

Refereed article

Acquired-firm Leaders' Sensemaking and Sensegiving: A Postcolonial Perspective

Yan Junchen

Abstract

This study examines how the leaders of firms acquired by emerging Chinese multinationals deal with the challenges of post-acquisition integration into Chinese multinationals from a combined postcolonial sensemaking and sensegiving perspective. In doing so, the paper extends the current understanding of post-acquisition integration of Western-based firms into the growing international networks of Chinese acquiring firms beyond the framework of integration and autonomy. Based on an in-depth qualitative comparative analysis, this paper reveals two distinct patterns of meaning-making with respect to acquisitions and engagement in power relations between acquirers and acquirees. From a postcolonial management perspective, both patterns articulate not only the differences between Western-based firms and Chinese acquiring firms but also the process of *becoming-the-same* of Chinese acquiring firms, reflecting the coexistence of the rising economic power of Chinese acquiring firms over Western-based acquired firms and the discursive power of the latter over the former. Nonetheless, the power dynamics within the integration process paradoxically reproduce binary thinking, Orientalist narratives, and asymmetrical power relations. Arguably, this cannot be achieved without internalizing the postcolonial imaginary in both Chinese and Western firms. However, the postcolonial imaginary is not fixed or stable, leaving room for conflict and negotiation.

Keywords: China, cross-border acquisition, emerging multinational enterprise, post-acquisition integration, leaders of acquired firms, postcolonial imagination, power relations, sensemaking and sensegiving

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Introduction

Postcolonial theories address a wide range of issues and analyze the multiple consequences of imperialism and colonialism. They critically question modern manifestations of Orientalism and the stereotyping of the Global South as backward, and engage in a critical reflection of the Western self-perception as superior. They also critically examine globalized forms of governance, questions of state formation, and the emergence and validity of global norms and rights that should not be taken for granted. Thus the postcolonial perspective has been applied to various settings, including former colonies, neocolonial contexts, indigenous communities, and even organizations in non-colonized regions influenced by colonial legacies, regardless of official postcolonial designation.

In critical management studies, the postcolonial perspective has gained prominence owing to its efforts to critically analyze the influence of colonialism and its enduring effects on management practices, power imbalances, and hierarchical structures inherited from colonial times that shape decision-making processes, leadership practices, and employee relations. It challenges conventional management theories by emphasizing the historical and ongoing impacts of colonization on the economic, social, and cultural aspects of management.

According to Boussebaa (2020a, 692), economic globalization has the effect of building and expanding Western hegemony globally, and began centuries ago when European colonial powers established trading companies. After World War II, Western industrial corporations, led by the United States, expanded globally. As Boussebaa (2020a, 688) pointed out, the relocation of production to low-wage countries to reduce production and labor costs is a key aspect of recent corporate globalization (see also Barnett and Muller 1974). The international division of labor that resulted from the international relocation of production has consequences for the corporate world of multinational enterprises (MNEs). It is shaped by a neocolonial order structure that is rooted in colonialism and imperialism (Boussebaa, 2020a; 2021). The distinctions between the center and periphery, developed and developing countries, and the West and the rest of the world determine what is considered global and local knowledge, and how and in what direction knowledge transfer takes place (cf. Frenkel and Shenhav 2003, Mir et al., 2008). Global professional service firms and business schools play a particular role in promoting and disseminating Western models as global knowledge through education, training, and qualification tests as socialization practices (Boussebaa 2020b; Boussebaa and Faulconbridge 2019; Boussebaa and Sturdy 2012). Much international management research and intercultural consulting has also contributed to the construction of cultural stereotypes, thereby legitimizing neocolonial structures. (cf. Kwek 2003; Prasad 2009; Szkudlarek 2009; Westwood 2006).

Recently, growing attention has been paid to emerging powers such as China, India, and Brazil, which call “the Western way” of organizing and managing into question (Bruche 2009; Jack et al. 2011). Following the concept of political economy, the “combined and uneven developments” of later industrialisers allow them not only to adapt production models and management practices from dominant economies but also to develop their own practices that are modelled more on the existing practices of dominant states (Smith and Meiksin 1995, 258). Chinese overseas acquisition of firms from advanced economies provides a rich case for examination as not only are knowledge and practices transmitted from the acquired firms to the parent companies but also from the Chinese headquarters (HQ) to the new subsidiaries (Haasis et al. 2018; He et al. 2018). From the postcolonial management perspective, the Chinese acquisition of Western-based firms makes an interesting case for understanding the power dynamic within an organizational context in which, to borrow the words of Michel Frenkel (2014, 35), “the [inferior] ‘other’ is now the manager in charge [...]” This means, in other words, that there is a growing inconsistency between “(a) the economic sphere, in which the formerly developing countries from the Global South have been able to rise to technological leadership and (b) the symbolic sphere, in which they are still marginalized and presented as inherently inferior and ‘catching up’ [...]” (Lyan and Frenkel 2022, 32).

In his recent study of Huawei, Hensmans (2022) asserted the importance of Chinese emerging multinational enterprises (EMNEs) as “counter-hegemonic agents” (p. 2) and their opportunities to write back “an emancipating imaginary to the Global North” (Hensmans 2022). Nevertheless, it is by no means uncontroversial to argue that the rise of EMNEs can challenge the knowledge and practices developed at the “center” of the global economy. Frenkel (2014) pointed out the role of *postcolonial imagination* that affects both EMNEs and Western-based subsidiaries. She argued that the management of EMNEs often considers their knowledge and managerial skills to be less universally applicable than those of traditional MNEs. Consequently, EMNEs tend to exert less real influence on Western-based subsidiaries’ operations. This observation is reminiscent of Dirlik’s (1996) concept of self-orientation.

On the other hand, the ideological belief that Western-based acquired firms’ knowledge and management skills are much superior to those of EMNEs, which is typical of the Orientalist way of thinking (Fuchs and Schalljo 2017), is likely to lead to strong resistance from these firms against the HQ (Frenkel 2014; Franz et al. 2018), a high degree of discrimination (Held and Berg 2014), and neocolonial attitudes among acquired-firm managers (Fuchs and Schalljo 2016; Mense-Petermann 2021), which lead to the post-acquisition integration of Western-based firms becoming politically and ideologically contested.

