



CHALMERS
UNIVERSITY OF TECHNOLOGY



Strategies for maintaining entrepreneurial motivation in entrepreneurs post-acquisition

A case study of a decentralized firm

Master's thesis in Management and Economics of Innovation

BENJAMIN BERNTSSON
LUCAS EKWALL

DEPARTMENT OF TECHNOLOGY MANAGEMENT AND ECONOMICS
Division of Entrepreneurship and strategy

CHALMERS UNIVERSITY OF TECHNOLOGY
Gothenburg, Sweden 2025
www.chalmers.se

Strategies for maintaining entrepreneurial motivation in entrepreneurs post-acquisition

A case study in the post-acquisition area

BENJAMIN BERNTSSON
LUCAS EKWALL

Department of Technology Management and Economics
Division of Entrepreneurship and Strategy
CHALMERS UNIVERSITY OF TECHNOLOGY
Gothenburg, Sweden 2025

Strategies for maintaining entrepreneurial motivation in entrepreneurs' post-acquisition
A case study in the post-acquisition area
BENJAMIN BERNTSSON
LUCAS EKWALL

© BENJAMIN BERNTSSON, 2025
© LUCAS EKWALL, 2025

Department of Technology Management and Economics
Chalmers University of Technology
SE-412 96 Gothenburg
Sweden
Telephone + 46 (0)31-772 1000

Cover:
Entrepreneurial motivation in the post-acquisition context of the retail industry

Gothenburg, Sweden 2025

Strategies for maintaining entrepreneurial motivation in entrepreneurs' post-acquisition
A case study in the post-acquisition area

BENJAMIN BERNTSSON
LUCAS EKWALL

Department of Technology Management and Economics
Chalmers University of Technology

Abstract

Mergers and acquisitions (M&As) are a common strategy for firms seeking growth and market expansion. While previous research has focused on the financial and operational aspects of M&As, there is a gap in understanding how entrepreneurial motivation is maintained post-acquisition. Entrepreneurial motivation plays an important role in maintaining engagement and local expertise in acquired firms. However, few studies have examined how entrepreneurs adapt to their new roles and remain engaged after their firms are integrated into a larger corporate structure.

The master's thesis investigates the motivation of entrepreneurs within two firms, that have acquired multiple firms in recent years. Using a qualitative case study approach, semi-structured interviews with entrepreneurs and key managers provides insights into how entrepreneurial motivation is influenced by the degree of autonomy, early integration, and leadership practices during and after the acquisition process.

The study's findings reveal that maintaining entrepreneurial motivation post-acquisition is based on three key factors: (1) the importance of maintaining autonomy, (2) early integration, and (3) effective leadership that respects local expertise while providing strategic direction. Entrepreneurs showed high levels of motivation when they retained control over local operations and felt trusted by management. The study contributes to the understanding of how decentralized organizations can sustain entrepreneurial motivation, offering insights for managing acquisitions more effectively.

Keywords: Entrepreneurial motivation, Autonomy, Leadership, Integration, Post-acquisition, Decentralized organizations

Acknowledgments

This master's thesis was completed in the spring of 2025 at the Department of Technology Management and Economics, within the division of Entrepreneurship and Strategy at Chalmers University of Technology. The research was conducted in partnership with [Case Company Name].

We would like to begin by expressing our gratitude to our academic supervisor, Anmar Kamalaldin, at Chalmers University of Technology. Your guidance and insightful feedback have been truly appreciated throughout this process. We would also like to extend our thanks to our examiner, Kamilla Kohn Rådberg, for your feedback.

We are truly appreciative to [Case Company Name] for granting us the opportunity to conduct our study within your organization. We are particularly grateful to our supervisor at the case company, [Supervisor's Name], for your enthusiastic support and willingness to assist us at every stage of the project. Your involvement has significantly shaped the research and its outcomes.

We would also extend our gratitude to all the entrepreneurs who generously took part in our interviews. Your openness in sharing personal experiences and insights, especially regarding more sensitive matters, has been crucial for understanding the topic. Your participation has added great depth to our study. Lastly, we would like to thank the key managers who contributed to our interviews. Your expertise and perspective have been valuable in guiding our research.

Table of Contents

1	INTRODUCTION	1
2	THEORETICAL BACKGROUND	5
2.1	SELF-DETERMINATION THEORY	6
2.2	PSYCHOLOGICAL OWNERSHIP	7
2.3	INTEGRATION FRAMEWORK	8
2.4	TRANSFORMATIONAL LEADERSHIP	9
3	METHODOLOGY	10
3.1	DATA COLLECTION	10
3.2	DATA ANALYSIS	12
3.3	ETHICAL CONSIDERATIONS	14
3.4	CASE-DESCRIPTION	15
4	FINDINGS	17
4.1	THE CHALLENGES FOR ENTREPRENEURS POST-ACQUISITION	17
4.1.1	<i>Tampering in Local Operations</i>	17
4.1.2	<i>Psychological Feeling of Leaving</i>	18
4.1.3	<i>Reporting and Time Management</i>	20
4.2	DRIVERS FOR MAINTAINING MOTIVATION POST-ACQUISITION	22
4.2.1	<i>Autonomy and Freedom at Work</i>	22
4.2.2	<i>Development of Teams and People</i>	25
4.2.3	<i>Personal Fulfillment and Passion for Business</i>	26
4.3	THE IMPORTANCE OF EARLY PHASE INTEGRATION	28
4.3.1	<i>Clarity and Goals</i>	28
4.4	LEADERSHIP FACTORS FOR MAINTAINING MOTIVATION AND ENGAGEMENT IN ENTREPRENEURS ..	30
4.4.1	<i>Empowered Local Leadership</i>	31
4.4.2	<i>Strategic Guidance from the National Level</i>	32
4.4.3	<i>Communication and relationships</i>	35
5	TOWARDS A FRAMEWORK FOR MAINTAINING ENTREPRENEURIAL MOTIVATION POST-ACQUISITION	38
6	THEORETICAL DISCUSSION	42
6.1	SELF-DETERMINATION THEORY	42
6.2	PSYCHOLOGICAL OWNERSHIP	43
6.3	INTEGRATION FRAMEWORK	44
6.4	TRANSFORMATIONAL LEADERSHIP	45
7	CONCLUSION	46
7.1	THEORETICAL IMPLICATIONS	46
7.2	PRACTICAL IMPLICATIONS	47
7.3	LIMITATIONS AND FURTHER RESEARCH	47
8	REFERENCES	49
9	APPENDIX	52

List of figures

Figure 1: Conceptual framework to analyze entrepreneurial motivation

Figure 2: Data structure using the Gioia methodology

Figure 3: The organizational structure of Beta and Alpha

Figure 4: Framework for maintaining entrepreneurial motivation

List of tables

Table 1. List of interviews carried out

1 Introduction

Mergers and acquisitions (M&As) have become an increasingly common managerial strategy for firms seeking growth, innovation, and market expansion (Calipha, Tarba & Brock 2010). This can reshape industries, change organizational structures and play a critical role in strategic transformation (Hassan et al., 2018). However, while the volume of long-term trends of M&As around the world increases (Institute for Mergers, Acquisitions and Alliances [IMAA], n.d.), some acquisitions fail to meet expectations due to misaligned motives and poor premerger planning (Mehta & Hirschheim, 2007). Hassan et al. (2018) emphasize that M&A performance cannot be fully understood through standard financial metrics alone, instead, success depends on how well the deal's original motives align with post-acquisition outcomes. Their study highlights that acquiring firms frequently face difficulties in the premerger phase, particularly in defining clear strategic objectives and assessing potential value, which weakens integration and long-term performance. Successful acquisitions also depend on understanding what to integrate and what to preserve (Mehta & Hirschheim, 2007), especially when existing capabilities are deeply embedded in the acquired firm's culture (Haspeslagh & Jemison, 1991). This issue may be even more noticeable when acquiring smaller or founder-driven firms, where leadership often represent the firm's core identity and capabilities. Without a clear understanding of what to preserve and how to evaluate success beyond short-term gains, acquiring firms risk losing the very assets, such as leadership, culture, and innovation, that motivated the deal in the first place. This can be relevant in situations where decentralized organizations aim to maintain the entrepreneur in post-acquisition, given that decentralized organizations generally allow the acquired firm to maintain control over local business (Wang et al., 2019). Entrepreneurial motivation, the drive to pursue innovation, autonomy and purpose, can be an essential factor.

Previous studies observed that, in many acquisitions, target CEOs leave the post-acquisition organization within two years after the deal is completed (Aghasi, Colombo, & Rossi-Lamastra, 2022). This can negatively impact innovation, leadership, and long-term performance since entrepreneurs or founders are often closely tied to these capabilities, making them central to the firm's identity and functioning (Picken, 2017). Research by Kumar (2021) also shows that 74.5% of entrepreneurs leave their firm within two years after an acquisition, resulting in a loss of critical human capital and firm-specific knowledge. This presents a significant challenge, as entrepreneurs often hold deep industry expertise, strong customer relationships, and an entrepreneurial mindset that drives innovation, factors that can be difficult to replace within a corporate structure (Kumar, 2021). Therefore, maintaining the entrepreneur becomes important when the goal of the acquiring firm is to integrate and preserve the acquired firm's unique contributions.

This requires maintaining entrepreneurial motivation after the entrepreneur or founder transitions into the new role of being an employee of their own firm. According to

Shane, Locke and Collins (2003), entrepreneurial motivation can be categorized as either general, which includes need for achievement, locus of control, vision, desire for independence, passion, and drive, or task-specific, which includes goal setting and self-efficacy. Even though acquisitions can bring synergies and operational efficiencies, they can come with significant challenges when it comes to maintaining entrepreneurial motivation among entrepreneurs in the acquired firms following an acquisition (Kumar, 2021). Becherer et al. (2005) argue that entrepreneurial motivation is driven by both internal and external factors, including the need for autonomy, achievement, and long-term strategic engagement in business. These motivations influence an entrepreneur's ability to make decisions, adapt to change, and maintain innovation within their firm (Becherer et al., 2005).

Maintaining entrepreneurial motivation post-acquisition is not only important for the local firm to thrive but also for strategic success. Wasserman (2017) shows that founders face a "control dilemma," where the need to grow the business can come at the cost of autonomy and decision-making power. This tradeoff impacts not only valuation but also whether founders stay engaged or exit. Even in successful acquisitions, founders can become demotivated or disengaged when losing control, which can affect long-term value creation and integration. Therefore, the tension to maintain key talent and momentum needs to be carefully managed by acquiring firms.

A decline in motivation can shift from intrinsic to extrinsic motivation, as former entrepreneurs transition from independent to being an employee within a larger corporate structure (Ryan & Deci, 2000). This often involves a loss of autonomy and psychological ownership, making it difficult to sustain the same level of engagement and drive as before (Pierce et al. 2001). Ryan and Deci (2000) describe intrinsic motivation as something that is inherently interesting, enjoyable or satisfying. It usually comes within the individual, for example starting a business because they like to solve problems and challenge themselves. While extrinsic motivation refers to doing something to achieve a separate outcome, such as money, recognition, or avoiding punishment. The job itself might not be enjoyable, but it is done for an external reward or result. For entrepreneurs, intrinsic motivation is often a driving force, rooted in autonomy, purpose, and problem-solving. When they are acquired and shift into formal employee roles, their ability to pursue these internal goals may be limited by hierarchical structures, targets, and corporate norms. This transition can lead to frustration or loss of identity, especially if the entrepreneur no longer feels a personal connection to the work or decision-making power they once had. Over time, this shift in motivation may not only impact personal fulfillment but also reduce the entrepreneur's willingness to stay engaged or remain within the organization at all.

At the same time, resistance to change is a common challenge in acquisitions, as former entrepreneurs struggle to adapt to new leadership, cultural norms, and operational structures. If not handled correctly, this can lead to disengagement, lower productivity, and even a negative effect on the acquiring firm (Sarala & Junni, 2014). Kumar (2021)

also highlights that if entrepreneurs stay within the firm but feel demotivated due to structural changes and lack of autonomy, their productivity and innovative contributions may decline. This resistance can be an effect of the broader post-acquisition environment, since the acquired firm may increase formalization, shift power structures, and redefine roles in ways that conflict with pre-existing trust dynamics (Stahl & Sitkin, 2011). The transition can weaken individuals' connection to the firm's evolving strategy, particularly when their original vision is overshadowed by integration targets or cost-synergy goals. Moreover, trust which is essential for continued motivation can be frequently compromised when integration is rushed or poorly communicated, feelings of disempowerment and misalignment (Stahl & Sitkin, 2011). Addressing these issues requires a sensitive integration approach that preserves the founder's engagement by aligning structural demands with relational sensitivity and autonomy. This highlights that understanding entrepreneurial motivation post-acquisition is important because maintaining key talent and innovative drive can be essential for the success of the acquiring firm.

Previous research has focused on financial, strategic, and operational aspects of acquisitions, however there is limited knowledge on how to maintain entrepreneurial motivation post-acquisition. Existing research focuses on entrepreneurs exit decisions following an acquisition (Sanguineti et al. 2022), but relatively little attention has been paid to how and why some entrepreneurs choose to stay and remain engaged. Only a handful of studies have explored what happens to entrepreneurs once their firms are acquired (Sanguineti et al. 2022). To contribute to filling this gap in literature this study explores how to maintain motivation among these entrepreneurs post-acquisition. It analyzes why motivation can decline after an acquisition and how firms can work to maintain entrepreneurial motivation. In this study, an entrepreneur is defined as an individual who has either founded or started a firm at some point in their career, or someone who has bought into a firm and taken on the role of risk-taker. Essentially, an entrepreneur in this context is the individual who bears the financial and strategic risk of the firm and holds operational decision-making authority.

The purpose of this study is to investigate how entrepreneurial motivation is maintained in acquired firms post-acquisition. To gain knowledge about how to maintain entrepreneurial motivation in post-acquisition the study draws on theory from Self-Determination Theory (SDT), Psychological Ownership, Transformational Leadership and Integration Framework to analyze entrepreneurial motivation. It aims to identify key factors that influence motivation, engagement and retention of former entrepreneurs in post-acquisition. Therefore, these research questions have been developed:

- What are key factors for maintaining entrepreneurial motivation in acquired firms?
- How could decentralized organizations effectively lead and maintain entrepreneur's motivation post-acquisition?

