relationships between organizations in a process of integration that are based on the relative salience of each, that is, the power or ability of one organization in relation to the other to define a certain trait or characteristic. Such power or ability is a function of

the technical domain of the trait or characteristic, the existence of processes and systems related to such a trait or characteristic, and the symbolic ability to prove its superiority.

The first type of relationship is multiplicity, which occurs when both organizations involved have high salience in relation to one or several components. This condition creates points of opposition where organizations face one another. The second type of relationship is domination, in which one of the organizations involved has higher salience than the other organization. This condition can lead to tension and conflict, give rise to resistance, and cause deterioration in the organizational climate. The third type of relationship is coexistence, in which both organizations have low salience; that is, neither has strong or dominant characteristics nor aims to dominate. In this case, the relationship becomes a friendly coexistence of processes, systems, or departments. However, this condition leads to duplicated resources, demands additional efforts for coordination, and may limit gains in scale and scope.

This study identified the microdynamics deriving from interactions between the institutions involved in the integration process. It assumed that organizational encounters (e.g., those induced by M&A) generate contexts that evolve over time. Figure 1 represents the microdynamics identified in this study. The vertical axis shows the degree of salience of *Universitatis*. The horizontal axis shows the degree of salience of *Negotium*. The diagonal line (the line of symmetry) represents a hypothetical situation in which *Universitatis*' salience is equivalent to *Negotium*'s at any level. The arrows represent microdynamics that occurred over time in the integration processes. Straight arrows represent change, while rounded arrows represent microdynamics in which the final state was approximately the same as the initial state.

It is worth mentioning that the model is a social construction based on the interviews and other documents. Therefore, Figure 1 reflects the perceptions of participants mediated by our analysis.

5.1 | Microdynamic I: Multiplicity maintained

The first observed microdynamic involved components in which the two organizations showed high salience at the initial stage and maintained this salience level over time, leading to an accommodating position in which individual characteristics were generally preserved. This occurred in the case of top management structures, programs, teaching staff, and the processes involved in faculty selection and student services.

At the beginning of the integration, there were expectations of unification. However, these expectations did not materialize, and the original *status quo* was preserved, even following a few modest attempts to draw the two institutions together. The split related to the top management structure of the schools was highlighted in the statement of one of the board members: "I do not see it [*Negotium*] as truly integrated [...] I participate in weekly board meetings [of *Universitatis*], and *Negotium*'s name never comes up."

Organizational multiplicity was also maintained in the programs. Although management attempted to bring them together, the programs were kept separate. Most programs remained unchanged and began to be offered as they were before the acquisition. As one

TABLE 1 Limited organizational integration

Dimension	Components and condition	Representative quotes
Strategy and courses	<ul style="list-style-type: none"> Separate strategies and separate courses 	<ul style="list-style-type: none"> "Negotium had one portfolio [of intermediate courses], and Universitatis had another...Then, there was only one, which followed Negotium's standards." "What remains exclusive to Negotium are the premium courses. They have nothing to do with Universitatis."
Leadership and faculty	<ul style="list-style-type: none"> Separate leadership Mostly separate teaching staff 	<ul style="list-style-type: none"> "There is one dean of the Universitatis business school and another dean of the graduate school [Negotium]. There is a clear split between the two." "In the end, the Universitatis business school has a graduate process that is run by Negotium and an undergraduate process that is run by Universitatis itself." "I feel that there are also a few professors on each side who do not mix." "Today, faculty is mixed; we are calling it integrated, but it is not integrated."
Departments	<ul style="list-style-type: none"> Commercial departments operate separately but are physically located together Separate marketing departments Support departments (finance, human resources, and legal) are joined 	<ul style="list-style-type: none"> "Now, they [in Negotium's commercial department] live in this Universitatis world; they are mixed with the Universitatis team; there is a whole, but they are separate at the same time." "The first department that was integrated at the time was HR. However, integration didn't mean that the staff moved to Universitatis but that Negotium's processes would be managed by Universitatis" HR department."
Processes	<ul style="list-style-type: none"> Hybrid sales process: separate initial contacts and joint development Support processes (finance, human resources, and legal) are joined Separate student services processes Separate learning management systems (LMS) 	<ul style="list-style-type: none"> "We have seen that the results of Negotium and Universitatis were poor. Something was wrong. And then we realized that it was pointless to use the same sales processes because the audiences are different, the process is different, and each has its own timing. So, we kept the [Negotium] staff working in a tailored manner." "Negotium continues to sell by means of a tailored process, and Universitatis works in a mass fashion." "Negotium sales staff must be bilingual, but this is not the case for Universitatis. We began to realize that Negotium's processes had their peculiarities, and it would not be possible to popularize those processes like those of Universitatis."
Image and brand	<ul style="list-style-type: none"> Joint logos and visual identity 	<ul style="list-style-type: none"> "One day, we were notified that the brands would be brought together with the full transformation already structured; starting tomorrow, we will be together." "The two brands were joined together. I think this was the biggest mistake. Why join them? I did not understand."
Physical environment	<ul style="list-style-type: none"> Hybrid physical environment: Negotium joined with Universitatis but in a separate location Separate physical facilities and equipment for Negotium students Separate service cells for Negotium students 	<ul style="list-style-type: none"> "In the same building, in the same physical space, there is one facility for Negotium and another for Universitatis. Negotium is inside and outside at the same time. It is alone, and yet it is a part of it." "The separate stand at the call center is the greatest proof [...] that the audience is different."