However, very few studies have addressed the inconsistency described above or explore the impact of postcolonial imagination on the processes of sensemaking and sensegiving in the context of the post-acquisition integration of Western firms into the developing international networks of Chinese acquiring firms. In this study, I

aim to show how the postcolonial management perspective offers an alternative approach to understanding post-acquisition management in Western-based acquired firms. I focus on how the acquired firms' executives experience and interpret post-acquisition integration (sensemaking) and how they influence employees in the acquired firms and Chinese stakeholders (sensegiving). I will also explain the ways in which they do this and some of the effects that have been observed from a postcolonial perspective and point out that the postcolonial and the sensemaking and sensegiving perspectives can complement each other to enhance our understanding of post-acquisition integration in acquired firms that reflect the immediate power dynamic during the post-acquisition integration phase.

Conceptual heuristic

Sensemaking, sensegiving, and leadership

Post-acquisition integration is essentially an organizational change within a post-acquisition organization that creates space for speculation, interpretation, and manipulation. Increasing evidence suggests that a sensemaking and sensegiving lens is helpful to improve our understanding of an acquisition's ambiguity, instability, fragmentation, and identity negotiation (Vaara 2003; Rovio-Johansson 2007; Söderberg 2003; Giustiniano and De Bernardis 2017). Leaders in organizations are expected not only to develop a meaningful framework for understanding the situations they are in but also to manage the sensemaking of others, which is termed *strategic sensegiving* (Gioia and Chittipeddi 1991). This is often referred to as *leader framing* and *follower sensemaking* (Bean and Hamilton 2006), and the most complex form of framing is storytelling (Hallahan, 1999). Leaders' sensegiving also works through utilizing other sensemaking devices (i.e. metaphors and slogans) that reflect and reproduce their points of view (Patriotta and Brown 2011).

Similar to other changes in an organization, post-acquisition integration requires a shift in organizational interpretive schemes, and the acquired firms' leaders' ability to give meaning to influence the way others make sense of the acquisition is a key factor in integration. Moreover, acquired-firm leaders should not only guide the ways in which middle managers and employees in acquired firms make sense of the post-acquisition situation, but should also actively engage with acquirers to influence their decision-making (Colman 2020; Graebner 2004; Karamustafa and Schneider 2020).

In this study, I begin the analysis with acquired firm leaders' making sense of and giving sense to the acquisition within the acquired firms after the acquisition, such as defining their strategic role with the Chinese acquiring firms' networks. I then explore the implications for both the acquired firms and the Chinese acquirers. It is expected that both acquired-firm employees' and Chinese acquiring firms' sensemaking results from acquired-firm leaders' engagement in sensegiving, which is neither apolitical nor power-free.

Power in sensemaking and sensegiving

In a cross-border setting, not only organizational but also cultural, institutional, and geopolitical differences give rise to the increasing complexity of sensemaking and sensegiving. A particular method of sensemaking and sensegiving in multinational corporations is the construction of national cultural differences. Vaara et al. (2003: 420) pointed out that national cultural differences, stereotypes, and prejudices are not based on actors' first-hand experiences but rather on the "reconstruction of historical stereotypes, myths and legends from different social domains." They are used in various types of self–other constructions to authorize social hierarchization that enables dominant groups to monopolize privileges and exclude non-dominant groups from high-status positions (Banai 1992; Levy and Reiche 2017) or justify control over subsidiaries and the transfer of practices from the HQ to local units, and resist local initiatives (Koveshnikov et al. 2017; Vaara et al. 2003). In the context of Chinese acquisitions, scholars continue to observe similar practices of othering used to rationalize distancing in acquired firms from Chinese acquiring firms (Franz et al. 2018; Held and Berg 2014). The legitimacy of othering, I argue, is becoming more precarious than that of traditional MNEs as discursive power does not coexist with corporate structural power. This situation is expected to evoke new sensemaking frames. Therefore, it is necessary to extend the strategic sensemaking and sensegiving framework to a power-sensitive sensemaking perspective (Mills et al. 2010) in order to acknowledge the broader context and powerful discourses that affect sensemaking and sensegiving in and around Chinese overseas acquisitions.

The current discussion of sensemaking and sensegiving therefore extends the theoretical scope by identifying two modes of power—episodic and systemic—which operate in sensemaking and sensegiving (Schildt et al. 2020; Sandberg and Tsoukas 2020). According to Schildt et al. (2020), *episodic power* refers to "deliberate efforts of actors to coerce, influence or manipulate others," while *systemic power* is based on "taken-for-granted knowledge structures and individual and collective identities [that] shape the way actors see the world and act" (p. 242). Episodic power is best exemplified in studies of organizational change and leadership in which the business elite and top managers are considered sensegivers and designers of episodic interventions, emphasizing individual capability and role-specific agency (Schildt et al. 2020: 243).

Given the fact that acquired-firm leaders are trained in a competitive institutional environment and work within an advanced business network, based on which a particular management identity and professional frame of reference are established, they distance themselves during the course of integration from the Chinese managers of acquiring firms, who they consider to lack an understanding of European management, professional skills, and competencies, even if these leaders embraced Chinese acquirers at the beginning of the acquisition (Fuchs and Schalljo 2016). In another study, Fuchs and Schalljo (2017) have pointed out that acquired-firm leaders' evaluative representations of Chinese firms and Chinese managers are

derived from dominant ideologies about the West in relation to the East, embedded in the discursive formation of modernity, development, and rationality. Franz et al. (2018, 114) pointed out that “othering by strategically keeping the investor out of daily decision-making became the predominant management principle.”

This paper extends this line of research by highlighting two additional points. First, it is worth noting that othering rests on knowledge predicated on classifications and categorizations. Such knowledge production reflects the systemic form of power that works through “comprehensive ‘rationalities’ with broader evaluative frameworks or ‘logic’” (Schildt et al. 2020, 251). Authorization for the use of othering lies in the dispositional property of the acquired-firm leaders and managers conferred upon them by this systemic power. However, the empirical evidence provided in the literature raises the question of why othering regulates the relationship between Chinese acquirers and Western-based acquirees. In other words, othering can be considered a means of securing acquired-firm managers’ legitimacy in resisting Chinese acquirers’ intervention and control only when the acquiring firms voluntarily accept being subjected as “irrational and unprofessional others.” There is nothing taken for granted about this, so further discussion is needed. Second, as Frenkel (2014) pointed out, there is a disjuncture between the economic and symbolic powers of countries from the Global South, such as China. If we take this situation seriously, we must acknowledge the possibility that Chinese acquirers may challenge this symbolic asymmetry during post-acquisition integration, and an interesting question is how acquired-firm leaders react to changing conditions. A clear understanding of these points requires a brief introduction to the ideas of postcolonial imagination (Frenkel 2014; Lyan and Frenkel 2022), self-orientation (Dirlik 1996), and mimicry (Bhabha 2004), which serve as heuristic devices for understanding the negotiation of power between Chinese and Western firms.