To answer the research questions the study investigates two firms which have been carrying out acquisitions in recent years. Considering that the firms prefer to remain anonymous they are referred to Alpha and Beta, for the purpose of this study. Alpha consists of five firms, which were acquired in recent years, where the entrepreneur has a strong influence in the daily business. Beta, at a later stage acquired Alpha to gain graphic and operational advantage. Beta also owns three firms across Europe, where this study investigates entrepreneurial motivation. A key characteristic of Beta is its highly decentralized structure, and the study only examines the firms acquired by Alpha and Beta.

The structure of this report is as follows: Chapter 2 provides the theoretical background regarding the components that could impact entrepreneurial motivation in the post-acquisition context. Chapter 3 explains the method used to collect and analyze the data. Chapter 4 presents the findings from the interviews, and Chapter 5 builds on these findings to develop a framework for maintaining entrepreneurial motivation. Chapter 6 discusses the findings in relation to the theoretical framework, and Chapter 7 concludes the report.

2 Theoretical background

Decentralization is a key concept in organizational design, particularly relevant in contexts where autonomy and adaptability are desired. To understand a decentralization structure, Lunenburg (2012) offers a broader perspective of Henry Mintzberg framework, by identifying three types: vertical, horizontal, and selective decentralization. Vertical decentralization refers to power being delegated down the formal chain of command, while horizontal decentralization involves decision-making by professionals or staff outside the formal hierarchy. Selective decentralization means specific decision-making power is granted to particular units or functions within the organization. These forms allow organizations to adapt to different strategic needs and structures, such as adhocracies or professional bureaucracies, where flexibility and innovation are critical (Lunenburg, 2012).

However, decentralization also presents challenges. Rubel (2023) notes that distributing authority may lead to variations in decision-making, misalignment of goals between units, and difficulties in coordination. Lunenburg (2012) adds that coordination in decentralized systems often relies on mutual adjustment rather than standardized processes, which requires strong informal communication and trust. On the other hand, the advantages of decentralization increase employees' involvement and sense of value, leading to higher job satisfaction and better performance (Rubel, 2023).

To analyze entrepreneurial motivation, a conceptual framework is necessary to investigate the factors that influence a decentralized structure. The conceptual framework has its core in motivation since it is central for an individual's performance and well-being in the workplace. In the case of acquisitions, where small and medium size enterprises (SMEs) are integrated into a larger firm, motivation becomes crucial to maintain engagement (Ryan & Deci, 2000). To analyze and evaluate motivation: Self-determination theory (SDT), Psychological Ownership, Transformational Leadership, and Integration Framework serve as frameworks that help provide insights and structure. SDT and psychological ownership capture important emotional aspects in post-acquisitions. Leadership and Integration play a role in how the acquisition is handled before and during the acquisition. To make this as understandable and applicable as possible, Figure 1 illustrates how these frameworks are used as a theoretical lens for the research. This is followed by an overview on each of the theoretical perspective/framework, to understand how motivation is influenced and can be maintained.

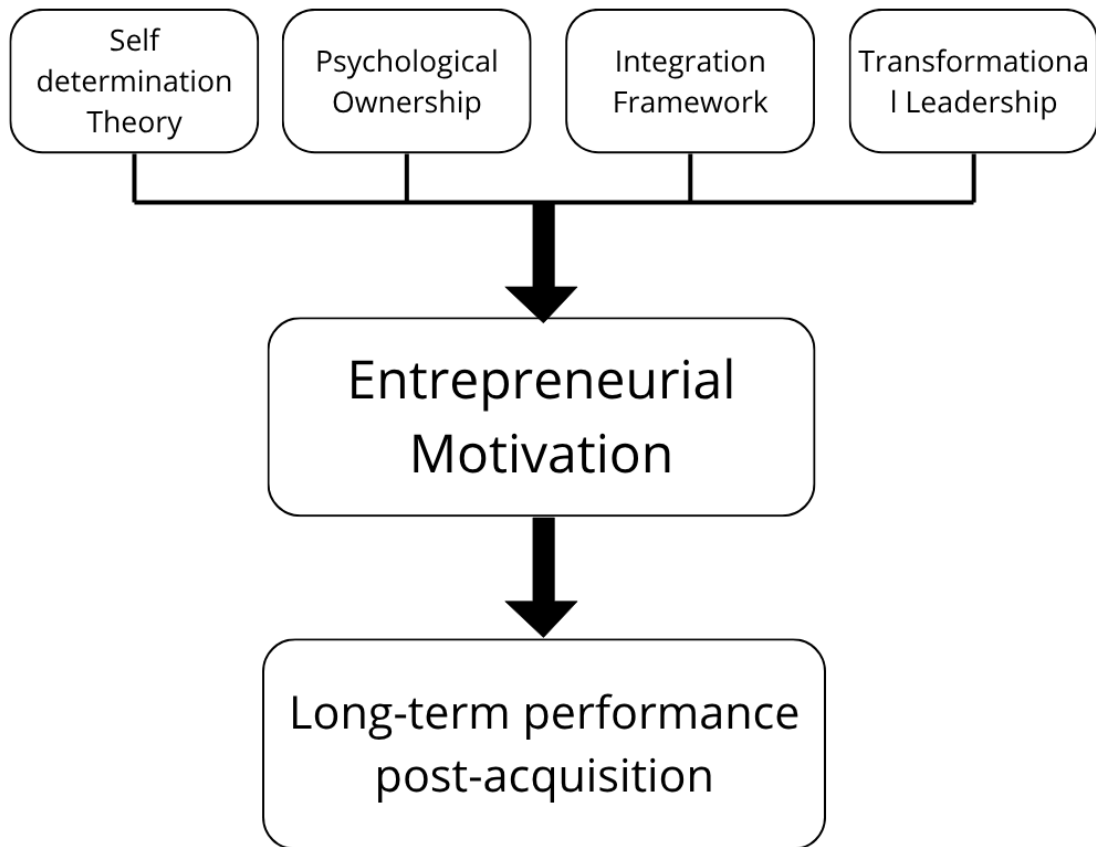


Figure 1: Conceptual framework to analyze entrepreneurial motivation

2.1 Self-determination Theory

According to Ryan and Deci (2000), motivation is a highly valued quality in real-world contexts because it drives individuals to act. They define motivation as energy, direction, persistence, and the ability to achieve similar outcomes through different paths, as factors that activate and create intention.

Ryan and Deci (2000) describe that the SDT has three fundamental needs that impact motivation: autonomy, competence, and relatedness. These needs are directly connected to an individual's experience of intrinsic and extrinsic motivation and well-being (Ryan & Deci, 2000). Intrinsic motivation means doing something that one enjoys doing, while extrinsic motivation involves doing something for a reward or to avoid punishment. However, not all extrinsic motivation is negative. Ryan and Deci (2000) have therefore divided extrinsic motivation into four types: external -, introjected -, identified - and integrated regulation, where it ranges from being forced by others to fully owning the reason yourself. Identified and integrated regulations are the most autonomous forms of extrinsic motivation, meaning that the behavior is aligned with the individual's own values and sense of self. At this point, the psychological needs for autonomy, competence, and relatedness are more fully satisfied because the motivation is chosen and self-directed.

Autonomy refers to an individual's perception of having control over their work (Ryan & Deci, 2000). It is not about independence or being isolated, but about the feeling that one's actions are self-endorsed and align with personal values. When people act with autonomy, they are engaged more wholeheartedly (Ryan & Deci, 2017). Competence refers to the feeling of being effective in one's interactions. It is the need to feel that one has the skills or capabilities to successfully meet challenges and achieve desired outcomes. According to Ryan and Deci (2017), people are motivated to engage in activities that provide them with the experience of mastery and progress. Relatedness refers to the need for social connection and relationships with others (Ryan & Deci, 2000). According to Ryan and Deci (2017), relatedness is also about belonging and feeling significant among other people. People are more likely to engage in activities when they feel that their efforts are recognized and appreciated by others.

These factors have proven crucial for sustaining a high level of self-determined motivation, which in turn influences creativity, engagement, and job satisfaction (Ryan & Deci, 2000). When firms create a work environment that supports these needs, employees tend to experience higher levels of intrinsic motivation, a particularly important aspect in entrepreneurial settings and under integration of acquisitions. Ryan and Deci (2017) argue that these needs are not just essential for optimal motivation in work, but also for the overall well-being.

Additionally, Graebner (2004) highlights that maintaining autonomy in acquired firms can preserve momentum and create unexpected synergies, eventually enhancing acquisition performance.

2.2 Psychological ownership

Psychological ownership is according to Pierce, Kostova, and Dirks (2001), the feeling of attachment and being psychologically tied to an object or entity. It refers to the emotional and cognitive state in which individuals perceive something as "theirs," and it can apply not only to physical objects but also to ideas, work, or even entire organizations. Psychological ownership is a crucial factor in organizational settings because it drives employees' behaviors, engagement, and motivation.

Pierce, Kostova and Dirks (2001) suggest that the development of psychological ownership is rooted in three key motives: efficacy and effectance, self-identity, and having a place. These motives reflect fundamental human needs and desires that influence individuals' connection to their work or organization. The need for efficacy and effectance refers to the desire to have control over one's environment and to feel competent in what one does. The need for self-identity reflects the human need to define and express oneself through ownership, while the need for having a place relates to the need for belonging and establishing a meaningful connection to a particular space or group.

Pierce, Kostova and Dirks (2001) highlight that psychological ownership both have advantages to gain but also challenges to manage. Two key advantages of psychological ownership are increased engagement and responsibility. Employees who feel ownership over their work are more committed, take greater initiative, and demonstrate a strong sense of accountability. This can lead to higher productivity and innovation, as individuals actively seek ways to improve processes and contribute to the firm's success. When employees feel valued and empowered, they are more likely to adapt positively to organizational changes. Psychological ownership also presents challenges, particularly resistance to change. Employees who strongly identify with their firms can struggle to accept new leadership, processes, or cultural shifts (Pierce, Kostova & Dirks 2001).

2.3 Integration Framework

According to Haspeslagh and Jemison (1991), the integration process is central to value creation in acquisitions. They emphasize that real value does not just come from closing a deal, instead, it must be created through post-acquisition integration, which involves the transfer of strategic capabilities between the acquiring and acquired firms. Integration is described as a highly complex and dynamic process that requires both detailed planning and sensitivity to organizational culture (Haspeslagh & Jemison, 1991).

Haspeslagh and Jemison (1991) present three types of integration approaches: absorption, preservation, and symbiotic integration. In absorption integration, the acquired firm is fully merged into the acquiring organization, with the intent of creating a single, unified entity. This approach is typically used when the goal is to gain rapid synergies and control. In contrast, preservation integration maintains the autonomy of the acquired firm in order to protect its unique capabilities. This approach is chosen when the acquired firm has distinctive strengths that the acquirer wants to preserve. Symbiotic integration combines elements of both absorption and preservation, allowing for mutual learning and capability transfer while maintaining the core identity of both organizations. It is seen as the most complex form of integration, requiring ongoing interaction and trust (Haspeslagh & Jemison, 1991).

Haspeslagh and Jemison (1991) argue that successful integration depends not only on transferring capabilities, but also on creating an atmosphere that supports this transfer. They identify five key factors that influence this atmosphere: mutual understanding of each other's organization and culture, willingness to share and accept capabilities, the actual capacity to transfer and absorb knowledge, the availability of discretionary resources, and a shared understanding of the expected outcomes of the acquisition (Haspeslagh & Jemison, 1991).

To manage these dynamics, Haspeslagh and Jemison (1991) stress the importance of a stage-setting phase immediately following the acquisition. This phase is not about immediate change, but about preparing both organizations for integration. It includes

tasks such as establishing interface management, stabilizing operations, setting a new sense of purpose, developing mutual understanding, and building credibility. These early actions help create the conditions necessary for successful integration and long-term value creation. In this view, integration is not a single event, but a learning process shaped by interaction, leadership, and adaptation over time (Haspeslagh & Jemison, 1991).

2.4 Transformational Leadership

According to Bass and Steidlmeier (1999), authentic transformational leadership is distinguished by its foundation in moral values and ethical behavior. They argue that transformational leadership is not only about achieving outcomes or influencing followers but must be grounded in integrity, honesty, and a commitment to the collective good. Bass and Steidlmeier (1999) propose four key components that define authentic transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Idealized influence refers to leaders who act as moral exemplars and are guided by a set of deeply held ethical principles. Rather than seeking personal gain, these leaders inspire admiration and trust by aligning their actions with the values they advocate. Bass and Steidlmeier (1999) emphasize that authenticity in this dimension depends on whether the leader genuinely embodies the values they promote or merely projects an idealized image for manipulative purposes. Inspirational motivation involves articulating a compelling and morally grounded vision that appeals to followers' higher values and sense of purpose. Authentic leaders use inspiration to foster empowerment and commitment, not to manipulate emotions or enforce compliance. Their motivational influence encourages a shared sense of meaning and drives followers to strive toward goals that serve the broader community or organization. Intellectual stimulation is characterized by leaders who encourage critical thinking and creativity among followers. Authentic transformational leaders promote open dialogue and question prevailing assumptions, thereby fostering moral reasoning and ethical awareness. In contrast, pseudo-transformational leaders may suppress dissent or use intellectual engagement only as a tool for control. Individualized consideration contains treating followers with respect and recognizing their unique needs and aspirations. This component requires leaders to provide mentorship, personal support, and development opportunities in a way that values each individual. Authentic transformational leadership emphasizes genuine care and attention, avoiding exploitation or favoritism (Bass and Steidlmeier, 1999).

Bass and Steidlmeier (1999) argue that transformational leadership must rest on a moral foundation. Leadership that lacks ethical grounding, even if effective in achieving performance outcomes, cannot be considered truly transformational. They conclude that authentic transformational leadership contributes not only to organizational success but also to the moral development of both leaders and followers.

3 Methodology

This study applied a qualitative research approach, given that it was the most appropriate method for gaining a deeper understanding of the experiences, perspectives and emotions of individuals involved in the acquisitions (Bell et al. 2022). Since this study focused on entrepreneurial motivation post-acquisition, it was essential to explore the subjective experiences of entrepreneurs and key stakeholders. The research followed a qualitative research process outlined by Bell et al. (2022), following the steps: formulation of general research questions, selection of the case and participants, collection of interview data, interpretative analysis, theoretical development and reporting of findings.

As the study explored complex social and organizational phenomena, a hybrid approach was used, aiming to generate insights from empirical data rather than testing predefined hypotheses (Bell et al., 2022). This approach was grounded in the understanding that reality is socially constructed and context-dependent, which allowed for flexibility and adaptation in both data collection and analysis.