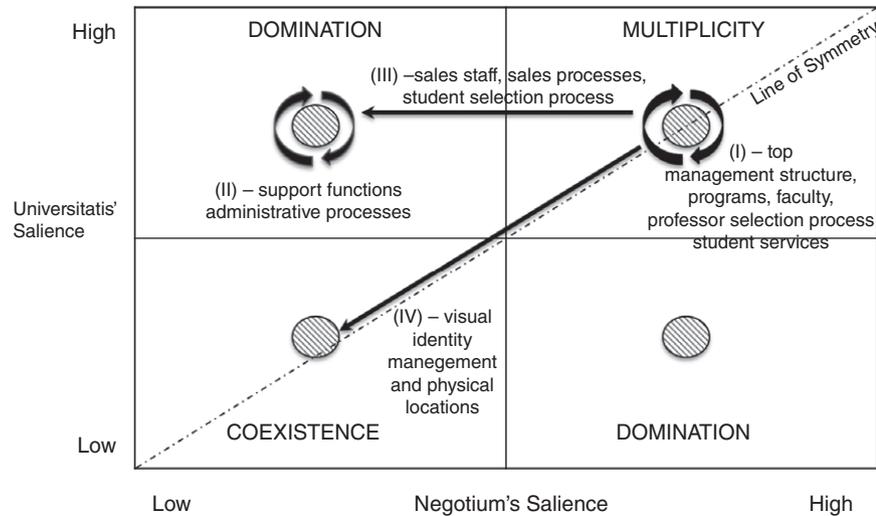


FIGURE 1 Hybridization microdynamics

respondent noted: “Only Negotium had an Executive MBA. It was incorporated into the merged organization exactly as it came from Negotium.”

An initial attempt was made to integrate the faculty staff. Ultimately, however, the individual staff remained largely separate, which reinforced the notion of multiplicity. As one respondent stated: “Negotium professors are treated differently than Universitatis' professors. They are within the same physical space, but it's like they constitute two different units.”

The faculty selection process also remained separate, and each institution preserved its original process. The same occurred with respect to student services. One respondent noted the following: “Some things are separate, and I don't think they will integrate more. This corner concentrates Negotium consultants, whereas Universitatis service has its base in this workstation...”

5.2 | Microdynamic II: Consensual domination

The second observed microdynamic involved components in which one of the institutions had high salience at the initial stage and maintained this level over time, which led to the assimilation of the other institution. This occurred in the case of Universitatis' support functions and administrative processes, which were generally considered more consistent and better structured than those of Negotium. According to one respondent, “We had two important integrations early on, HR and Finance. Integration [meant] bringing Negotium's processes over to be executed by the university's human resources group.”

5.3 | Microdynamic III: From multiplicity to domination

The third microdynamic observed involved components in which the two institutions had high salience at the initial stage, but the integration process led to a transition into a situation of dominance on the part of Universitatis. This microdynamic occurred in the case of sales staff, sales processes, and the student selection process.

Negotium's sales department was first transferred to a specific location within Universitatis. The two departments were physically

combined, but Universitatis was dominant. The more developed sales structure of Universitatis prevailed over the less developed one of Negotium. Alongside these changes, Universitatis' sales processes almost entirely replaced those of Negotium. The dominance of Universitatis' processes was considered positive. According to one respondent: “... I think it was a gain. They joined a more aggressive selling scheme and ended up generating a better result.”