Postcolonial perspective

In his seminal work *Orientalism* (Said 1994), Said claims that the non-Western other has been represented by Europeans and that the European representations of the other are ideologically political instruments of imperialism. China is an important component of the non-Western alterity that constitutes Western development. An increasing number of empirical studies, however, have concluded that there has not been a simplified Western representation of China as a primitive other, but a representation that varies across different periods. This attests to the fact that political–economic relations within and between Western and Chinese civilizations affect the popular perception of China. In brief, Europe’s enthusiasm for China as exemplified by the seventeenth-century Jesuits, eighteenth-century Sinophiles, and nineteenth-century Sinologists transformed rapidly into “scientific–racist Orientalism” (Hung 2003, 265) during the period from the 1870s to the beginning of the First World War—known as the period of Western imperialism. The overall notion of Western superiority over non-Western civilizations was developed and

established, going hand in hand with the intellectual hegemony of Darwinism, the ideology of progress, and the rise of ethnonationalism (Said 1994).

Frenkel (2014) and Lyan and Frenkel (2022) coined the term *postcolonial imagination* to emphasize the long-term effects and implications of Orientalism worldwide. They suggested that postcolonial imagination is the “cognitive global map that is rooted in the historical colonial order and makes possible common practices and a widely shared sense of legitimacy across North–South binaries in today’s world” (Lyan and Frenkel 2022: 31). These binary distinctions structure and give meaning to actions and behaviors in quite different ways and areas, involving Orientalist cultural conceptions about the self and the other and construction of national cultural differences, stereotypes, and prejudices. Critical management studies, building on the postcolonial writings of Said, Spivak, and Bhabha, reveals the colonial and neocolonial assumptions that underline international management textbooks and discourses (Fougère and Moulettes 2007; Kwek 2003; Westwood 2006), which challenges Orientalist knowledge production. From a postcolonial management perspective, Orientalist cultural conceptions are strategic and symbolic resources that operate at the nexus of HQ–subsidiary relations to justify control over subsidiaries, transfer practices from HQ to local units, and resist local initiatives (Koveshnikov et al. 2017). In the context of EMNEs, they legitimize foreign affiliates’ resistance to EMNE management practices and knowledge flows from the EMNE HQ to Western affiliates (Frenkel 2014). These are only a few examples of how the systemic form of power works.

The idea of the postcolonial imagination, however, goes beyond Orientalism because it simultaneously addresses the global effect of Orientalism in defining the self-identity of the otherwise Orientalized other. For example, Orientalism has deeply influenced China’s concept of where it is progressing from and to since the historical interactions between China and the West. Simply put, it results in constant Chinese engagement in the modernization of the nation (Duara 1995; Shih 2001), in which the West, particularly the United States, operates as the “preferred other” (Chow 1997, 151). However, neither Westernization in the sense of the erasure of an abstract Chinese cultural space by the intrusion of Western modernity nor the appropriation of this modernity in the Chinese cultural space provides a satisfactory answer to the search for Chinese modernity (Dirlik 2002, 29). Rather, the cultural identity in contemporary China, or more precisely, China’s strategic positioning, thoroughly influenced by what Dirlik (1996) called “self-Orientalization,” comprises two Chinas that are both paralleled and juxtaposed against each other: modern and traditional China. The modern China is one that “progresses from the ancient past to the modern present”; the other is a significantly mythical and exotic China that “speaks to the Orientalist fascination” (Yan and Santos 2009, 310).

Self-Orientalization can therefore clearly be seen as an effect of postcolonial imagination and can be expected to influence the management strategy of EMNEs, such as their choice of low levels of formalization and centralization of their overseas

subsidiaries (Frenkel 2014). In the case of Chinese acquisitions of Western firms, Liu and Woywode (2013) proposed a light-touch integration approach that gives acquired firms autonomy without intervening in their operations, implying that Chinese acquiring firms lack managerial knowledge and skills. However, the authors ignored the possible impact of self-Orientalization on the post-acquisition integration management of Chinese EMNEs. From a postcolonial perspective, it is also unclear what impact the postcolonial imagination has had on the study of Chinese acquisitions in general. I would like to go a step further and argue that postcolonial imagination not only reinforces the stabilization of the neocolonial power structure and facilitates the reproduction of the distinction between West and non-West but also implies the very possibility of the other challenging the power asymmetry, since the West in the postcolonial imagination is “the object of both desire and resentment” (Chen 2010, 217) for the colonized other.

The significance of the construct of the West is reflected in the current organizational identity formation of Chinese EMNEs. Lai et al. (2020) emphasized in their study of one Chinese EMNE that “the company identifies itself as part of a wider national rejuvenation discourse whereby humiliation at the hands of the Western powers in the nineteenth and early twentieth centuries is being revenged by the rise of China in the current period” (p. 667). Hensmans (2022) indicated the possibility of EMNEs writing back and the invertibility of their ascribed positions in the postcolonial imaginary by exploring the case of Huawei. This view is closely related to Homi Bhabha’s (2004) concept of mimicry, which highlights the colonized other’s simultaneous construction and deconstruction of colonial power relations (Siltaoja et al. 2019). Against this backdrop, I argue that Chinese acquiring firms are typically subject to the tension between the desire for assimilation and claims of differences, and Western-based acquirees are likely essentialized as antagonists, and their supposed superiority is continually contested in the construction of the Chinese acquiring firm’s identity. This interpretive framework influences post-acquisition integration dynamics. Although this study cannot provide a clear answer to the question of whether Chinese EMNEs challenge “the hegemonic power of the postcolonial imaginary” (Hensmans 2022: 4), I would expect more struggle in the symbolic sphere, in which the Chinese acquiring firms’ economic success empowers them to escape the ascribed identity as underdeveloped and inexperienced without displacing the postcolonial imaginary.

Nonetheless, the purpose of this study is not to examine how power is negotiated but to acknowledge the coexistence of the economic power of Chinese acquirers and the discursive power of Western-based acquirees as a general condition for understanding the sensemaking and sensegiving of acquired-firm leaders. In other words, exploring the sensemaking and sensegiving patterns of acquired-firm leaders is a way to evaluate the awareness and sensibility of post-acquisition conditions in acquired firms, characterized by the contradiction between economic and symbolic power.