This study used a single-case study design, as it allowed for a detailed examination of a real-world phenomenon within its natural context (Yin, 2009). Single-case studies are sometimes criticized for lacking generalizability, but Tsang (2014) argues that they are particularly useful for theoretical generalization, as they provide a deeper understanding of underlying mechanisms, contextual influences, and causal relationships that quantitative methods often fail to capture.

Given the study's focus on the psychological and emotional dimensions of post-acquisition leadership, the case study approach enabled a rich exploration of individual and organizational experiences. The aim was not only to describe events but to understand the why and how behind them, contributing both to theoretical knowledge and to practical insights for managing entrepreneurial motivation after acquisitions.

3.1 Data Collection

When using qualitative research approach, there are various methods that are suitable for data collection. The study mainly relies on qualitative interviews, but it also analyzes documents and textual materials. To collect data, semi-structured interviews were chosen, as they provide a balance between structured guidance and open-ended flexibility (Bell et al. 2022). According to Bell et al. (2022), semi-structured interviews allow researchers to follow a predefined framework while also adapting to new insights that emerge during the conversation. This flexibility enables the authors to explore key themes within entrepreneurial motivation, while also allowing interviewees to elaborate on aspects they find particularly relevant. By using semi-structured interviews, the authors can steer the discussion toward areas of interest while still giving respondents the space to share their own perspectives and experiences. This is particularly important

in qualitative research, where strict questioning could limit the depth of responses (Bell et al. 2022).

This study conducted interviews with different types of entrepreneurs: those who started their own firm and are now CEOs, retired entrepreneurs, people who bought into the acquired firm before the acquisition and became CEOs, and former entrepreneurs who started a new firm but are now CEOs of an acquired one. It also included interviews with key management, meaning employees of Alpha and Beta, that are linked to the acquisitions and are working closely with entrepreneurs within this decentralized structure. The research conducted a purposive sampling strategy, selecting participants based on their relevance to the research and the data collection followed a sequential and iterative process (Bell et al., 2022). The research began with an interview of key management from the acquiring firm to gain an overview of both the firm and the acquired firms, as well to develop an initial understanding of the entrepreneurs. The entrepreneurs chosen for this study are all connected with key management, since they work close together in this decentralized firm. In total, five key managers and ten entrepreneurs were interviewed where each of the entrepreneurs' firms had been acquired in the past ten years. In the end, the research interviewed all the key managers and entrepreneurs that the study intended.

All interviewees were interviewed once between the months of January and April 2025, except for one key manager who was interviewed twice and participated in follow-up phone calls. Interviews with the entrepreneurs were conducted on location face-to-face when accessible, as this allowed for more in-depth information to be gathered by non-verbal communication, because the topic could be a personal matter for some of the entrepreneurs. The interviewees are anonymous and table 1 shows the type of interviewee, whether a key management or an entrepreneur, how each interviewee is labeled (e.g., K1, E6), the interview format (on location or via Teams) and the duration.

Table 1. List of interviews carried out

Interviewee	Alias	Place	Length
Key management	K1	On location	50 min
Key management	K2	On location	35 min
Key management	K3	Teams	35 min
Key management	K4	Teams	45 min
Key management	K5	Teams	60 min
Entrepreneur	E6	On location	40 min
Entrepreneur	E7	On location	60 min
Entrepreneur	E8	Teams	40 min
Entrepreneur	E9	On location	45 min
Entrepreneur	E10	Teams	80 min
Entrepreneur	E11	On location	50 min
Entrepreneur	E12	On location	40 min
Entrepreneur	E13	Teams	45 min
Entrepreneur	E14	Teams	50 min
Entrepreneur	E15	Teams	50 min

Since the study had some access to background information about how and why the acquisitions were made, the initial interview guide was developed based on these insights, along with findings from the literature and the conceptual framework. This guide focused on key themes such as background of being an entrepreneur, acquisition process regarding their firm, autonomy, leadership and what motivates individuals to become entrepreneurs. The guide also had a reflection on what the entrepreneur felt was missing and parts that felt demotivated from the interviewee were expanded on. This guide served as a flexible foundation and in line with the iterative nature of qualitative research (Bell et al., 2022), it was refined throughout the data collection process. As the interviews progressed, the interview guide narrowed down to the most important themes: integration/acquisition process, motivation, autonomy and leadership, which can be seen in appendix. Interview questions were also tailored to each entrepreneur based on background information gathered before the interview. The interviews, with consent from the interviewees, were audio-recorded and transcribed manually to eliminate the risk of missing valuable information.

3.2 Data Analysis

To analyze qualitative data, this study used a thematic analysis approach to interpret the data that was gathered in the beginning and to structure the data the Gioia methodology was used. Furthermore, as the study was grounded in theory, the analysis takes a hybrid approach, meaning that some themes emerged naturally from the data (inductive coding) while others were guided by the theoretical framework (deductive coding) (Braun & Clarke, 2006). This ensured that the analysis is both data-driven and linked to established theories.

Thematic analysis is a widely used method for identifying and analyzing patterns within qualitative data. Braun and Clarke (2006) describe thematic analysis as a flexible and structured approach that allows researchers to explore meaningful themes by systematically coding and organizing the data. This method is especially useful for understanding how individuals experience and make sense of events, making it well-suited for this study on entrepreneurial motivation post-acquisition.

Several key themes emerged during the initial phase of data analysis, where many of these themes aligned with the conceptual framework of this study. These included: motivation, demotivation, leadership (both from key managers and entrepreneurs) and integration. In addition to these predefined themes, the authors also introduced a temporary theme titled extra important quotes, to capture particularly insightful or unexpected statements that did not initially fit within the main dimensions. This allowed space for new ideas to surface and be considered during the final thematic structure. These early themes were identified through close reading of the interview transcripts and supported by direct participant quotations. This initial thematic mapping served as a foundation for the more structured and theory-informed analysis by the Gioia methodology.

To finalize the analysis, the authors used the Gioia methodology to build a data structure. The first-order concepts were drawn directly from the language used by the entrepreneurs in their interviews. These concepts were developed from quotations linked to the initial themes identified during the early stages of analysis. Through analyzing these themes, linking them with the interviews and to obtain a larger perspective (Gioia, 2013), first-order concepts were developed. These were then organized into second-order themes which reflect a broader pattern and narrowed down the first-order concepts (Gioia, 2013). These second-order concepts together with the initial thematic mapping, the aggregated dimensions were formed. The aggregated dimensions from figure 2 represent an overall view of the most important themes for entrepreneurial motivation in post-acquisition.

This structured approach helped the authors take real-life insights from the interviews and gradually organize them into broader, theory-based categories. This ensured the findings were both based in data and clearly connected to existing academic concepts. The authors prioritized the findings to identify the most relevant themes. Based on this prioritization, they developed a conceptual framework to structure and interpret the results.

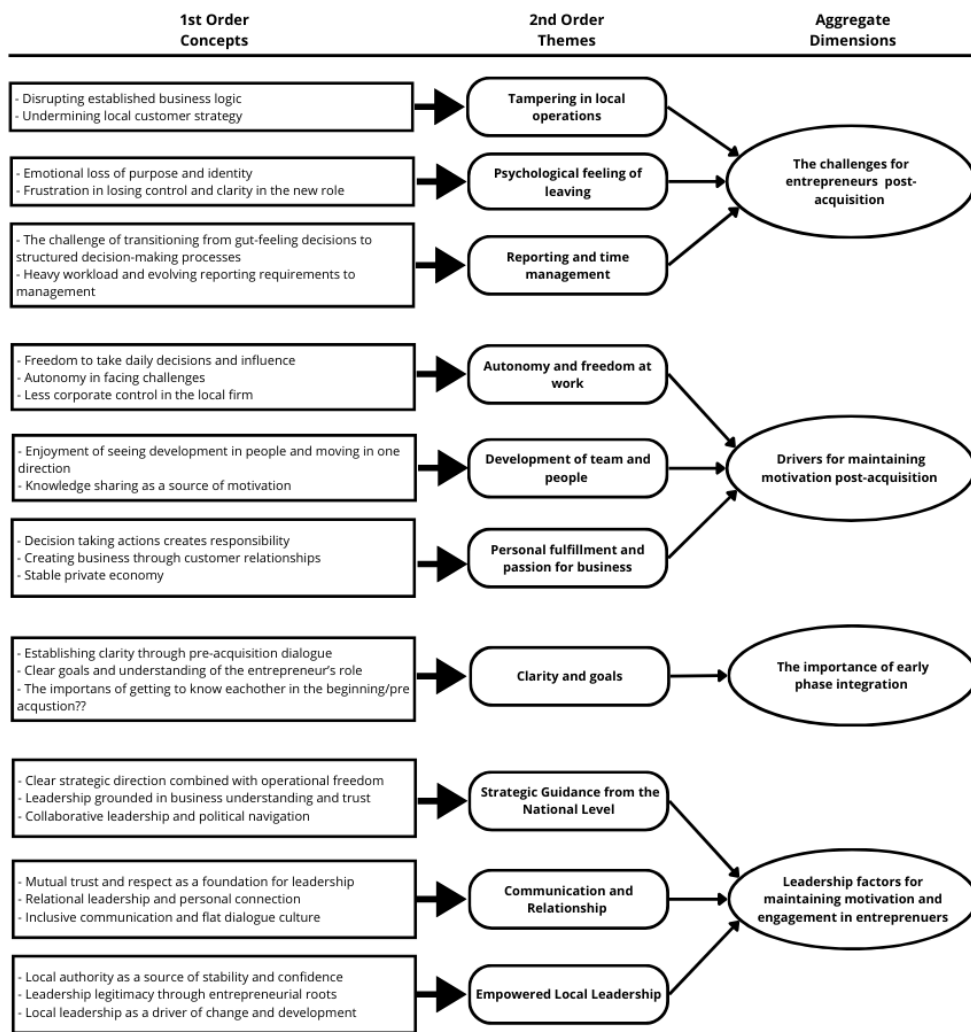


Figure 2: Data structure using the Gioia methodology

3.3 Ethical Considerations

When conducting a qualitative study, there are key ethical considerations that must be considered, as this study used data from interviews. To ensure this, the interviewees were fully informed about the purpose of the study, the methods used and how their data would be handled before the interview (Bell et al. 2022). Interviewees also had the right to withdraw at any time if they no longer consented. This was important to ensure that interviewees felt comfortable during the interview.

Since the main interviewees worked at the focal firm, ensuring confidentiality and anonymity was essential. Personal data had to be kept confidential, and identifying details were anonymized unless explicit permission was granted. Interviewees were asked to provide consent before any interview was recorded. Additionally, securely storing interview transcripts and recordings were crucial to protect interviewees privacy. Interviewees should also not have felt pressured to participate in this study and questions should avoid causing emotional distress or discomfort.

3.4 Case-Description

To maintain the anonymity of the case-study firm for the purposes of this study, the firms are referred to as Alpha and Beta. The firm structure can be seen in figure 3.

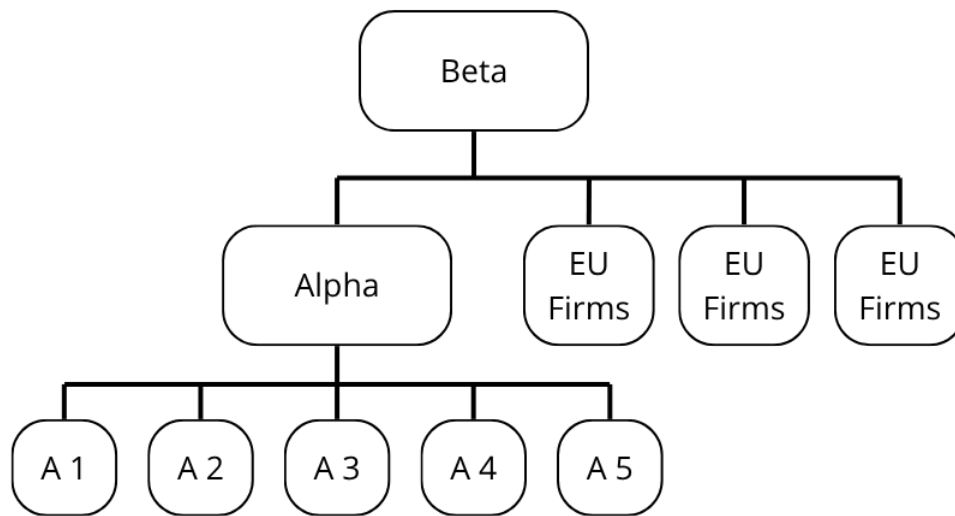


Figure 3: The organizational structure of Alpha and Beta

The case firm Alpha in this study is part of a larger European corporate group called Beta and operates in the retail industry. Within this group, Alpha operates in the Swedish market and is responsible for managing and developing operations at the local level within Sweden. Over the past years, Alpha has acquired five smaller regional businesses, all within the same industry. The case study also includes three interviews outside of Sweden but within the larger corporate group Beta. The purpose was to gain a broader perspective and strengthen the validity of data (Bell et al., 2022). These acquisitions have been made with a clear strategy, to build a firm with nationwide coverage, enabling Alpha to serve customers across Sweden while maintaining a strong local presence. In addition to the motive for acquiring new firms within the industry, key management explained that the firm aims to grow significantly, with the ambition of being four times larger within ten years. The motives therefore include both achieving presence across Sweden and enabling further expansion. Insights from interviews with key management involved in the decentralized structure indicate that being close to local customers has become a key success factor for the firm. Customer relationships and local market expertise were consistently described as highly valuable.

A key component of this strategy is to maintain the local entrepreneurial engagement and motivation. The acquired firms are often led by entrepreneurs who have a deep knowledge of their regional markets and strong relationships with their customers. Rather than fully integrating these firms into a centralized structure, Beta has adopted a decentralized model. This model gives local entrepreneurs significant autonomy in their day-to-day operations, while still being part of a larger structure. Each local entrepreneur in Alpha reports to the national manager for Sweden, who in turn reports

to a European-level manager of Beta. Entrepreneurs across Europe report directly to the European-level manager of Beta. Local entrepreneurs in Sweden are also part of Alpha's management team and are involved in broader strategic discussions. This structure allows them to contribute their market insights and have a voice in important decisions, while still being empowered to run their local business as they see suitable.