The initial situation of multiplicity also evolved into a situation of domination with respect to the case of the student selection process. Initially, Negotium worked with a tailored process, whereas Universitatis had a mass-oriented process. Although it did not make much sense in terms of attracting students to Negotium, Universitatis' mass-oriented process prevailed. One respondent noted the simplification of the Negotium process, which originally involved, for instance, individual interviews with candidates, and the prevalence of Universitatis' model: “Every part of the selection process is [now] controlled by Universitatis.”

5.4 | Microdynamic IV: From multiplicity to coexistence

The fourth microdynamic observed involved components in which the two institutions had high salience at the initial stage, but the integration process led to a situation in which both institutions had low salience, thus resulting in a context of coexistence. This microdynamic occurred in the cases of visual identity management and physical locations.

Both institutions had strong visual identities and brands in the market: Negotium focused an elite audience, and Universitatis focused a mass audience. Initially, the integration process generated tension and conflict, and some of the individuals involved sought to maintain the separate visual identities and brands. One respondent made the following comment: “You couldn't be okay with that. It makes no sense from a branding point of view.” However, another respondent noted: “Everyone wanted [Negotium] to have separate [brand] placement from Universitatis.” Over time, however, the issue lost its relevance, and the tension decreased, leading to coexistence.

This microdynamic also occurred in relation to physical locations. Negotium and Universitatis had very different physical structures.

After the acquisition, management decided to place Negotium's physical structure within Universitatis while maintaining its visual identity. According to one respondent: "When you go to Negotium's floor, it is more formal. [...] On Universitatis campuses, [it] is different."

6 | FINAL COMMENTS

6.1 | Contribution to theory on postacquisition integration

The literature on the postacquisition integration phase has produced a number of typologies (see Angwin & Meadows, 2015). For instance, in their seminal work, Haspeslagh and Jemison (1991) empirically observed three distinct primary postacquisition integration strategies: preservation, absorption, and symbiotic. A fourth type was proposed but not empirically observed. Focusing on culture and conflict, Nahavandi and Malekzadeh (1988) identified four forms of acculturation: separation, assimilation, integration, and deculturation. Also focusing on conflict, Siehl and Smith (1990) suggested four forms of integration: pillage and plunder, courtship or just friends, one-night stands, and love and marriage. Merging culture and other dimensions, Mirvis and Marks (2003) proposed five forms: preservation, absorption, transformation, reverse takeover, and best of both.

These types resonate in some ways with our model. For instance, Haspeslagh and Jemison's (1991, 1993) preservation form was observed in microdynamic I (multiplicity maintained), and Nahavandi and Malekzadeh's (1988) assimilation form was observed in microdynamic II (consensual domination).

However, there is at least one important difference between our framework and these typologies. While these typologies show what occurred, our framework helps academics understand how it occurred. In addition, it seeks to support practitioners in managing how integration will happen. In short, our framework has a temporal dimension that other typologies seem to neglect. In addition, it allows one to conclude that different components of an organization may be characterized by different integration forms, and these forms may change over time. For example, brand may be preserved initially but be subject to absorption after a while. In the same processes, other components may be subject to different strategies, forms, and paths of integration.

6.2 | A case for *realpolitik*

Weber and Tarba (2013), writing in the introduction of a special issue of *Thunderbird International Business Review* on sociocultural integration in M&A, stated that "the growth in M&A activity, the volume of capital involved, and the popularity of M&As stand in sharp contrast to their high rate of failure..." (p. 327). In fact, difficulties and their recognition are nothing new. In an article published nearly 50 years ago, Kleger (1971) proposed a straightforward, no-nonsense approach to facilitating postmerger integration. His guidelines included, among others, the recognition of potential difficulties and the need for gradual accommodation. Since then, managers and consultants alike have tried several approaches to facilitate integration, frequently under the umbrella of change management. However, these techniques fail to

grasp the complex realities of integration. In this article, we argue that understanding the microdynamics of the integration process is a crucial step toward achieving better outcomes in M&A.

In this study, we used the concept of organizational hybridization to investigate the case of a postacquisition integration of a business school into a university. We observed that different organizational dimensions demonstrated distinct hybridization microdynamics. In addition to mapping hybridization microdynamics, this study reveals how such microdynamics may occur in the first place. This study also confirms that the coexistence of antagonistic logics and practices is tolerable and even healthy, as previously suggested by Pache and Santos (2013).