This study makes two important observations. First, I observe similar cases of othering being used as a means of rationalizing the distance between acquired firms and Chinese acquiring firms, which is clearly the effect of postcolonial imagination. However, the strategy of othering, as already observed in previous and current studies, does not always help justify and legitimize resistance to the intentions of Chinese acquiring firms to control acquirees, since the taken-for-granted Orientalist framework on which systemic power is based has now been challenged. Second, acquired-firm leaders also change their approach to interacting with Chinese acquiring firms by positively articulating Chinese acquiring firms' management imitation behaviors. This discursive strategy, which I call *China's becoming-the-same*, following Bhabha (2004), is not only "an ironic compromise" but also "a complex strategy of reform, regulation and discipline," through which the Chinese acquiring firms' behavior and minds are standardized and made docile, ensuring their compliance with the dominant norms and power relationships (Bhabha 2004, 122; see also Siltaoja et al. 2019, 78–79). Hence the articulation of China's becoming-the-same as the West can be considered a kind of episodic intervention that seeks to align certain aspects of Chinese acquiring firms with Western dominant standards at specific moments. It is worth noting, however, that the discursive strategy of China's becoming-the-same that I identify in the post-acquisition context is different from what Vukovich (2012) once called "sinological-Orientalism," which also focuses on "becoming-sameness" since it highlights not only China's convergence with the West but also the impossibility of China being the West, so that a necessary disjuncture between being no longer and being not yet has become new resource to maintain the superior position of the West over China.

Methodology

Research setting

This study is part of a larger research project titled "Chinese Foreign Direct Investment in Germany."¹ The research team employed a purposeful sampling strategy based on the industry sector of acquired firms and ownership of acquiring firms as selection criteria to maximize the potential for learning from Chinese acquisitions in Germany. The team conducted case studies on firms acquired by both Chinese state-owned and private EMNEs from mechanical engineering, automotive, and solar industry backgrounds, which are areas of focus for Chinese investors.

The two cases selected for examination presented "polar types" (Eisenhardt and Graebner 2007) of post-acquisition integration with easily identifiable, contrasting patterns of acquired-firm leaders' sensemaking and sensegiving. Both acquiring firms (Parents A and B) are large-scale component manufacturers with privileged

1 The research project "Chinese FDI in Germany - Strategic Goals, Post-Merger Integration, and Consequences for Acquired German Firms" (ME2008/7-1) was funded by the German Research Foundation.

access to state resources and have rapidly developed over the years by establishing joint ventures with global automakers. They seek to build alliances with and acquire technology firms from the home countries of leading global automakers to enhance their design and management abilities and overcome negative lock-in effects due to the design and sourcing policies that these automakers apply (Torres de Oliveira et al. 2020). The acquired German Automotive Supplier is a product specialist in the automotive supply industry and a global player in a niche market. The firm was controlled by a European private equity company before it was resold to its current owner from China. The acquired German Special Machinery is a special-purpose machinery manufacturer that supplies the automotive industry. Both Chinese acquirers have acquired 100% of the shares of the acquirees.

Data collection

Data collection involved multiple techniques, including semi-structured interviews and document reviews. These interviews and documents helped us to identify the goals and conditions of the acquisition, integration strategies, and organizational changes in acquirees. During the interviews, I employed open-ended questions to encourage the interviewees to express their perceptions, experiences, and interpretations of the acquisition. The interviews were conducted in German and Chinese and were recorded and transcribed. Chinese interviews were translated into German. Quotes selected for illustration in this study were translated from German into English by the author. In addition, I conducted searches of acquiring and acquired firms' websites and press releases to trace corporate development before and after acquisition, as well as other relevant information on the firms. The data used in this study includes 16 semi-structured interviews with top managers, middle managers, Chinese managerial staff, and chairpersons of the work councils of the two acquired firms. Corporate website information and numerous public reports were examined as available.

Data analysis

An iterative, abductive, and multistage grounded theory approach was employed to analyze the data (Charmaz 2006; 2009). In so doing, my analysis emphasizes the usefulness of formal theory in developing new theoretical insights into the phenomena under study and points out the widespread misunderstanding that the grounded theory approach is inductively oriented and that new theories emerge directly from the data without using formal theory. The current development of grounded theory, therefore, integrates the abductive inference coined by Charles Sanders Peirce (1839–1914) into grounded theorizing (Charmaz 2006) and emphasizes the use of existing theoretical ideas as “heuristic tools for the construction of concepts which are elaborated and modified on the basis of empirical data” (Kelle 1995, 34). Based on the abductive inference within the grounded theory approach, my analysis of acquired-firm leaders' sensemaking and sensegiving, in

Sinkovics and Alfoldis' (2012, 824, emphasis in original) terms, "is neither *theory generation* (induction), nor *theory testing* (deduction), but *theory development/refinement* (abduction)."

It must be acknowledged that the research process following the logic of abductive inference is non-linear, fluid, and serendipitous, involving the redirection of research focus (Dubois and Gadde 2002) and varying degrees of matching between theory and empirical data (Bouncken et al. 2021). As Charmaz (2009, 137–138) pointed out, grounded theory begins its journey by conducting inductive analyses of data, but it goes further by venturing into the realm of creative interpretation of the subject under study. As researchers make discoveries, they engage in abductive reasoning and then return to the field to test their hypotheses. Accordingly, the initial analysis referred to the first description and exploration of every case the research team collected, maximizing learnings from and building a sound explanation of each case. In this stage, researchers focused on task and cultural integration and explored the goals and conditions that determined the acquisition, the role expectations of Chinese acquirers concerning new subsidiaries, the perceptions of the acquirees toward the acquisition, and organizational changes during the integration. After gaining a primary understanding of each case, I returned to the literature on theoretical concepts, which allowed me to refine the research focus. I applied the concepts of sensemaking and sensegiving, as well as the postcolonial perspective, to draw inferences about the integration management of acquired-firm leaders. At this stage, more focused questions were added to single out typical sensemaking and sensegiving patterns (Table 1). As is typical in comparative case studies, I first refined the two individual case studies already presented in the initial data analysis from the postcolonial, sensemaking, and sensegiving perspectives, and then compared the two cases to develop a plausible explanation characterized by a high degree of matching between theory and reality.

Findings

This section presents the results of the comparative analysis. First, I introduce general information on acquisitions and the triggering events for acquired-firm leaders' sensemaking and framing. After describing the frames they employ to rationalize their management activities, I compare their sensegiving activities within the acquired firm with those between the acquired and acquiring firms.