In some cases, acquisitions have included an earn-out period, typically lasting around three years. During this time, the entrepreneur remains in charge and can receive performance-based bonuses. This model has been designed to ensure a smooth transition, maintain continuity in customer relationships, and retain valuable expertise within the firm. One of the main benefits of joining Alpha is access to the group's shared resources. These include improved purchasing channels, operational support, and internal expertise that individual local firms may not have had access to before. At the same time, Alpha and Beta emphasize the importance of preserving the culture and identity of the acquired businesses. This approach seeks to enable the group to balance local independence with group-level synergies.

4 Findings

Based on the data analysis and the resulting data structure in figure 2, the findings are presented in this chapter and structured into four dimensions. These are 1) the challenges for entrepreneurs post-acquisition, 2) drivers for maintaining motivation post-acquisition, 3) the importance of early phase integration, and 4) leadership factors for maintaining motivation and engagement in entrepreneurs.

4.1 The Challenges for Entrepreneurs post-acquisition

This section explores the challenging factors that entrepreneurs have been encountering in post-acquisition. Factors that have proven to be challenging are when key management tampered in entrepreneurs operations on local level, how transferring ownership of a firm has been psychologically challenging, and how bureaucracy from key management affects entrepreneurs.

4.1.1 Tampering in Local Operations

Disrupting established business logic

Interviewees described situations where Beta tried to implement changes that did not align with the entrepreneur's local firm model. E7 explained, "*Maybe they tampered with my processes and questioned them. ... You get a little tired of explaining the same supplier structure.*" This reflects a sense of frustration when having to repeatedly justify long-standing business choices to someone without operational insight.

E10 explained, "*Alpha markets itself as a [market specific], and we offer a wider range than just that. So, it wasn't so fun in the beginning that we were called a [market specific] when we were more than that.*" This mislabeling impacted both internal identity, entrepreneurial motivation and how the business was perceived by customers, creating a gap between local reality and central messaging.

Changes that appeared small from the acquirer's perspective could also have large local consequences. E10 described, "*We had managed to get customers because we had driven freight free and now Alpha came and said that we should add a shipping fee. Then you are betraying a promise you had promised to the customers.*" These kinds of top-down decisions risked damaging long-term customer relationships, which in turn directly impacted E10 motivation: "*It had a negative impact on motivation when a customer relationship you have built up over a long period of time is destroyed because the large group makes a decision that they do not understand for us less.*"

Undermining local customer strategy

Another area of tension was related to customer experience and local service strategy. Entrepreneurs described how small details, such as how deliveries were handled, mattered deeply to their clients and had contributed to the firm's success. E10

explained, *“It was an economist at Alpha who calculated how much cheaper it would have been if we drove with a national chain instead of driving with our own truck.”*

However, the entrepreneur E10 pushed back, explaining, *“We have probably five customers who have chosen us because we drive ourselves and carry the stuff to them. If we are going to change, they will leave us and then we will lose even more money.”* This example shows how decisions based on centralized financial logic can miss the value of trust, service and proximity that the entrepreneur has spent years building with customers at local level. These kinds of interventions were often experienced as not only poorly grounded but also demotivating. This demonstrates how their deep knowledge of their markets and relationships was occasionally overlooked.

4.1.2 Psychological Feeling of Leaving

Emotional loss of purpose and identity

For some entrepreneurs, selling their firm was not just a business decision, it was also a deep personal journey. Letting go of something they had built over the years, often from scratch, came with emotional consequences that few had fully anticipated. They described how the moment of exit, especially after the earn-out period ended, brought a sense of emptiness rather than celebration.

E10 expressed it: *“When the earn-out period was over, there was an emptiness.”* While the financial outcome of the sale was positive, the personal meaning and drive that had once come from being deeply involved in the business had disappeared. *“I thought I would be happy about the money, but I wasn’t. I was happy about getting customers and laughing in the break room”* - E10. This reflection captures the core of how the joy in this case was not in the financial reward, but in the daily interaction, challenge, and sense of purpose that came with building and leading a firm. These feelings were closely linked to the sense of loss that came from leaving behind what many described as their life’s work. *“It probably had mostly to do with the fact that you had built your life’s work and you got the money, you let go of everything, and you were done. The dream was complete, and I had a good private economy. But it became a big emptiness”* - E8.

One interviewee said that, in hindsight, the handover should have been handled differently. E10 explained, *“The only thing I would have changed is that I should have gone home when I handed over the CEO role to someone else. But that decision was mine.”* This reflection shows how deeply personal the business had been to them, and how letting go came with emotional consequences. The feeling of not being needed, not being included, or simply no longer having a mission created a strong sense of detachment and confusion.

E15 shared that their energy dropped significantly: *“The air probably went out of me a bit. It was probably more than I thought. My colleagues said that I sat pale in the office and was passive. They wondered what I should do now. The entrepreneurial spirit disappeared.”* Even though the structure and routines of a larger firm can bring benefits, the shift in pace, control, and connection to customers was sometimes challenging.

Key management emphasized the importance of addressing emotional aspects before acquisitions are finalized. K3 explained, *“We must be much clearer early on about what drives the entrepreneur and what their future role should look like.”* Early dialogue about motivation, expectations, and post-sale ambitions was described as critical for avoiding disengagement after the transition. Key management acknowledged that failing to have these conversations risks entrepreneurs feeling lost or disconnected once ownership changes.

Although the transition was tough, most still felt that the acquisition had been handled respectfully and professionally. E10 summarized, *“I don’t think I could have sold to a better group. They wanted our market and position. There’s still a lot of heart in the group.”* In the end, these experiences highlight that selling a firm is more than handing over a business, it is letting go of a part of yourself. And while that process can open new doors, it often comes with an unexpected emotional journey.

Frustration of losing control and clarity in the new role

For some, the emotional low came even before they officially left their roles, during the time they still served as the CEO. *“It felt like nothing was fun at all. I could go to bed because I didn’t have the energy to stay awake. It was that bad for a while”* - E10. What made it more difficult was the feeling that this loss of energy and direction was not supposed to happen. E15 explained *“I felt guilty because I should be happy. You thought you would dance on clouds, but instead it was more a feeling of emptiness that everything was over.”* This loss of identity was intensified when the entrepreneurs stayed in the firm but no longer had a clear role. One interviewee described the experience as deeply demotivating: *“It was hard not to be involved anymore. I didn’t know what was happening and maybe I have a bit of a need for control. I heard they had booked a kickoff, and I wasn’t involved in deciding that. I had no clear tasks and felt more like a living cost”* - E10. This example emphasizes how lack of clarity around the entrepreneur’s role after the acquisition can contribute to feelings of exclusion, irrelevance and demotivation. When former entrepreneurs lose influence without a new meaningful position, it challenges both their professional identity and their daily engagement.

Several interviewees highlighted the conflict between entrepreneurial energy and the reality of being part of a larger, slower-moving structure. Entrepreneur E10 noted, *“Suddenly, there’s an owner who sometimes comes with strange changes. For example, we were supposed to replace an IT system that worked great. It only adds cost and*

probably takes a year to learn.” This reflects the frustration that can arise when corporate-driven changes are introduced without a full understanding of the operational realities at the local level. What might seem like an improvement from a group perspective can, for the entrepreneur, feel unnecessary and disruptive.

4.1.3 Reporting and Time Management

The challenge of transitioning from gut-feeling decisions to structured decision-making processes

Entrepreneurs commented on how decision-making within the group takes considerably longer, especially for larger strategic or structural issues. E6 explained, *“The decisions take longer now that we are part of a large group. Above all, those big decisions. For example, issues such as car policy and IT issues take a very long time, can take about six months.”* E6 added, *“I think it would have been good if these major decisions had been taken a little more quickly.”* This clearly states that when being part of a larger firm, decision-channels take longer time. In contrast, when the entrepreneur made decisions based on gut feeling without needing to consult key management.

This slower pace of decision-making was not just an internal concern, it was seen as something that could affect external relationships. *“Sometimes we sit with customers we want to do business with, but we are slowed down by the fact that management has not yet made a decision. Of course, this affects motivation. Then they inhibit our system and our offer”* - E6.

Several interviewees drew a contrast between the quick decision-making of entrepreneurs and the more process-driven approach of large firms. *“The big difference between entrepreneurs and investors is that entrepreneurs are deciding really fast,”* E13 said, followed by a reflection on decision meetings: *“When there are meetings about sustainability, the best is to join the last one and not to the six before. Because it's going and it's going all the way about the same thing.”* This indicates that some entrepreneurs perceive frequent meetings on the same topics as hindering business progress rather than contributing to it.

This difference in pace created a sense of inefficiency for those used to acting fast. *“We have a company acquisition underway now, we have been waiting for a year. I had made this decision a day earlier. That’s the difference, one year as opposed to one day. It can get a bit tough,”* said entrepreneur E15.

Key management recognized the difficulties associated with integrating a structured reporting system into entrepreneurial businesses. K4 explained, *“Reporting is essential for group oversight, but it must not suffocate the agility that made these businesses successful.”* Key management highlighted that the goal is to create a system that

supports accountability and transparency while allowing local entrepreneurs to act quickly and flexibly in their markets.

Heavy workload and evolving reporting requirements to management

Entrepreneur E15 recalled a particularly demanding period, saying, *“There was a time the reporting almost killed us and the reporting almost became the main task for me, but it was short. And since [Key management] joined it became much better.”* This reflects how the structure of reporting had previously been overwhelming, but also that improvements had taken place over time.

Time spent on meetings and reporting also came at a cost to sales and business development. E13 said *“I’m still involved in a lot of selling and will always be my priority. I don’t have time to make three or four meetings a week. So that’s also a reason to skip everything.”* E13 continued explained, *“We have the result meeting. If the result is not good, they tell me the result is not good. And then I had to arrange a lot of data for you. And I had four meetings this week for two hours. So it means eight hours less to sell. So what do you want? Results or meetings?”* This suggests that entrepreneurs must balance the development of a strong firm with the delivery of financial results, while also communicating these outcomes to key management.

Instead of focusing on customers and driving the business forward, one entrepreneur attended meetings and handling internal projects. *“There were a lot of new report models and follow-ups. You ended up doing all that instead of being out with customers and working on deals. That affected my motivation negatively”* - E10. Although some accepted that reporting and central approvals are necessary, the overall feeling was clear: too much internal administration and slow decisions can impact both motivation and customer responsiveness. Several emphasized the need for a better balance between group-level processes and local agility. Entrepreneur E15 also expressed concern about the focus of the group’s internal logic: *“Here you look too much at yesterday. They do not understand how they work today and what the future should look like. You only have to count on yesterday.”* This retrospective focus was experienced as frustrating for those wanting to act forward-looking and flexibly in their markets.

According to key management, effective reporting should focus on key business outcomes rather than creating administrative burdens. K4 stated, *“Our goal is not to control every action but to make sure we are aligned and moving in the right direction.”* They emphasized that maintaining this balance is crucial to keeping entrepreneurs motivated and engaged within the group structure. Overall, entrepreneurs understand that reporting is needed, but the common changes in reporting requirements were frustrating.

4.2 Drivers for Maintaining Motivation Post-acquisition

This section explores what motivates entrepreneurs, in terms of having an entrepreneurial mind and being part of a larger firm where decisions are taken together with key management. Factors that have contributed to long-term motivation are the enjoyment of working with people and moving in one direction, seeing development in people, creating a thriving atmosphere and autonomy as a source of motivation.

4.2.1 Autonomy and Freedom at Work

Autonomy emerged as one of the most central factors for maintaining entrepreneurial motivation after an acquisition. Across the interviews, it became clear that the freedom to make decisions, influence outcomes and take responsibility for results was not only valued but viewed as a major driving force. Many described how autonomy gave them the space to remain engaged, feel trusted and continue working in ways that aligned with their entrepreneurial mindset.

This perception was confirmed by key management, who emphasized that the firms decentralized model was intentionally designed to protect entrepreneurial freedom. K12 explained, "*It is important that we let them run their daily business, otherwise we risk destroying the spirit we originally bought.*" Key management recognized that maintaining a clear structure between areas that must be centrally managed (such as finance and IT) and areas that should remain fully local (such as customer relationships and operational decisions) was critical for motivation.

Freedom to make business decisions and influence outcomes

One of the clearest motivational factors that emerged in the interviews was the freedom to continue making business decisions and influencing outcomes. For many of the entrepreneurs, this autonomy was not just appreciated, it was fundamental for staying motivated after their firm was acquired. Several described how they were trusted to govern their business areas without unnecessary oversight, which made them feel respected and valued for their experience.

E6 reflected, "*They have not interfered too much in those we govern. They have given us a lot of free framework in entrepreneurship and that is what I have liked.*" This statement illustrates how autonomy within a clear framework allowed entrepreneurs to continue operating with a strong sense of ownership, which in turn reinforced their motivation and engagement.

Others emphasized the importance of being able to manage their customer relationships and adapt their operations to what they knew worked best. "*It is precisely the relationship with customers and our business, they have not interfered with that, but they have let us do what we are good at,*" E6 explained. This trust in local knowledge and expertise was described as a key success factor, especially in businesses that rely heavily on close customer interaction.

The ability to influence broader decisions was also motivating for several of the interviewees. E14 pointed out, *“All the local CEOs are in the management and can influence there.”* Being part of strategic conversations and having a voice in the wider organization contributed to a sense of involvement and significance beyond day-to-day operations. In addition to strategic influence, the entrepreneurs valued the daily freedom to take initiative. E9 stated simply, *“I think my driving force comes with the freedom to decide for yourself.”* This ability to make independent decisions contributed not only to faster execution but also to personal accountability and pride in results.

For many, being micromanaged or forced to follow a centralized model would have weakened their engagement. E6 explained, *“If someone else were to tell us how to do something, then the motivation would have died at once.”* This quote demonstrates how fragile motivation can be when independence is removed. The entrepreneurs were clear that being able to shape their own work methods, structures and customer strategies was essential for their continued commitment.

Interestingly, some interviewees saw being part of a larger group as an advantage, as long as they still had the freedom to work in their own way. E6 shared, *“We have felt like the small ones in the big ones and we like that. We have been able to operate locally anyway.”* This reveals how identity and motivation are not necessarily tied to ownership but to how much control one has in practice.

Key management supported this view, explaining that respecting local expertise was a deliberate choice. K2 stated, *“You cannot beat a local entrepreneur at knowing their market, we have to trust that they know better than we do.”* This respect for operational independence was seen as key to preserving the market strength and credibility that the local businesses had built over time. However, key management also acknowledged that this trust is not always easy to establish immediately after an acquisition. In the early stages, it can be challenging to fully rely on the entrepreneur’s way of working without first building mutual understanding and confidence. Over time, as results are delivered and trust grows, it becomes easier to maintain the balance between local autonomy and group-level governance.