The theoretical lens employed here also allowed us to identify the integration process as a case of organizational *realpolitik*, in which agents base their actions on practical and instrumental considerations with the aim of maintaining advantages and privileges. The microdynamics presented are materializations of this action principle, which is opposed to the idealized views of integration that are often espoused in the negotiating phase preceding a merger or acquisition.

6.3 | Implications for management

The findings presented in this article offer contributions to management practice. For instance, the framework behind Figure 1 may help managers involved in M&A processes to plan and manage integration processes more consciously and with more attention to detail, as is warranted by the complexity and multiple dimensions involved in integration. Attention should be paid to evaluating the saliences, and therefore the capabilities, of the organizations involved in each organizational dimension, in addition to defining the best method of combining or juxtaposing components of different origins. Attention should also be paid to the adjustment that occurs in each dimension to reduce or mitigate conflict.

In addition, our study indicates possible changes in the way managers view integration processes. First, our study suggests that success would be the outcome of multiple and gradual adjustments of distinct organizational dimensions—some of them resting at multiplicity, others at dominance, and still others at coexistence. Second, our study challenges the common notion among managers that the conclusion of the integration process is a final and irreversible state. Our findings suggest that managers should see change as the natural state of things and stability as a temporary accommodation. Third, our study proposes that managers should address conflicts openly, recognizing differences in terms of aspirations, necessities, and roles, because conflict is an engine for transformation. In doing so, managers may facilitate the adjustment of processes, people, strategy, brand, and all other dimensions of organizations to the most suitable conditions.

At this point, one may raise the following question: does multiplicity, domination, or coexistence represent an ideal spot in the model? There is no absolute, definitive answer to this question as each position may present its own advantages and drawbacks for the integration process. However, based on the case analyzed in this article, one may hypothesize that multiplicity at the starting point presents a better prospect for success. It certainly requires close attention to conflict and demands strong negotiation skills. Nevertheless, the high salience (which frequently means high capability) of

both firms involved in a merger or acquisition may potentially expand results in the long term. This is because, with double salience, managers have better conditions to compare and eventually choose alternatives among those presented by the firms involved.

Of course, multiplicity as an ideal departure spot may be extremely challenging if both firms present high salience in most components to be merged. In this circumstance, the effort needed to integrate may be huge, and/or the integration may take too much time to be accomplished. This, evidently, may be an exception as, in most cases, a more balanced composition of low/high salience items is available.

In such cases, managers can design the best approach in relation to each organizational component (e.g., leadership, strategy, processes, programs, brand), depending on the specificities of their integration context. In other words, it may be possible to map the best quadrant for each component. Our case study showed the following: strategic functions accommodated on multiplicity, back office functions accommodated on dominance because of gains of scale, and symbolic artifacts accommodated on coexistence. This, of course, cannot be generalized but can be tested in future studies.

6.4 | A blueprint for integration

All these aspects considered, we can devise a simple four-stage plan for integration:

- Stage 1—Diagnosis: to map the various components involved in the integration process and to describe each component in detail;
- Stage 2—Evaluation: to plot in Figure 1 each component identified in the previous stage, defining its salience for each firm and thus positioning each of them in one of the four cells (departure spots);
- Stage 3—Negotiation: to define collectively, for each component, objectives in terms of arrival spots as well as actions to accomplish these objectives; and
- Stage 4—Implementation: to manage the transition of the various components, checking results and reviewing objectives and actions when necessary.

6.5 | Future studies

This is an exploratory case study, with no ambitions for generalization. However, future studies could examine the generalizability of our findings. They could also look deeper into the different hybridization processes and dynamics that occur during integration. Empirical, preferably longitudinal, investigations may focus on either strategic components, such as products and services portfolios, or organizational components, such as systems, processes, and structures. Future studies could also focus on the hybridization process involving organizational culture, which constitutes an extremely complex dimension that is commonly related to M&A success or failure.

ACKNOWLEDGEMENTS

The author expresses his gratitude to Marcello Romani-Dias for his assistance in the reviewing process; to the anonymous reviewers for

their suggestions; and to the leaders, professors, managers, students, and staff members of the two organizations portrayed in this article for their openness, collaboration, and enthusiasm with this project.

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How to cite this article: Chu RA, Wood T. Hybridization: Understanding the microdynamics of a postacquisition integration process. *Thunderbird Int. Bus. Rev.* 2019;61:353–362. <https://doi.org/10.1002/tie.21982>