Table 1. Patterns of sensemaking and sensegiving

Theoretical unit	Trigger event	Framing	Sensegiving action		
			Content of sensegiving	Sensegiving domain	Power type
Analytical questions	<i>What are the events that trigger acquired-firm leaders' sensemaking?</i>	<i>How do leaders of acquired firms interpret the situation they are in?</i>	How do they make intersubjective meaning?		
			<i>What are the contents to be communicated?</i>	<i>In which domains of sensegiving are they engaged?</i>	<i>Are there any differences in their sensegiving activities regarding power types?</i>
German Supplier	Management change	Acquisition as win-win collaboration	Proactive integration		
			Learning organization and predictable partnership	Within acquired firm and between HQ and subsidiary	Interplay between episodic and systemic power
German Machinery	Strong control over GSM's operation	Acquisition as one-way learning	Confrontation		
			Teacher-student relation	Between HQ and subsidiary	Systemic power

Backgrounds

In both case studies, acquisition was motivated by the Chinese firms' need to upgrade their capabilities in the global automotive value chain. Both acquiring firms (Parents A and B) are large-scale component manufacturers with privileged access to state resources; indeed, they are among the few Chinese suppliers that have become preferred regional suppliers for leading global automakers. These firms have developed rapidly over the years by establishing joint ventures with global automakers. They seek to build alliances with and acquire technology firms from the home countries of leading global automakers to enhance their design and management abilities and overcome negative lock-in effects owing to the design and sourcing policies that these automakers apply (Torres de Oliveira et al. 2020). Both Chinese firms have acquired 100% of the shares of the acquired German firms.

In the first case, post-acquisition integration under the predecessors confirmed the "light-touch approach" (Liu and Woywode 2013)—that is, Parent A kept the German Supplier's management intact, the name and brands of the acquiree were

kept, and Parent A gave the acquiree a high extent of freedom in operational decision-making. However, the expected synergistic effects were not achieved because the intrinsic motivation for integration was missing. Instead of learning from each other and working together cooperatively, the German Supplier had a limited relationship with and maintained a distance from Parent A. The reappointment of the management team triggered the sensemaking and sensegiving that I observed. The new CEO has in-depth knowledge of the company and a stable relationship network with the German Supplier. He has been working for over 20 years. The new CFO is an expert on China. He has an MBA from a Chinese university and has worked for various German companies in China.

The second case I examined was more complicated because post-acquisition integration and business transformation in German Machinery overlapped. On the one hand, German Machinery possesses strong technological capabilities, development experience, and the capacity for product innovation (for example, it employs more than 120 development engineers). On the other hand, the firm is vulnerable to cyclical fluctuations and high labor costs. It was necessary to invest heavily in modernizing its production facilities, which it had not done for 20 years, and its human capital (its workers were 50 years old, on average). German Machinery was set to benefit from Parent B's financial strength, which would help it launch a radical organizational transformation from a special-purpose machinery manufacturer to a profitable supplier. For Parent B, the acquisition not only had the potential to enhance its access to advanced knowledge and skills in customized product development, but also represented a big risk because even though German Machinery was bought at a very reasonable price, investment in after-acquisition projects with the hope of generating positive profit margins could bring about incalculable costs and unforeseeable organizational and managerial challenges not only for Parent B but also for German Machinery. Against this backdrop, Parent B exercised strong control over German Machinery's operations by centralizing decision-making and transferring significant production management knowledge to German Machinery, which was the trigger event for sensemaking and sensegiving. German Machinery, similar to German Supplier, has dual leadership. The current CFO studied business administration and started his career at a large international firm. A few years later, he became a self-employed business consultant. He established several firms and was an interim manager before taking the position at GSM. The CEO is a mechanical engineer and has worked in various technical positions in the company. He has been the CEO since 2003 and, after the acquisition, was made responsible for production, research and development, and sales.

Framing

Acquisition as win-win collaboration. In the case of German Supplier, new leaders facilitated intensive cooperation between the acquiree and Chinese Parent A by establishing connections at all levels of management and in all functional areas,

including the works council. They believed that the firm could benefit from the Chinese market and that German Supplier and Chinese Parent A should merge despite cultural and institutional differences. They understood their appointment as selection and their integration management as bringing about cultural change. The CEO of German Supplier rejected the idea that a low level of cooperation with Parent A would have a sustainability effect:

I can imagine, when someone says that I am the German independent, I keep doing what I like, and the Chinese have only a supervisory function. I do not want to say that if this was the case then they would not have problems of integration. However, if they do not have the exchange we have, I am sure we will not grow together and will not develop a new common understanding. I believe that this will lead to problems at some point.

And the new CFO added:

Almost every company can benefit from having access to China [...] But you will never get any benefit at all if you do not become active yourself.

Regarding the legitimization of their proactive integration into Chinese Parent A's emerging international network, the new leaders came to make sense of the acquisition in terms of a future-oriented win-win solution, as the CFO emphasized:

Previously, we were purely a German company. The American subsidiary did not exist, and the Chinese subsidiary did not work. We must ask ourselves for how long this structure will remain viable. Now, we have a global presence for the first time through this connection with Chinese Parent A. We can acquire Chinese customers, German customers in China, and American customers in the United States. In future, we will produce something for Chinese customers who may establish their businesses in Germany.

Another feature of their framing is manifested in the manner of the CEO's speech, making China an essential part of German Supplier's own corporate story. The CEO stated that when the firm was still a subsidiary of a German steel manufacturer, there was a growing interest in expanding into the Chinese market. From his perspective, the German steel manufacturer's delay in investing in China was a clear mistake that led to the problems faced by the company today. He referred to many major German companies that had invested successfully in China and indicated that the firm and its Chinese partner had founded a joint venture in China. Further, the CEO openly acknowledged the lack of cultural sensitivity in the former German management that ultimately led to the failure of the joint venture operations. At that time, he was part of the management and worked as a technical director. He stressed that this mistake could have been avoided.

However, we made all the mistakes that could have been avoided. Looking back, I cannot say that such mistakes were made only when German companies went to China in the 1990s. It is fascinating that they still occurred in the mid-2000s.

Based on more than 20 years of work experience in the firm, in-depth knowledge of the industry, and working experience in China, the CEO of German Supplier could

connect the firm's own activities to China and create a sense of continuity between its past and present. From the perspective of sensemaking, this China-centered storytelling involves a prospective form of making sense (Gioia et al. 2002). It provided an alternative narrative of the acquiree's past, one that forged a sense of continuity between the past and the present and increased employees' motivation to work with Chinese Parent A. On the other hand, the new management acknowledged that German Supplier and Parent A belong to different cultural and institutional traditions and thus suggested that both sides have to learn to accept that there is always uncertainty and miscommunication and that being tolerant toward counterparts is particularly necessary.