Autonomy in facing challenges and taking responsibility

A particularly strong topic was the desire to take responsibility for challenges and solve them in their own way. The entrepreneurs described this not as a burden, but as something energizing. E9 said, *“Freedom is extremely motivating. Because that freedom, for me, creates unprecedented responsibility. If the decision is mine, I take responsibility all the way.”* This quote illustrates the strong link between autonomy and accountability. Entrepreneurs did not shy away from responsibility, rather, they saw it as a necessary part of maintaining motivation and ownership over results.

Rather than being told what to do, they preferred to analyze the situation, find a solution with their teams, and implement it themselves. As E9 explained, *“I get to decide a lot how we ourselves should do to solve our challenges. If someone else were to tell us how to do something, then the motivation would have died at once.”*

Key management agreed with this understanding as K4 stated, *“Absolute responsibility for results creates absolute motivation.”* This shared belief between key management and entrepreneurs highlights the cultural alignment around the importance of ownership, suggesting that the success of the decentralized model depends largely on maintaining this dynamic.

Less corporate control in the local firm

Several entrepreneurs described how they had expected a high level of corporate involvement after the acquisition, particularly in operational matters. Many were positively surprised by how little the acquirer firm interfered in their day-to-day work. Instead of being micromanaged, they were given trust and responsibility to run their local businesses based on their own knowledge and experience.

Entrepreneur E15 reflected, *“I guess I was a bit wrong about that as we’ve had to be much more independent than I thought. Which is very positive.”* The key management did not implement detailed structures or processes for how local sales and customer relationships should be handled. This allowed each firm to remain close to its market and act quickly when needed. This positive experience was not accidental. Key management intentionally minimizes interference in local operations, aiming instead to create a sense of trust and empowerment. As K3 noted, *“We have to be clear about where we require structure but let go where local expertise is stronger than ours.”* This is easy to say and harder to act upon, the research shows that some entrepreneurs have felt that their local expertise sometimes has been overlooked, which is described in Chapter 5.1.1.

The ability to make decisions locally was described as highly motivating as E8 explained, *“We haven’t received any strict instructions. We have been able to develop on our own basis our business on how we see the market and what our customers are expecting from us.”* This kind of freedom allowed the local entrepreneurs to take ownership and stay entrepreneurial even after joining a larger firm. Key management support played a crucial role in enabling this. E9 shared, *“Management has let us run our companies exactly the way we want. I think that is a big success factor for the whole of Alpha.”* The entrepreneurs appreciated that they were not just expected to follow orders from above, but were instead trusted to lead in the way they believed was best for their teams and customers. This is of course in a framework that key management let the entrepreneurs operate in.

Another entrepreneur expressed that being part of a larger firm did not mean losing the identity or flexibility of a smaller firm. *“We have felt like the small ones in the big ones and we like that. We have been able to operate locally anyway”* - E6. The sense of being seen and treated as a separate, capable unit helped strengthen motivation and pride. For some, this freedom even shifted how they thought about ownership. E15 explained, *“We realized that we have a great deal of freedom to influence things anyway. Then the company needed to develop and I had to forget who owned it.”* What mattered most was not who formally owned the company, but who was trusted to make decisions that moved it forward.

4.2.2 Development of Teams and People

A central topic that emerged from the interviews was that motivation among the entrepreneurs was strongly linked to people. Working with others, building teams and seeing individuals grow were highlighted as key in motivation for the entrepreneurs. Rather than being driven by financial incentives, many described their motivation as rooted in relationships, collaboration and the development of both employees and the firm.

Enjoyment of seeing development in people and moving in one direction

One prominent motivational driver expressed by entrepreneurs was the enjoyment of working with people and the feeling of moving forward together as a team. The social aspect of entrepreneurship was emphasized by several interviewees who described how building strong interpersonal relationships and forming a united team contributed to their daily motivation. As E7 described, *“It is the people that motivates me. Making them feel seen. It is great if you can form a team and move things.”* This shared direction and team spirit were not only important for reaching business goals but also for maintaining personal drive and enthusiasm over time. A sense of unity in the workplace appeared to be central to how these individuals found meaning in their roles.

Another key topic that emerged was the value in developing others and contributing to a positive and supportive atmosphere. Several entrepreneurs described how their motivation had shifted from personal ambition to a greater focus on empowering others. E6 explained, *“In the beginning, it was important to me that I was at the forefront, but then I realized that I can push others and see them grow, I liked that and then comes the profitability.”*

Helping employees grow professionally and personally was viewed as one of the most rewarding aspects of being an entrepreneur. This focus on people’s well-being and development also contributed to creating a thriving organizational culture, which the entrepreneurs described as deeply meaningful.

Knowledge sharing as a source of motivation

Sharing experience and transferring knowledge also emerged as a strong motivational factor for some entrepreneurs. Especially, one respondent expressed pride in mentoring colleagues and offering guidance in areas they were passionate about. *“I like to train people for the [specific industry], I like to help the other groups with purchasing with the right companies. To pass my knowledge. That’s what I like to do,”* E13 noted.

Rather than stepping back after an acquisition, some entrepreneurs found renewed motivation in taking on roles where they could act as mentors, trainers, or internal experts, helping the organization grow beyond themselves. This points to the importance of recognizing and utilizing the entrepreneurial leader’s expertise, not just in strategy, but in everyday learning and development initiatives.

4.2.3 Personal Fulfillment and Passion for Business

A central topic that emerged from the interviews was the strong personal connection and passion the entrepreneurs had for their businesses. Their motivation went far beyond financial reward. It was about building something meaningful, taking responsibility and continuously developing both themselves and the firm. Many described fulfillments not just in reaching business targets, but in having the opportunity to shape their work, take pride in achievements and pursue goals that aligned with their personal values.

Key management also emphasized that supporting this personal drive is crucial. K4 explained, *“If you want to keep the entrepreneur motivated, you must let them feel absolute responsibility for their results.”* Key management recognized that entrepreneurs thrive when they maintain ownership of outcomes and that excessive control or standardization can undermine this intrinsic motivation.

Emotional connection and entrepreneurial identity

Several interviewees shared how their entrepreneurial identity remained intact even after their firms were acquired. Although their legal ownership had ended, the emotional ownership remained. E6 explained this feeling by saying, *“You can be an entrepreneur as an employee, but it’s still someone who owns me. But since I have the entrepreneurial spirit in my blood, they become a bit of my own company anyway.”* This statement reflects how identity and motivation are strongly connected to a sense of purpose and involvement, rather than just ownership on paper.

Entrepreneurs expressed a deep commitment to the firm’s continued success. E6 said, *“I think we entrepreneurs are keen for the company to do well,”* highlighting owners still felt responsible for outcomes and wanted to see the business thrive. Even in their new roles as employees, they maintained a strong emotional bond and a desire to contribute meaningfully. Key management further acknowledged that entrepreneurial

passion cannot be replaced easily. As K3 reflected, "*An entrepreneur's operating model is built over years and tied to their identity, if we disrupt that too much, we risk losing both the person and the value they create.*" This insight shows that maintaining emotional connection is not just about retention but about preserving the firms market strength.

Responsibility, competitiveness, and the drive to build

Many interviewees described how their motivation came from a desire to prove themselves and create something of their own. Entrepreneur E13 admitted, "*The main driving force was a little bit arrogance, I thought that I could do it better,*" illustrating how personal pride and high expectations were central motivational forces. Others highlighted the rewarding yet demanding nature of being in charge: "*The more authority you have, then you also must bear the entire responsibility. It is both wonderful and hard*"- E9.

Some experienced an earn-out period following the acquisition, during which they retained greater freedom and influence over business decisions. E10 said, "*We had a small airbag that allowed us to do a little bit that we wanted to do at first,*" while E9 "*We could count as we wanted and hire when we wanted without them interfering.*" While not all had the same experience, those who did found it helpful for maintaining continuity, autonomy and motivation during the transition.

Enjoying the work itself was also a powerful motivator. Entrepreneur E6 stated, "*I think the most important thing for us entrepreneurs is that we have fun at work, then we work best. If there are too many controls for us entrepreneurs, then I would have stopped.*" This reflects how a positive and meaningful work environment, combined with the right level of independence, was essential for ongoing engagement. E6 added, "*Alpha has given me a lot of freedom that I appreciate. But sometimes you must adapt and accept that I don't own the company.*" This balance between freedom and adaptation was key to their ability to stay motivated post-acquisition.

From the key management perspective, building an environment where entrepreneurs enjoy their work and feel respected was seen as a key for retention. K4 said, "*It is about balancing freedom and accountability, if we interfere too much, we risk killing the very drive we are trying to harness.*"

Evolving goals and redefining success

Although financial gain was often part of the initial motivation, many entrepreneurs described how their ambitions gradually shifted as their businesses evolved. Entrepreneur E7 reflected, "*I think we all entrepreneurs feel that it was not the financial that drove us, but we always thought so.*" After reaching financial stability, their focus

moved toward other values such as personal development, pride in their accomplishments and the satisfaction of seeing things function well.

E9 explained, *“There are many motivations to being an entrepreneur, but once you’ve got them, other things become more important. It can then be the freedom or the feeling of seeing that things work.”* In this way, success was no longer defined solely by economic outcomes but rather by the ability to make a difference, continue learning and remain connected to one’s passion. This view was reinforced by E7 who stated, *“Now I’ve signed on to this contract and it’s because I like it and feel like I’ve developed.”* Even after the sale of their business, the possibility to grow personally and engage in meaningful work played a crucial role in maintaining their motivation.

4.3 The Importance of Early Phase Integration

This section explores the integration process, which interviewees described it as a critical phase following the acquisition, where clarity, trust, and alignment between parties played an important role. Several emphasized that successful integration does not begin after the contract is signed, but rather in the pre-acquisition phase. Early conversations, trust-building, and a clear understanding of mutual expectations were seen as essential both for the entrepreneur and for the acquirer firm. Without this foundation, the integration process risked becoming disconnected and transactional, rather than collaborative and motivating.

4.3.1 Clarity and Goals

Establishing clarity through pre-acquisition dialogue

One of the most recurring insights was the importance of taking the time to get to know each other before the deal is completed. This included both personal meetings and informal conversations about values, motivations, and future plans. R11 explained, *“There were some dinners where we sat over a few beers and talked about the future and dreams. You should not look past this. It is important to do this before acquiring in order to get to know each other.”* These informal moments were described as more than social since they laid the emotional groundwork for mutual trust and openness.

In contrast, when such meetings were skipped, integration could feel impersonal or rushed. R9 said, *“But we never met the people of the group before. So that was in my opinion a little bit strange. Because we met them during the signing of the deal. And that’s a little bit strange because you don’t know who you are going to work for.”* The absence of early contact created uncertainty, and several interviewees emphasized that the process would benefit from stronger relationship-building at an earlier stage.

Those who experienced positive early engagement often linked it to a smoother transition. As R3 reflected, *“The beginning was extremely important. We got a good feeling right away, and management got involved with heart as well. Believed in what*

we were doing even though we were one of the smallest companies in the group." This shows that emotional investment and early validation from key management can help smaller firms feel seen and supported, which strengthens the integration process from the start. Others highlighted the risk of focusing too much on financial or technical due diligence. *"The key to it being good to see the person. Quantitative values are important, but it must not be first. You have to get the person with you because they can't control a person just with an Excel sheet"* - R9. This quote underlines that numbers alone are not enough to create a successful partnership, personal understanding and relational clarity are equally important.

Clear goals and understanding of the entrepreneur's role

Several interviews stressed the need for conversations around expectations and motivation well before the acquisition is finalized. R6 explained, *"Then I would have been very careful to find out certain questions before making the acquisition. For example, what we talked about with drive, what are you passionate about, what is the joy in your job, where do you want to go?"* The same respondent pointed out that many entrepreneurs may not reflect deeply on these questions until after the deal is done. That is why the acquirer firm needs to initiate and guide these discussions early.

Another interviewee linked this to how entrepreneurs remain engaged after the acquisition. *"And to keep the entrepreneurs in, they also have to find their job more challenging. It would be good if they analyze with the entrepreneur with what he or she likes"* - R9. This reflects a broader insight that sustaining motivation requires more than financial reward, it requires a role that continues to feel meaningful and energizing. One interviewee described how this kind of clarity can also reduce uncertainty within the firm. *"We communicated well to the firm with what was going to change but gave a calm because we would remain as usual and that no one would be fired"* – R6. Clear and honest communication with entrepreneurs during the integration phase helped reduce fear and resistance to change, making the transition smoother for the entire organization.

When such clarity was lacking, problems could arise, especially if the earn-out period was short. R3 shared, *"Having the earnout period of maximum one year can be problematic afterwards. Because it takes time to provide security for what comes after and then the entrepreneur must be involved."* This reflects how long-term engagement cannot be secured through short-term incentives alone. The entrepreneur needs to feel included and trusted beyond the initial handover period.

Understanding and maintaining motivation after acquisition

To retain entrepreneurial motivation over time, it is essential to recognize and support what motivates them on an individual level. R12 explained, *"If you want to keep the entrepreneur, you have to keep what motivates them. Freedom to influence. But also to*

reward them when they have done a good result. There must be clear decentralization. You have to be straightforward and genuine." This highlights the importance of autonomy, recognition, and transparent communication as key factors in maintaining engagement among former owners. It was also seen as important that these questions are not only considered after the acquisition, but that they are discussed openly in advance. By talking early about what drives the entrepreneur, what challenges they are looking for, and how they envision their role going forward, both parties can align expectations and avoid future frustration. Establishing a shared understanding of how new motivation can be created after the sale was viewed as essential for long-term commitment.

One interviewee emphasized the need to offer ongoing challenges and new energy to sustain motivation. R9 stated, *"I think it's important for the group to keep the entrepreneurs in. I think also that it is important that you challenge them. Everyone needs to be challenged."* This suggests that creating stimulating responsibilities and meaningful tasks can be more motivating than formal titles or status.

Some felt that the acquisition had opened up more freedom and allowed them to lead more effectively. R9 noted, *"The transition from previous to now has given me more freedom and more possibilities to operate the way I want."* Others reflected on the emotional impact of leaving behind something they had built over many years. R6 shared, *"If I had sat on the chair today, I would be aware that most entrepreneurs get a real slump after selling their life's work. How to parry it I don't know, but I had been aware of them."* This insight underlines the importance for the acquire firm to recognize not only the operational but also the emotional journey that entrepreneurs go through during the integration process. It also suggests that many of these challenges could be better managed through early and open conversations, before the acquisition is finalized. Discussing the emotional aspects of selling, the expectations for the future, and what role the entrepreneur hopes to play post-acquisition can help both parties enter the new phase with a clearer mutual understanding. When this dialogue is postponed or overlooked, the risk increases that entrepreneurs experience uncertainty, disengagement, or even regret, which in turn may affect both motivation and long-term retention. Therefore, emotional clarity should be viewed as just as important as strategic planning in the pre-acquisition phase.

4.4 Leadership Factors for Maintaining Motivation and Engagement in Entrepreneurs

This section explores leadership from key management, which was a recurring and important driver for the entrepreneurs that influenced motivation. Factors that are important for successful leadership are the empowerment of the local entrepreneur, strategic guidance from key management, and communication and relationships. Local leadership refers to the ability to lead the firms by the entrepreneurs and national leadership refers to key management leading the entrepreneurs.

4.4.1 Empowered Local Leadership

A recurring topic across the interviews was the significance of strong and empowered leadership at the local level. While being part of a larger corporate group, many of the entrepreneurs described how their continued authority had created a sense of stability for employees, trust among customers, and energy for business development. The leadership at the local level was not only about operational control but also about having legitimacy, direction, and the ability to lead change. This section outlines how local leadership was experienced, and why it was considered critical for long-term success. Key management supported this view. K1 noted, *"If you take too much power away from the local entrepreneur, you lose both speed and credibility, and in the worst case, you lose the entrepreneur completely."* They stressed that local ownership of operations is essential for long-term value creation.

Local authority as a source of stability and confidence

Several interviewees emphasized how essential it was that local entrepreneurs remained in control after the acquisition. This continuity was described as something that created calm and trust internally. E10 stated, *"For the businesses, it's extremely important that I actually get to be the boss and run it my way. Then everyone feels safe, so you don't jump back and forth and have to check and call for everything."* Having a clear and empowered entrepreneur created security among employees and allowed decisions to be made faster and with more clarity. The decisions mentioned here are more daily decisions, larger decisions like investments were taken in the management team.

The sense of independence was also linked to legitimacy in the eyes of the customers. E7 explained, *"You don't get any respect out there, but we have been self-governing, we have our own organization number. I am really a CEO within certain limitations of course."* Even within a larger group, being able to represent the firm locally with authority helped maintain relationships and credibility. E6 reflected on how the group structure had enabled this freedom: *"With this acquisition, we've been our own company, we've been allowed to operate locally, they haven't interfered too much, but we've really been the small company in the big one, you could say."* The feeling of still "owning" their daily way of working was mentioned as one of the most appreciated aspects of the post-acquisition setup.

Leadership legitimacy through entrepreneurial roots

Local leadership was also described as more effective because it was exercised by individuals with entrepreneurial backgrounds. Interviews pointed out that the key management had legitimacy because they had previously run and built the firm themselves. E9 reflected, *"The key to everything we have talked about is that leadership gives us the freedom that we have been given. Otherwise, we can't be entrepreneurs."*

Then we just become a civil servant who has to do someone else's job, and we don't like that."

Having leadership rooted in entrepreneurship meant that decision-making was closer to the business, and more aligned with the firms' values. This was also described as a way to keep employees motivated. *"It is much easier to get the staff on board. If I had been a puppet and asked permission for everything, then I would have been the wrong guy, and not many people manage to run it like that,"* E7 said.

Local leadership as a driver of change and development

Empowered local leadership was also described as key to driving transformation and growth. E6 explained how they now had more space to set a clear direction and lead the company forward: *"I'm pretty straightforward in saying that our company is going through a lot of changes and if you want to be part of my journey, they will be fun. But if you don't want changes, work somewhere else."*

Several interviewees described how clear communication and local leadership helped reduce uncertainty during changes. E10 explained, *"We communicated well to the firm with what was going to change but gave a calm because we would remain as usual and that no one would be fired."* This ability to explain and own the change process at the local level created trust and minimized resistance among employees. Others noted that leadership was not only about making decisions but also about listening and building engagement. *"The freedom and the opportunity to make your own decisions are the most important. You can't have elephant feet and run people over, but you have to listen in sometimes. You can't run away from everyone else, you have to get everyone with you,"* E6 said.

One respondent described how they had to actively "sell in" the changes to the local staff to make them understand the value: *"Locally, I had to spend a lot of time on the leadership to sell this and explain the benefits"* - E10. This shows that local leadership is not only about authority, but also about communication, empathy, and clarity in times of change.

4.4.2 Strategic Guidance from the National Level

A central topic in the interviews was the role of national leadership in shaping the firm's strategic direction while still preserving the autonomy of local entrepreneur. The key management was consistently described as effective in guiding, supporting and empowering the local businesses. The leadership model was appreciated for providing clear direction and strategic alignment, without interfering with day-to-day operations. This combination was seen as essential for maintaining a decentralized organization where motivation and entrepreneurship could thrive.

Key management confirmed that this balance was a conscious strategy. K3 emphasized, *"You have to steer overall direction, but not touch the parts where entrepreneurs create real value, their customer relationships and their local business logic."* Key management stressed that too much centralization would risk undermining both motivation and results at the local level.

Clear strategic direction combined with operational freedom

Many interviewees described a leadership approach where strategic direction was provided from the top, while daily decisions remained in the hands of the local entrepreneur. E14 said, *"They are good at pushing in the right direction, but still that we feel involved in the decision."* This highlights a leadership style where influence and guidance do not come at the cost of independence.

Several appreciated that large strategic moves were initiated by national leadership, but that they were still involved in ways that respected the local perspective. *"They may have made the decision before, but you can plant the decisions and push for them, so the others feel that they have been involved in making the decision,"* E14 explained. This ability to lead while creating a feeling of participation was seen as highly effective. Others noted that being part of a larger group has modernized operations, but not at the expense of local adaptation. *"Now that we are part of Beta, we have been able to moderate ourselves, becoming more modern, on what our customers are expecting from us,"* E8 explained. The balance between national structure and local customization was considered a key strength.

From key management's perspective, creating a sense of being included was considered key to gaining approval. K4 said, *"If they feel ownership over the decision, even if we guide them there, the implementation will be ten times better."* This highlights that leadership success was not only about making the right decisions but also about how those decisions were communicated and adopted.

Leadership grounded in business understanding and trust

Individuals in key management were frequently mentioned as key enablers of the decentralized structure. Their leadership was described as grounded, practical, and based on trust. Entrepreneur E7 said, *"Key management runs this well. I have a hard time seeing who will replace that role if I'm honest. We are a bunch of unique individuals who are responsible for our district, led by leadership, and it is done very well."* E9 supported this trust-based approach, stating, *"Key management has done that very well by letting everyone be involved and steer. It is the freedom that is a big part of the key to motivation."* Delegation and belief in local competence were consistently described as central to the leadership philosophy. This trust-based leadership style was also acknowledged by key management, although they noted that it can be challenging to maintain when entrepreneurs push hard for full control. K1 reflected, *"Entrepreneurs*

often think they know everything and want to decide everything. But sometimes I must put my foot down and make a decision, even if it means someone feels overruled. That's part of the game." This quote illustrates that while key management aims to empower local entrepreneurs, there are natural limits to decentralization, and moments when central decisions must take priority for the sake of the overall organization.

E6 reflected on the firm's position within the larger group, and how freedom had been preserved despite the ownership structure: *"With Betas acquisition, we've been our own company, we've been allowed to operate locally, they haven't interfered too much, but we've really been the small company in the big one, you could say."* This kind of autonomy was considered essential for maintaining energy and ownership at the local level, and it was supported by a leadership style based on trust and a deliberate effort to preserve local independence.

Key management was also mentioned for its strong understanding of business logic and stakeholder relationships. E9 shared, *"Management has been a key in this and is good at understanding the business. They understand that the relationship with the suppliers is important and that they need to make money and we need to make money."* This ability to see the bigger picture and consider multiple interests contributed to a sense of fairness in strategic decisions. This leadership style appeared to be built on mutual respect, trust, and strong business understanding, making it easier for local entrepreneurs to follow direction while still feeling in control of their operations.

At the same time, some entrepreneurs shared that it was not always perfect. In a few cases, decisions made from a central point of view didn't fully match the reality at the local level. E10 explained, *"It was an economist from management who calculated how much cheaper it would have been if we drove with a national chain instead of driving with our own truck,"* but locally it was clear that this would have meant losing important customers. This example shows that even if leadership generally worked well, it was sometimes hard to fully understand all the small details that mattered most for the local businesses. Finding the right balance between group-level strategy and local realities clearly remains an ongoing challenge for leadership.

Collaborative leadership and political navigation

Another appreciated aspect of leadership at the national level was the collaborative and political sensitivity shown by key management. Several respondents commented that the key management not only pushed strategy but also defended the local firms' perspectives in group-level decisions. E13 noted, *"That's what's just so great about these guys, they understand us, and they are in the middle. Defending us and making real politics."*

Others highlighted the practical role certain individuals in key management played in making things happen smoothly. E13 mentioned, *"But then now we have people in*

management who are easy going for us. They are doing the political side.” This ability to navigate group politics while protecting local interests was seen as a form of leadership, beyond just having formal power.

At the same time, the leadership model recognized the challenge of leading independent-minded entrepreneurs. E14 explained, *“The difficult thing about being CEO is to guide the local CEOs in why we should do something. The local CEO wants to run his own company and therein lies both the advantage and a challenge.”* While alignment could be difficult, several noted that when key management succeeded in getting everyone on board, the result was powerful. As E14 put it, *“When you get them, it becomes a great force where the local companies push through this.”* The shared understanding, inclusive tone, and political skill shown by key management helped sustain a working model where local leaders could feel both empowered and strategically aligned.

Key management themselves described this balancing role as crucial. As K4 explained, *“We have to be close enough to understand local issues but far enough to not micromanage them. It's political, and it's about trust.”* The combination of political skill, respect for local autonomy, and clear strategic alignment appeared to be central to sustaining the decentralized structure over time.

4.4.3 Communication and relationships

In addition to strategic direction and organizational structure, several respondents emphasized the importance of leadership communication and relationship-building. These softer aspects of leadership were described as central for maintaining motivation and trust during and after the acquisition. Participants highlighted a culture of openness, personal involvement, and mutual respect, all of which contributed to a leadership environment that felt inclusive and supportive.

Key management confirmed the critical role of communication and relationship-building in a decentralized structure. K4 emphasized, *“You cannot lead entrepreneurs from a distance, you have to be close, listen, and build trust step by step.”*

Mutual trust and respect as a foundation of leadership

A recurring topic in the interviews was the feeling of being trusted by key management. Many described a leadership style where expectations were clear, but where local responsibility was respected. E8 stated, *“I feel that I have always been trusted by management on what we do. Good trust and showing results, the trust has been really good from the group.”* Trust was not seen as passive, but as something built on performance and communication over time.

For some, this trust extended beyond the professional role and had a deeper personal impact. E7 expressed, *“Management has kind of pulled me along and I am extremely*

grateful for the journey I have had in recent years, otherwise I would probably have gone home now or resigned if I'm honest." This quote illustrates how relational leadership, and personal support can directly influence individual motivation and retention, especially among entrepreneurial leaders who value independence. Overall, this mutual trust formed the foundation for decentralized leadership to function in practice. When trust was present, entrepreneurs felt more confident, involved, and empowered in their new roles.

Relational leadership and personal connection

Several interviewees emphasized the importance of leaders who are personally engaged and emotionally intelligent. E10 noted, *"Management has been very good here and is very good at human relations. They have been good at involving us entrepreneurs."* E10 added, *"Management is very caring and calls to check on the situation. They were good at communicating and giving the information they could."*

What stood out was not only the formal access to information, but the informal tone and relational approach taken by key management. Entrepreneur E10 explained, *"You can talk to them without prestige. You were not ashamed to ask them questions."* This type of leadership encourages openness, safety, and a sense of belonging. There were also examples where key management played a role in improving difficult relationships. E10 described an earlier period of exclusion: *"We were not allowed to join the organization, not allowed to attend meetings, nothing, we were excluded from it."* Over time, this changed: *"When new management joined, it got better gradually. They did a good job, so then we were allowed to join the group again."* These experiences reflect the power of relational leadership to bridge gaps and restore connection.

Key management also stressed that humility and openness were necessary to earn credibility. K1 explained, *"You have to show that you are not perfect, that builds trust faster than pretending to know everything."* This leadership style helped to rebuild and strengthen relationships, especially when previous acquisitions had created tensions.

Inclusive communication and flat dialogue culture

The communication style used by key management was often described as inclusive, low-prestige, and open. E14 said, *"They are good at listening. It is good to involve us entrepreneurs in a good way."* Another emphasized the accessibility and humility of leadership: *"They are very humble and not hierarchical. They are good at seeing people and everyone on the floors"- E9.*

A strong topic was also the effort made to build relationships beyond business. E13 shared, *"Maybe it's also a thing of getting to know each other and that I think management is doing perfectly because it's not only that we are talking business. Also*

go for a dinner and have some fun together." E15 also touched upon this, *"We've also been at each other's homes... That's the level. You get a familiar feeling. Since everyone has been an entrepreneur, you understand that it's more than work."* This created a sense of familiarity and was a big key to get everyone in the right direction.

Key management was also described as a bridge between the local firms and the corporate group. Respondent 9 noted, *"They are in between us and the group-level executives. They are doing all the political talk for us. They just ask us what we really need and leave the rest to us. It's great."* This communication approach helped develop a sense of autonomy while still maintaining alignment with the group's overall goals. As E15 said, *"They understand the local fairly well, they also have the ability to listen. They see the difference between small and big things. They trust us to do business as well as we can."*

5 Towards a Framework for Maintaining Entrepreneurial Motivation post-acquisition

This study highlights several insights that can guide managers who wish to maintain entrepreneurial motivation after acquiring a firm with the aim of maintaining the entrepreneur. Through analyzing data from interviews with entrepreneurs in post-acquisitioned firms and key management that work close to the entrepreneurs, a practical framework emerged. This is built around three key factors that proved critical for successfully maintaining entrepreneurial motivation: early integration, autonomy and leadership. The framework is presented in figure 4 where leadership symbolizes an overarching factor that can influence the critical components early integration and autonomy. The framework's components are presented in this chapter, along with an explanation of their importance, why they are included, and how they could be used.