Acquisition as one-way learning. In the case of German Machinery, the recent acquisition was seen as a case of the Chinese learning from the Germans, even though much management expertise was transferred to the new subsidiary. When discussing the acquisition, for the most part, the CEO of German Machinery focused on how Chinese people learn to "deal with a European."

That was even a Soforkriterium [direct/immediate criterion] for me, as I met [Parent B] with another German manager from K [another firm acquired by Parent B]. It was something [I] said: "Okay, they had already had European contact; they always appeared here with a K man. They already knew how to deal with a European."

Framing the acquisition in this manner, post-acquisition cooperation is evaluated with respect to the normative expectations of the acquiree's leaders, which in turn affect the way they interact with Parent B. The CFO of German Machinery reported that he was required by Parent B to give a presentation before a board meeting within a few weeks. When expressing that he saw this requirement as rigid and inflexible, he emphasized supposed Western flexibility, individualism, and playfulness:

We are going to China to give a presentation, and the expectation is that we will send our presentation one week before. We just say, "No; it is not yet finished. If fortunate, we will start a week before our trip to China." In our culture, that is the way it is. However, in China, it is important that they prepare themselves and they need to know what to expect. It is nonsense.

Similarly, the CEO of German Machinery interpreted "the Chinese way" of organizing and managing based on a rather simplistic view:

An absolutely planned economy exists. We have obtained a five-year plan and we have to submit our numbers [for performance measures]. Then [we are told to] adhere to these numbers [key performance indicators]. It is quite difficult to communicate with the Chinese when we say "Look, there is a new development; I have a new idea, and a new plan."

From this rather simplistic perspective, China is characterized as both overly rational and overly irrational in its approach to business. On the one hand, they evoke a sense that the organizational planning process in present-day China is more complicated. On the other hand, they suggest that some of the finely detailed practices they see

within Parent B are irrational and senseless. Without knowing how projects are processed within Parent B, by making sense of Parent B in such a way, both the CEO and the CFO of German Machinery facilitate unlearning among their own management.

Sensegiving activities

Changing interpretive schemata and giving sense to a predictable partnership. Within German Supplier, their leaders' sensegiving referred to what the CFO called "the culture change." The new leaders repeatedly accentuated the positive aspects of China's recent socio-economic development and Parent A's technological competence, management skills, and organizational capabilities—the CFO emphasized the necessity of rethinking and made conscious efforts to provide positive cues about the Chinese acquirer:

I brought a large group of managers from here to China and showed them the [Chinese acquirer's] plants and their suppliers, just to experience it themselves, and their jaws were dropping!

It was suggested that German Supplier and Parent A can learn equally from each other, identify best practices, and build a competitive advantage:

We learn from each other because we recognize that our Chinese colleagues have good ideas and approaches that we have not previously considered. We chose the best option from both sides. We are going to exchange the best practices. (The CEO)

They highlighted the need to build a "learning organization," one which would improve German Supplier's capability in handling intercultural collaborations. They provided a Chinese language course and intercultural training programs for middle managers and appointed new employees with Chinese language skills, cultural knowledge, and working experience in positions at critical interfaces.

From the perspective of the new leaders, the major failures of the first post-acquisition period were the lack of interaction and information exchange and a Eurocentric mindset that created obstacles to intercultural communication. To counteract this mindset, the leaders cultivated a discursive environment by adopting an open attitude toward cultural differences. They were sufficiently sensitive to stereotypes depicting China and Chinese people as backward, degenerate, irrational, and inferior, and adopted a more mindful approach of making stereotypical attributions to individuals from Parent A, which is likely to have a negative impact on the relationship.

The initial point of conflict was the arrogance that Chinese colleagues perceived from the German side under the motto, "we are the best engineers, and we know everything" (The CFO).

As discussed above, German Supplier maintained a distance from Parent A at the initial stage of integration, and some German managers at critical interfaces

displayed negative behavior toward the new owner. This resulted in a mistrust of German Supplier on the part of Parent A. Against this background, I identify another domain of sensegiving in an attempt to influence Parent A's making sense of German Supplier's behavior. The most remarkable evidence of this is that German Supplier's leaders used symbolic communication and visualization to create the meaning of collaboration with Parent A as a predictable partnership. The CFO presented us with a graphic depicting two human figures standing over the globe with their hands raised together. This image featured the new corporate slogan: "One world, one team." He explained, "That is, the cultural change we are trying to bring about here encourages people and tries to say, let us work together."

Guiding instead of teaching. To exert a positive influence on Parent A's decision-making, German Supplier's leaders placed a strong emphasis on interactions with decision-makers from Parent A. According to the informants, German Supplier's leaders actively sought contact with Chinese board members and engaged them in discussions about strategic issues that were formulated by the acquiree. They went to the Chinese HQ to meet decision-makers, engaged in informal interactions and in purposeful networking with Chinese managers, and invited them to visit Germany to experience different approaches to critical issues.

We tried to meet every month at the beginning [...] from a management point of view, I would say at least once every two months and even every month. So we went to China one month, and they visited us the following month. Or we met at other locations.

With respect to social interaction, German Supplier's leaders enjoyed an elevated status as teacher or as "Western" master owing to their international business experience and management expertise. However, this does not imply that they could push through their interests without the consent of the Chinese decision-makers. German Supplier's leaders are fully aware of the size asymmetry and the decision-making power of Parent A. As the CEO commented:

They are similar in size to the company DAX [...] With 500 million euros in sales, we are not a small company, but for the Chinese holding, we are like peanuts.

Here, German Supplier's leaders developed a mindful and appropriate view of the teacher-student relationship with Parent A:

The role as teacher is accepted. However, you need to be careful and avoid undervaluing the other—that is to say, I know more than you and I am superior to you, or you are stupid.

German Supplier's leaders adopted the role of coach instead of teacher, guiding the decision-making process through empowering Chinese decision-makers. On the one hand, they praised their Chinese counterparts' willingness to learn from Western managers, to speak English, and their efforts to become more conscious of rationality, objectivity, and process thinking. On the other hand, the new CEO and CFO of German Supplier expressed their appreciation for Chinese tradition that

imparts Chinese values and highlighted that China was so complex and multi-layered that a Westerner could not claim to know everything about China and the Chinese.

Resistance and confrontation. In the case of German Machinery, there is no significant evidence suggesting that their leaders tried to mitigate interorganizational tensions or facilitate intercultural communication, nor did they actively encourage openness and mutual learning. The main reason for their passive post-acquisition management is that German Machinery's leaders framed the acquisition solely in terms of one-way learning and fostered a patronizing attitude toward Chinese Parent B.

It is worth noting here that their own sensemaking is part of the organizational sensemaking process within the acquiree. As discussed above, the formal control and actual influence exerted by Parent B were quickly altered into symbolic acts of destroying the German management's professional identity. German Machinery's managers mounted an ironic polemic against Parent B, who seemed to lack leadership legitimacy. The financial manager, for instance, complained, "we have to conform to these reporting requirements, but what the Chinese do with the numbers, I have no idea." Among German managers, Parent B's managers were called *Hauptling* (chief)². In short, they engaged in a defensive sensemaking process, as illustrated in the interview excerpt below:

The Chinese were deprived of their culture during the Cultural Revolution and all years before that. You can no longer find the old buildings. They have the Great Wall and the Gate of Heavenly Peace, and I do not know anything else. That is basically it, and then they are proud that in Dalian, which was an American colonial port city,³ there are the 1920s old houses. However, they do not have the roots that we have in Europe. (The Senior Sales Manager).

From the perspective of the interviewee, even though China seems to adopt Western technology and management know-how, which enables its firms to remain competitive in the world market, China cannot become the same as Europe because of its lack of cultural traditions and intellectual maturity. A German middle manager stated, "What we are doing here is riding on a cannonball, and you can fall off." The German phrase "riding on a cannonball" refers to a scene from Josef von Baky's fantasy comedy *Münchhausen* (1943), in which the delusional Baron von Münchhausen unexpectedly rides on a cannonball to the enemy's side of the battlefield. Against the historical wartime background of the Nazis' defeat at Stalingrad, the film came to be viewed as "a miracle weapon to avert the [Nazis'] inevitable defeat" (Daffner 2011, 43). Baron von Münchhausen's ride on the cannonball thus symbolizes the celebration of a fake world and a sham hero (Daffner

2 This German term was coined in the seventeenth century to describe the indigenous rulers of colonized societies to maintain an imbalance of power (Arndt, 2004). The term is used nowadays to describe political rulers and administrators who are not able to meet challenges and growing requirements or someone whose leadership is illegitimate or unsustainable.

3 The interviewee made a mistake. The Chinese city of Dalian was only colonized by Russia and Japan.

2011, 44). By alluding to Münchhausen, the interviewee suggested that Chinese Parent B was delusional and perhaps absurdly striving for the impossible.

German Machinery's leaders' engagement in the relationship with Parent B applied a challenging approach. The following interview excerpt shows how convinced the CEO of German Machinery was of direct confrontation as a legitimate way of handling the relationship with Parent B.

Interviewer: What happens when you say no to the Chinese HQ?

CEO: We use [words are incomprehensible], then everything is fine.

Interviewer: So nothing happened?

CEO: I have gone so far. Last time, we spent the entire day discussing certain things: what worked and what did not. I said: "Okay, that is what can be done." One hour later, the Chinese men answered the same questions. And then I said: "What you are doing now is good, but to me it is nonsense." I packed my bags and ate something. The Chinese men's eyes were popping out of their heads because it is something that has not previously happened to them. However, they need to know that they must be accustomed to working with us. I think they understood this. This was our intention in making the Chinese aware of this issue.

The CEO of German Machinery viewed the Chinese staff not only as young but also, in the figurative sense, as children who are infantilized, passive, and overdependent. The metaphor of childhood normalized the perceived power relationship between German Machinery and Parent B.

Another interview excerpt implies, however, that there is clearly not absolute power over the Chinese Parent and that the acceptance of German managers as Western masters is not always self-evident:

I constantly feel like something exists. It is always the same; I [the Chinese HQ] know everything better, and I will tell you [the acquired firm] how it should go.
(CEO of German Machinery)

One additional piece of evidence demonstrated that the way in which German Machinery's CFO "teaches" Parent B quickly stimulated resistance—Parent B reframed the problem the German CFO was working on to demonstrate its power over the German subsidiary.

Transfer pricing is always a controversial topic because they [Parent B] expect us to provide services to them and wonder why we write invoices [...] I tried to explain it to the Chinese and noticed that they did not believe me. I asked a Chinese lawyer who had contact with the Chinese to explain to them. I thought this was good. However, the Chinese went to our external auditor and inquired again about the case. After that, the Chinese just said, "Ok, we know you have to write off the invoice, but we will not pay." Then, I thought, well, I cannot force you to pay from abroad. As long as the services we provided are billed, I have completed my duties. I then repeatedly sent warnings to the Chinese. Every time I sent them a warning, they always said, "Why do you still send us a warning? As mentioned previously, we will not pay." I said I had to do it until the Chinese told

me: "Now you have warned us enough, so you can write off the invoice. Obviously, you no longer have money."

International transfer pricing is a major concern for MNEs. Different factors determine transfer pricing policy. Based on the information provided in the interviews, I could not judge whether the statement was correct. The point that should be emphasized here is the tension between two powers—knowledge-based and resource-based power. The CFO of German Machinery failed to transform the difficult issue into a learning opportunity for Parent B. The question then arises as to whether there is another way to exert professional influence on Parent B without stimulating resistance.

Whereas German Supplier's leaders recognized that Parent A's managers were making efforts to improve their English-language proficiency, German Machinery's leaders ridiculed these efforts:

[Parent B has] a lady who is *even* an English teacher, but [...] you can only communicate a little with her in writing, but she is sitting and working on computers for one e-mail throughout the day. And you know, she is an English teacher, so she teaches English in China [...] I lived in the United States for a while, so I do not think they do not understand me because of my English, or I do not understand them. It is quite clear where the problem lies. (The CFO)

This cynical attitude impaired German Machinery's leaders' unwillingness to communicate with the Chinese staff in Parent B who spoke English. Thus they missed out on opportunities to develop alternative sources of social support. In the interview, the CEO reported that the Chinese staff of German Machinery regularly used WeChat to communicate with Chinese HQ. When asked whether he also used WeChat, his responses provided some insight into their understanding of the role of informal networking with the Chinese HQ:

Question: Do the Chinese staff you have hired have any opportunity to communicate directly with the Chinese HQ?

CEO: Of course, This happens all the time. Well, there is quite a lot on Facebook, WhatsApp, and whatever, as well as WeChat. They are involved in different groups. Instructions are even given by the Chinese bosses. I say, I do not read WeChat; if he [the Chinese HQ acquiring manager] does that, he either writes a mail or he can forget about it."