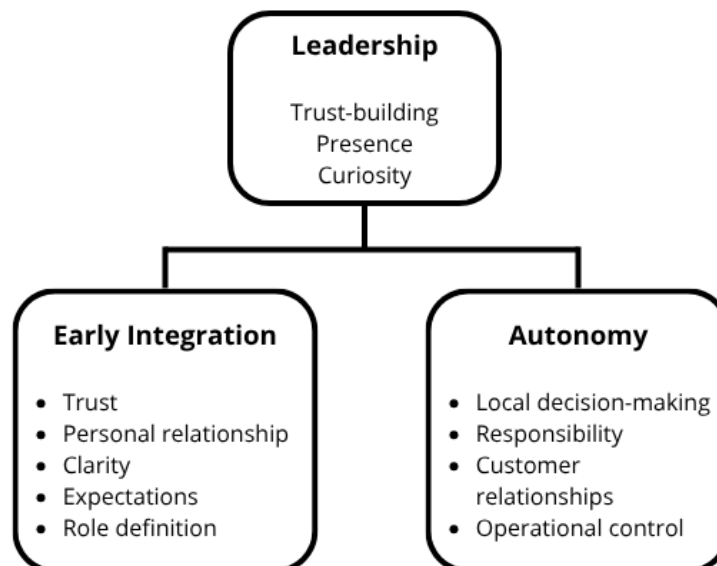


Figure 4: Framework for maintaining entrepreneurial motivation

Importance of early Integration

A recurring insight was the value of building trust and connection early in the process. Entrepreneurs emphasized that getting to know each other on a personal level helped set the tone for the entire journey ahead. When reviewing the data collected, trust in the entrepreneur's work emerged as a significant motivational factor. This was due to the entrepreneurs' desire to avoid the feeling that key management lacked confidence in their actions. Establishing this form of trust was considered particularly important during the early stages of firm acquisition. Many entrepreneurs noted that key management expressed confidence in their leadership and business decisions, which reinforced their motivation and sense of autonomy. To build this trust, relationships that extended beyond purely business matters were key enablers for the entrepreneurs. This was evident when new key management prioritized establishing personal connections

with the entrepreneurs, actively working to build mutual trust. This occurred through simple actions, such as making phone calls not only to discuss business but also to connect on a personal level. As a result, entrepreneurs did not feel like mere tools within the organization, but rather as valued individuals with unique knowledge and expertise. These relationship-building efforts led to increased engagement and motivation among entrepreneurs. Informal conversations about values, dreams, and expectations created a space for honesty and trust. When management showed genuine interest in both the entrepreneur and the business, it laid the emotional groundwork for deeper collaboration. In contrast, when this step was rushed or overlooked, the process risked becoming transactional, making later collaboration more difficult and less meaningful.

For this balance to be effective, clarity regarding future plans and expectations was key. A shared understanding of who does what, how decisions are made, and what is expected from both sides was described as essential. When these lines became blurry or changed too often, it created frustration and confusion. Entrepreneurs needed clear expectations, not only in terms of goals and performance but also in terms of their evolving role within the group. This clarity allowed them to focus their energy where it mattered, while still aligning with the broader corporate perspective. In several interviews, it became clear that this kind of clarity should not be an afterthought. Rather, it should be part of the early integration work and explicitly discussed to avoid misalignment later on.

Importance of maintaining autonomy for entrepreneurs

Maintaining a sense of autonomy after the acquisition was central to sustained motivation for entrepreneurs. Entrepreneurs described how important it was to continue making decisions in their daily operations and to feel ownership over how operations were done locally. This included areas such as managing customer relationships, driving local initiatives, and shaping the internal culture of the business. For the local entrepreneur, this is extremely important as they have built these long-lasting relationships with customers over the years. By maintaining these relationships, the entrepreneurs still feel they have control over the local firm. The freedom for the entrepreneur to take operational decisions also impacted local employees in a good way as they feel that their leader is close and can make faster decisions with better local knowledge. Additionally, for the employees, entrepreneurs believe there needs to be a clear understanding of who makes decisions and whom employees can approach. In essence entrepreneurs often enjoy feeling accountable and responsible for the local firm, they want to be in the front and set the way for the local firm.

Autonomy was not only a source of freedom but also of responsibility, being trusted to make decisions meant also being responsible for the outcomes. Many entrepreneurs set high value on being able to handle local challenges the way they want, not being too directed by national key management. Additionally, entrepreneurs felt if they needed to clock-in and report their time, this would affect motivation since they want to have

the freedom and privilege to use time how they feel is best. However, this autonomy worked best when framed within a structure that clearly defined which decisions should remain local and which were handled centrally. Entrepreneurs were generally positive about synergies for finance and IT, as long as these systems did not interfere with their ability to act quickly and effectively in their local context.

Importance of the leadership role

The role of leadership was described as the key that held everything together in maintaining motivation in entrepreneurs. Entrepreneurs described how much their experience depended on the key management leading the acquired firm. Leaders who were humble, emotionally intelligent, and genuinely curious about the local business earned trust more quickly. Several entrepreneurs shared that leaders with business understanding often had a better understanding of the dynamics on the ground and were more willing to listen before making decisions. Entrepreneurs highly valued when key management prioritized time in being on site with the local firms and trying to understand the culture and how it operates locally. This engagement led the entrepreneurs to develop greater trust in key management, as it demonstrated an appreciation for their local expertise. Effective leadership in this context was not about micromanaging or avoiding tough decisions, it was about being present, involving people in the process, and communicating clearly. When leaders created space for dialogue and showed respect for the entrepreneur's knowledge and experience, it reinforced commitment and motivation even through difficult changes.

Recommendations for decentralized organizations to maintain entrepreneurial motivation

These three factors have been acknowledged to be essential and therefore the framework in figure 3 is recommended to be used when maintaining entrepreneurial motivation in post-acquisition. Where leadership is an overarching factor that needs to be managed carefully in a decentralized organization. Early integration and autonomy are highly dependent on how leadership is managing the decentralized organization. To ensure clear and transparent expectations for both sides of an acquisition, early integration is important to build trust and relations. To build this structure, the study has interoperated that this leadership style requires a leader that is unpretentious, experienced and interested in the entrepreneur. Moreover, leadership needs to have high communication skills since entrepreneurs are used to handling the firm according to their preferences and make decisions independently. Therefore, leaders must be mindful of how they communicate with entrepreneurs regarding their roles and expectations within the new organization. It is essential for leaders to understand the entrepreneurs' perspectives and the specific needs involved in managing their local firms. Leaders should also be aware that these businesses are deeply personal to the entrepreneurs, and even small changes can have a significant emotional impact. At the same time, it is crucial for leaders to assert authority when necessary to maintain respect

and organizational coherence. Ensuring that entrepreneurs remain informed and engaged, such as through regular meetings every second month, as practiced by the Alpha leader, helps them feel included and aligned with the organization's shared goals. These are key leadership competencies, without them, entrepreneurs may feel demotivated and disconnected.

6 Theoretical Discussion

The findings demonstrate that several factors influence how entrepreneurial motivation is either sustained or challenged after an acquisition. In this chapter, the results of the study are compared to existing literature that served as the theoretical framework for this thesis. Theories included in the framework are Self-Determination Theory, Psychological Ownership, the Integration Framework, and Transformational Leadership that have been used to construct this thesis framework. This chapter elaborates on how established theories are reflected in real-life experiences. The study also contributes to previous literature.

6.1 Self-determination Theory

The findings of this study reflect the core principles of Self-Determination Theory (Ryan & Deci, 2000), particularly the emphasis on autonomy as a fundamental psychological need that supports sustained motivation and well-being. Entrepreneurs described how their motivation to remain active in the business after the acquisition was closely tied to their ability to make decisions and retain ownership over how things were done locally. This aligns with SDT's definition of autonomy, which involves acting in line with one's own values and feeling that one's actions are self-endorsed.

Entrepreneurs in this study expressed that being trusted to lead their firm, manage customer relationships, and shape internal culture was essential for maintaining their engagement. While they did not reject structure, they emphasized the importance of knowing where the boundaries lay. Autonomy was best supported when it came with clear expectations about what decisions could be made locally and what required central coordination. This reflects Ryan and Deci's (2000) idea that autonomy-supportive environments offer meaningful choice while still providing guidance. Many entrepreneurs initially believed that their motivation might decrease after selling the firm, expecting that financial outcomes or formal ownership would be the primary drivers. However, the findings show that when autonomy remained, motivation continued to be strong because they kept working closely with their teams. Rather than being driven by ownership or reward, they found energy and meaning in having influence, solving challenges, and being part of a shared journey with others.

In addition to autonomy, the findings also support the relevance of the needs for competence and relatedness. Entrepreneurs often described how motivation was linked to feeling effective and capable in their leadership, which aligns with the need for competence. They wanted to take responsibility, solve problems on their own terms, and see their firms develop. Relatedness was also visible in how much value they placed on being close to their teams and customers. Feeling connected, respected, and involved in meaningful relationships helped sustain their drive to continue leading the firm. While several needs were fulfilled, the findings also revealed situations where motivation was challenged. One recurring frustration was related to unclear reporting requirements and rapidly changing internal processes. Entrepreneurs described how

frequent reporting changes, and an overload of meetings reduced the time available for sales and customer contact. According to SDT, unclear expectations and lack of structure can frustrate the need for competence, as individuals no longer feel effective or able to prioritize their core responsibilities. When autonomy is undermined by administrative burden without clear rationale, motivation tends to decline.

An important contribution of this study is the insight that autonomy is most powerful when it is supported by structural clarity. While SDT describes the universal importance of autonomy, the findings here show that in practice, entrepreneurs thrive when they have both autonomy and clear expectations. Their motivation was closely linked to knowing where their influence began and ended, and to feeling recognized for their local knowledge and leadership.

6.2 Psychological ownership

The findings of this study align with the psychological ownership theory by Pierce, Kostova, and Dirks (2001), particularly the view feeling ownership of something and having a strong attachment to the firm can affect the feelings towards it. Entrepreneurs described in the study how selling their firm, which they identify with, can affect their motivation and engagement after the acquisition. This is because it can create some sort of emptiness for the entrepreneur.

One of the forms that Pierce, Kostova, and Dirks (2001) describe psychological ownership in is self-identity, which was seen by the entrepreneurs in this study. Entrepreneurs where high self-identity was observed, through many years of working at their firm, developed emotionally attached feelings towards it. Many of the entrepreneurs started their firm from scratch, invested time and money with the ambition to succeed. This clearly reflects the self-identity form of Pierce, Kostova, and Dirks (2001), where they state that humans develop a relationship towards artifacts or a firm when investing a lot of themselves. Entrepreneurs often reflect or identify themselves with their firm, which creates a strong connection to it. This emotional connection is an important factor for the acquire firm to be aware of and to manage so the entrepreneur can contribute in an effective manner.

Entrepreneurs with high ownership of their lifework can often become resistant to change because their ways of working are being threatened. Pierce, Kostova, and Dirks (2001) mention that when change is done in a nondemocratic manner, psychological ownership associated with resistance to change can be established. This was observed when key management made central decisions without communicating with the entrepreneur. This interfered with the entrepreneur's psychological ownership, since they had been managing the firm from the start and their local expertise had been overlooked.

The findings of this study showed that psychological ownership can play a crucial role in the context of post-acquisition. Entrepreneurs that feel self-identity can create strong emotional connections to their firm, and therefore, their motivation and engagement can be affected. If entrepreneurs are not integrated in a respectful and proper manner, their psychological ownership can be hindered, since they perceive their traditional ways of working to be under threat.

6.3 Integration framework

The findings of this study align with the integration framework by Haspeslagh and Jemison (1991), particularly their view that value is created not through the acquisition itself, but through how integration is managed afterwards. Entrepreneurs in this study described how their long-term motivation depended on how integration was handled, especially through early relationship-building and the degree of trust from key management.

A central part of the framework from Haspeslagh and Jemison (1991), is the need to establish the right atmosphere for capability transfer, including trust, mutual understanding, and clarity around roles. This was strongly reflected in the data, where early informal meetings and personal conversations were seen as critical for building trust and setting expectations. When this was missing, integration felt impersonal and caused uncertainty, similar to the risks Haspeslagh and Jemison (1991) identify when integration lacks relational foundation. The importance of defining future roles early in the process was also confirmed. Entrepreneurs who experienced unclear expectations often described a loss of purpose after the acquisition. While the financial deal may have been positive, the emotional detachment that followed showed that motivation depends not just on outcomes, but on how the transition is experienced.

The findings also support the value of preserving local autonomy. Entrepreneurs who retained control over customer relations and daily operations stayed motivated and engaged. This aligns with the preservation and symbiotic integration, where local capabilities are respected. However, the study also revealed that top-down decisions, even if minor from a corporate view, could harm trust and motivation if they overlooked local realities.

A key contribution of this study is the insight that integration begins before the acquisition is completed. Several entrepreneurs described how early relationship-building, such as informal meetings and personal conversations, laid the foundation for trust and mutual understanding. These early interactions helped clarify motivations, expectations, and future roles, factors that Haspeslagh and Jemison (1991) touch upon in their “stage-setting phase,” but which our findings suggest should occur already during the pre-acquisition phase. Another important contribution of this study is its emphasis on the emotional side of integration. While Haspeslagh and Jemison (1991) highlight structural and strategic elements, this study adds depth by showing how

entrepreneurial identity must be supported throughout the integration process. When entrepreneurs were excluded or lacked influence, their motivation declined, even if the formal integration process was respectful.

6.4 Transformational leadership

The findings of this study align with the framework of transformational leadership as described by Bass and Steidlmeier (1999), particularly in highlighting the importance of ethical and relationship-based leadership during organizational transitions. Entrepreneurs emphasized that their motivation post-acquisition was strongly influenced by the leadership style of key management, especially in how they were treated, supported, and trusted throughout the process.

A central component of transformational leadership is idealized influence, where leaders act as role models by demonstrating integrity, commitment, and emotional presence. This was clearly reflected in the data, as entrepreneurs described how their trust in key management was strengthened when they remained close to the business, communicated clearly, and showed genuine interest in people over process. Leaders who have knowledge and genuine interest about the acquired firm operations were often described as more credible and better equipped to understand the challenges faced by the local firms, which fostered respect and trust. The findings also support the role of inspirational motivation, another key element in transformational leadership. Entrepreneurs described how leadership offered a strong direction, involved them in decisions, and reinforced a shared sense of purpose contributed to their ongoing engagement. This was especially important in times of change, where uncertainty could otherwise lead to disengagement.

The findings further confirm the importance of individualized consideration, which refers to the leader's ability to recognize and respond to individual needs. Entrepreneurs emphasized that their motivation was highest when they were seen, heard, and allowed to continue making decisions in ways that fit their local context. Leaders who showed flexibility and acknowledged each entrepreneur's unique contribution helped preserve motivation after the acquisition. A particularly strong theme across the interviews was the balance between autonomy and support. Entrepreneurs valued being trusted to lead their businesses independently, but they also appreciated when leadership offered guidance in larger decisions. This reflects what Sarala and Junni (2014) highlight as the value of transparent communication and motivational leadership in building trust and reducing resistance during M&A processes.

Another important contribution from this study is the role of relational leadership. Beyond structural leadership practices, entrepreneurs described how small relational gestures, such as informal calls, being asked for input, or sharing meals, created a sense of belonging and commitment. These relational elements are not explicitly emphasized in classical transformational leadership theory, but the findings suggest that such

interpersonal behaviors are important for sustaining motivation in decentralized, post-acquisition environments.

7 Conclusion

This master's thesis has investigated how to maintain entrepreneurial motivation when acquiring an entrepreneur-driven firm and integrating it into a larger decentralized structure. By examining a case-study of a decentralized organization and applying theories such as Self-Determination Theory, Psychological Ownership, Integration, and Transformational Leadership, this thesis identifies key factors that contribute to or challenge entrepreneurial motivation post-acquisition. The findings show that autonomy is considered an essential factor for keeping entrepreneurs motivated and engaged. Entrepreneurs remained committed when they were able to influence local decisions, preserve customer relationships, and operate with a sense of freedom. The early integration phase was seen as an essential factor for the entrepreneurs to build trust and connection between key managers and entrepreneurs. Leadership was interpreted as the most essential factor, since it influences autonomy and the early phase integration.

The chapter is also going to sum up the theoretical and practical implications, where it elaborates on the contributions to the theory used in the study. The thesis also contributes to understanding how managers can address challenges related to maintaining entrepreneurs' motivation post-acquisition. It also looks at the limitations of the study and suggests directions for further research.

7.1 Theoretical Implications

The findings of this study support existing literature on human behavior, particularly regarding the factors that influence and sustain motivation. This research contributes to theory by offering a deeper understanding of how motivation is maintained in post-acquisition environments, specifically for entrepreneurs. It highlights the significant roles of psychological ownership, integration processes, and leadership dynamics in shaping motivational outcomes. This study contributes to a broader understanding of how these dimensions are interconnected. When a firm aims to retain the entrepreneur and their capabilities during integration into a new organizational structure, it is essential to consider all these dimensions, as they build upon and reinforce one another.

By focusing on these dimensions, the study seeks to extend theoretical frameworks on motivation within organizational change contexts. Furthermore, it proposes an emerging conceptual framework that incorporates these factors, offering a foundation for future theoretical development in the fields of entrepreneurship, organizational behavior, and post-acquisition integration.

7.2 Practical Implications

The insights from this study are relevant to a wide range of actors involved in M&As, particularly those who aim to maintain the entrepreneurial motivation, knowledge, and commitment of the entrepreneur post-acquisition. Specifically, large firms that have a decentralized structure and firms that regularly conduct M&A deals and rely on the continued involvement of local entrepreneurs can use this framework to improve their integration processes and reduce the risk of disengagement. It is especially applicable in industries where the acquired firm's local expertise, customer relationships, and operational knowledge are key components of its value.

In essence, this framework supports leaders in adapting their leadership style within a decentralized organization. This is particularly important because the management team working with entrepreneurs must recognize that motivation can decline rapidly following an acquisition. If the post-acquisition phase is not handled carefully, the acquisition may fail to generate value, resulting in an ineffective deal for both sides. Therefore, this framework serves as a guide for management, providing a structure to better understand and navigate the challenges they may encounter when acquiring a local firm, particularly when the goal is to successfully integrate the local entrepreneur. However, if leadership manages this process effectively, the acquiree's firm can benefit significantly from the entrepreneur's motivation and expertise. This balance is not always easy, but a well-functioning decentralized structure, supported by engaged and motivated entrepreneurs, can lead to strong organizational performance.

7.3 Limitations and Further Research

The study relies heavily on interviews, which may introduce some bias. While efforts were made to mitigate this, for example by interviewing multiple respondents from different roles and firms, there is still a risk that participants may have withheld negative opinions about the acquisitions, particularly since many remain employed within the organization. The generalizability of other industries or markets may also be affected, this is because the sample size is limited to a few firms. This limitation means that the study's conclusions will primarily address individual motivation and leadership dynamics rather than broader corporate performance metrics.

While this study provides valuable insights in how to maintain motivation in entrepreneurs post-acquisition, there remains interesting aspects for future research. Research in other industries and with other organizational structures could give new ways of how to handle motivation in an entrepreneurial context. Other industries have different circumstances that impact how the entrepreneurial motivation can be maintained. In the context of this case, the local knowledge and customer relationships have been highly valued, which impact the need to maintain the entrepreneur. Other industries might not have this high demand to maintain the entrepreneur. Also, how the organizational structure would affect on how to maintain motivation.

Since this study employed a qualitative approach, a complementary quantitative study focusing on the financial aspects of acquisitions would be valuable to explore further. In this context, financial metrics could indicate whether the integration process was beneficial, particularly given that integration involving the entrepreneur often demands significant time and engagement from the acquiring firm. Within the scope of this research, it would be relevant to examine whether the acquired local firms experienced increases or decreases in sales following the acquisition. Such analysis could help determine whether the acquisition generated value in terms of brand equity, operational synergies, or the leveraging of national expertise.

Another valuable aspect for future research could be to interview employees within the acquired firm to examine how their motivation has been affected by the acquisition. This would provide important insights not covered in the present study and could be highly relevant for managers to consider during the integration process. This is particularly important because employees are a significant part of the acquired firm and are essential to its day-to-day operations. Moreover, since the firms acquired in this study are smaller and possess strong local knowledge, shifts in decision-making authority may impact employees' well-being. Even minor changes introduced by new ownership, which the entrepreneur no longer has control over, can create challenges for employees. Therefore, it would be interesting to investigate, how an acquisition affects the employees as well, since they reflect the financial outcome of the firm together with the entrepreneur.

8 References

- Aghasi, K., Colombo, M. G., & Rossi-Lamastra, C. (2022). Post-acquisition retention of target founder-CEOs: looking beneath the surface. *Journal of Management Studies*, 59(4), 958-997.
- Becherer, R. C., Finch, J. H., & Helms, M. M. (2005). The influences of entrepreneurial motivation and new business acquisition on strategic decision making. *Journal of Small Business Strategy (archive only)*, 16(2), 1-14.
- Bass, B. M., & Steidlmeier, P. (1999). Ethics, character, and authentic transformational leadership behavior. *The leadership quarterly*, 10(2), 181-217.
- Bell, E., Bryman, A., & Harley, B. (2022). *180 Day Rental Business Research Methods*. Oxford university press.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative research in psychology*, 3(2), 77-101.
- Calipha, R., Tarba, S., & Brock, D. (2010). Mergers and acquisitions: A review of phases, motives, and success factors. *Advances in mergers and acquisitions*, 9, 1-24.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational research methods*, 16(1), 15-31.
- Graebner, M. E. (2004). Momentum and serendipity: How acquired leaders create value in the integration of technology firms. *Strategic management journal*, 25(8-9), 751-777.
- Haspeslagh, P. C., & Jemison, D. B. (1991). *Managing acquisitions: Creating value through corporate renewal* (Vol. 416). New York: Free Press.
- Hassan, I., Ghauri, P. N., & Mayrhofer, U. (2018). Merger and acquisition motives and outcome assessment. *Thunderbird International Business Review*, 60(4), 709-718.
- Institute for Mergers, Acquisitions and Alliances (IMAA). (n.d.). Mergers and acquisitions statistics. IMAA. Retrieved April 28, 2025, from <https://imaa.institute.org/mergers-and-acquisitions-statistics/>
- Junni, P., & Sarala, R. M. (2014). The role of leadership in mergers and acquisitions: A review of recent empirical studies. *Advances in mergers and acquisitions*, 181-200.
- Kumar, M. S., Nagarajan, N. J., & Schlingemann, F. P. (2021). The performance of acquisitions of founder CEO firms: The effect of founder firm premium. *Strategic Entrepreneurship Journal*, 15(4), 619-646.
- Lunenburg, F. C. (2012). Organizational structure: Mintzberg's framework. *International journal of scholarly, academic, intellectual diversity*, 14(1), 1-8.

- Mehta, M., & Hirschheim, R. (2007). Strategic alignment in mergers and acquisitions: Theorizing IS integration decision making. *Journal of the Association for Information Systems*, 8(3), 8.
- Picken, J. C. (2017). From founder to CEO: An entrepreneur's roadmap. *Business Horizons*, 60(1), 7-14.
- Pierce, J. L., Kostova, T., & Dirks, K. T. (2001). Toward a theory of psychological ownership in organizations. *Academy of management review*, 26(2), 298-310.
- Ryan, R. M., & Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American psychologist*, 55(1), 68.
- Ryan, R. M., & Deci, E. L. (2017). *Self-determination theory: Basic psychological needs in motivation, development, and wellness*. Guilford publications.
- Rubel, A. (2023). Centralized and decentralized organizational structure: The impact on employee satisfaction and performance. In *Proceedings of the International Conference on Industrial Engineering and Operations Management*. <https://doi.org/10.46254/na8> (Vol. 20230241).
- Sanguineti, F., Majocchi, A., & Cavusgil, S. T. (2022). Founding entrepreneur's dilemma: Stay or exit the firm following an acquisition? An international comparison. *International Business Review*, 31(1), 101904.
- Shane, S., Locke, E. A., & Collins, C. J. (2003). Entrepreneurial motivation. *Human resource management review*, 13(2), 257-279.
- Stahl, G. K., Larsson, R., Kremershof, I., & Sitkin, S. B. (2011). Trust dynamics in acquisitions: A case survey. *Human resource management*, 50(5), 575-603.
- Tsang, E. W. (2014). Generalizing from research findings: The merits of case studies. *International Journal of Management Reviews*, 16(4), 369-383.
- Wang, S., Ding, W., Li, J., Yuan, Y., Ouyang, L., & Wang, F. Y. (2019). Decentralized autonomous organizations: Concept, model, and applications. *IEEE Transactions on Computational Social Systems*, 6(5), 870-878.
- Wasserman, N. (2017). The throne vs. the kingdom: Founder control and value creation in startups. *Strategic Management Journal*, 38(2), 255-277.
- Yin, R. K. (2009). *Case study research: Design and methods* (Vol. 5). sage.

9 Appendix

Interview Guide to entrepreneurs

Can we record? Only we will listen to it

Introduction

1. Can you tell us about your background as an entrepreneur at your company, [Firm name]?
2. What was it like to run your business before the acquisition?
 - a. What led to your decision to sell the company, and what was your goal with this?

Acquisition Process

3. How did the acquisition process unfold when [Firm name] acquired your company?
4. How clear was it before the acquisition was finalized what would change and what would remain the same?
 - a. Did the outcome align with your expectations?
5. What changed after the acquisition? Did it turn out as you had anticipated?

Motivation

6. What was your main driving force in becoming an entrepreneur?
 - a. Was it the ability to be in control? Freedom?
7. How did the acquisition of your company by [Firm name] affect you as an entrepreneur?
 - a. Has it influenced your motivation positively or negatively?
 - b. How has your motivation changed from being a business owner to becoming an employee?
8. Have there been changes in your ability to make independent decisions compared to before?
 - a. In what way?
 - b. How have you experienced this transition?
9. Do you think [Firm name] could have done anything differently regarding the acquisition of your company?
10. How does it feel to go from being a business owner to being an employee in a larger organization?

Autonomy

11. How has the acquisition affected your daily work?
 - a. Do you feel you have less, more, or the right amount of freedom?
12. Which functions or activities have been moved from the local level to the national level and are now controlled by [Firm name]?
 - a. Are there any of these changes you would have wanted to be different?

Leadership

13. How has the leadership from [Firm name] management been during and after the acquisition process?
 - a. Is there anything you feel is missing in terms of leadership?
 - b. How does your current leadership role differ from how you led your company before the acquisition?
 - c. How did the leadership from key management change during and after the acquisition period?
14. How does it feel to transition from leading your own company to being managed by a larger corporation?

Integration

15. How has the integration between your company and [Firm name] been handled?
16. How quickly did the integration happen? Was everything done at once, or was it a gradual process?
17. How did the pace of integration affect your experience of the transition?
18. How has [Firm name] worked to build trust and confidence during the integration process?

Reflection

19. What are the most important lessons you have taken from this process?
20. If you could redo the acquisition, what would you want to change?

Interview guide for key management

General Introduction

1. Can you briefly describe your role and the types of issues you work with?
2. What is your view on this decentralized structure?
3. What are the main challenges that come with this structure?

Motivation and Autonomy After Acquisition

4. What do you see as the biggest challenges in maintaining motivation among previous owners or entrepreneurs after an acquisition?
5. How do you work to maintain a sense of autonomy for key people in the acquired companies?

Integration and Organizational Development

6. How do you approach the integration process before and after an acquisition?
7. What does communication look like before the acquisition takes place?
8. Do you discuss goals and the future with the entrepreneur?
 - a. Do you think that's important?
9. How do you balance the need for structure and centralization with the desire to preserve entrepreneurial thinking?

Culture and Trust

10. How do you build trust between management and the newly acquired companies?
11. Have you experienced any common cultural clashes between the group and the entrepreneur-led companies?
12. Is there any specific area where entrepreneurs have wanted control, but where you've made the final decision?

Leadership and Sustainable Motivation

13. What do you think is important in leadership that manages to retain entrepreneurial motivation?
14. How do you support managers in their change leadership during and after an acquisition?
15. How do you involve entrepreneurs in the new organization so that they continue to feel included?

Reflections and Lessons Learned

16. Is there anything you, in hindsight, wish you had done differently in any previous acquisition?
17. Have you identified key factors that make an acquisition especially successful from a motivation and culture perspective?



CHALMERS
UNIVERSITY OF TECHNOLOGY