Question: You are on WeChat?

CEO: I am not. I have better things to do!

Later in the interview, the CEO added:

Why doesn't he [the Chinese manager from the HQ] send an email? Why doesn't he have email? A lot of things can be accomplished in WeChat. However, I do not think it would work here.

German Machinery's leaders clearly distanced themselves from the Chinese operations. However, there was no close cooperation or personal engagement in

building relationships with the Chinese HQ. The critical point is that German Machinery's CEO framed the issue by emphasizing the acquiree's own working methods and practices as "professional" compared to the Chinese staff from Parent B.

Unlike German Supplier, German Machinery's leaders did not pursue informal activities that would allow them to gain more influence within Parent B. They underestimated how building an interpersonal relationship with Parent B's managers could compensate for an otherwise impersonal, standardized, and bureaucratic environment and facilitate both professional advancement and productivity.

The trip to China costs thousands of euros. We do not feel like we must go to China anymore; we can only make a telephone call. However, for the Chinese, it is important to clarify the sticking points before joining this committee, make positive decisions, and then in the evening eat and drink a lot. If that makes the Chinese happy, I will do it and then I will get on a plane for a two-day trip to China. Eat well, drink a lot. (The CFO of German Machinery)

The professional identity constructed by German Machinery's leaders, however, does not automatically win legitimacy from the Chinese HQ. On the contrary, the collaboration during the last two years has led to increasing skepticism, the disappointment of the Chinese HQ is readily perceptible, and changes in management were almost predictable:

Question: What will happen, from your point of view, if Chinese expectations are not fulfilled in one or two years?

The CEO: I do not know. Just wait and see what is going to happen. At the moment, the expectation is that someone, I think it should be a Western person—I would do it—that someone is delegated by the Chinese HQ who deals with the issue of integration and takes on the role of supervision. However, the time has not yet come and it is not easy [for the Chinese] to deal with Western times. It must be someone who is linguistically able to communicate with others. If one can speak only Chinese, it will not work.

Based on my information, this prediction came true half a year later. First, a new CFO was appointed, which was followed by the departure of the CEO I interviewed.

Discussion: The postcolonial perspective

In both examined cases, the controversies surrounding how Western-based firms become Chinese have revolved around the integration management of acquired-firm leaders. They provide widely varying answers to the challenge of "being Chinese" and clearly exemplify the effects of postcolonial imagination. My findings suggest two distinct patterns of sensemaking and sensegiving at play.

The sensemaking of German Machinery's leaders has developed based on the postcolonial imagination that Chinese acquisitions are a kind of youthful adventure through which the childlike Chinese companies will become civilized adults, implying that the intercultural encounter involves the Western managers'

“responsibility to manage the third world” (Primecz et al. 2016, 128). Seeing no reason to adjust their own behaviors and practices toward greater mutual learning, and being cynical about Chinese managerial practices and leadership behavior, German Machinery’s leaders attempted to attribute a subordinate identity to Chinese Parent A and to highlight the subsidiary’s uniqueness and centrality. Therefore, this case confirms some early observations regarding symbolic boundary construction and identity negotiation in acquired firms (Franz et al. 2018; Fuchs and Schalljo 2016; Held and Berg 2014). The persistence of the self–other distinction is caused by Orientalist thinking about a rational and progressive West and an irrational and traditional non-West. Thus the case of German Machinery provides an example of how systemic power works. It is reinforced through the cultural construction of Chinese parent companies that favors certain groups. This cultural knowledge shapes the behavior of individuals within the system.

However, my findings challenge the view that othering functions as a strategy to ensure the acquired firm’s autonomy, even in the long run. One reason for doubting this view is that the Chinese acquiring firms’ identification with identity-as-other is more complicated than one would think. Chinese acquisitions provide an opportunity to address the coexistence of the economic power of Chinese acquirers and the discursive power of Western-based acquirees, through which the Orientalist construction of self–other loses its legitimacy. When the legitimacy of the self–other distinction is still not questioned, it is because Chinese acquiring firms face systemic forces through which their identity as subordinates is attributed to them, and Chinese acquisitions allow Chinese acquirers to participate in the asymmetrical power structure to create supplementary spaces for their agency. Hensmans and Liu (2018) pointed out that Chinese EMNEs also develop a normative understanding of doing business owing to their market success. We learn from the case of German Machinery that although the postcolonial imaginary influences Chinese acquiring firms’ post-acquisition management, with less intervention into new subsidiaries’ business, which is typically described as a “light-touch approach” (Liu and Woywode 2013), the relationship between Chinese acquirers and Western-based acquirees that has otherwise been described as a teacher–student relation is not ontologically fixed.

In the case of German Supplier, leaders’ sensemaking and sensegiving are characterized by prospective sensemaking and strategic sensegiving (Gioia et al. 2002). This is triggered by the benefit-seeking motivations of these leaders. The new German CEO and CFO emphasized the predictable future returns arising from the acquisition and gave a positive meaning to the acquisition, affirming the value of integration into the developing Chinese international network. Management developed China-centered storytelling, weaving together a set of China-related events into a plausible corporate narrative, and fitting it to the contemporary acquisition. This represents an effective sensegiving strategy to embrace the past and to build a bridge between the past and the present (Gioia et al. 2002). Another specific feature of this China-related storytelling is that it is embedded within the

discourse on investment by German companies in China, rather than within the discourse on Chinese acquisitions. By articulating an alternative discourse, the acquiree German Supplier is given an active and recognized role as a global player, and the acquisition is interpreted in conjunction with the engagement of German companies in China, which are generally given positive attention. It seems to work well to reduce overemphasis on negative media coverage of acquisitions in which China is depicted as a threat to the Global North (Golinski and Henn 2017), and the acquisition is particularly described by German leaders as a process that did not happen to the German Supplier, but rather one wherein the Chinese acquirer was proactively chosen by the acquiree.

With respect to relationship building with the Chinese acquirer, German Supplier's leaders were not only mindful of their firm's structural and resource dependency but also sensitized to the privileges and superiority conferred upon them by symbolic power. They carefully saw around the double meaning of "Western professionals"—instead of claiming their own "professional" identity and superiority, German Supplier's leaders rather *played* their identity. They skillfully used deliberate rhetorical strategies to praise the parent firm's technological competence, management learning, and organizational capabilities—in short, the Chinese acquiring firm's mimicry. This discursive articulation of the Chinese becoming-the-same acts micropolitically to conceal the otherwise asymmetric relationship between German Supplier as the teacher and Chinese Parent as the student. This discursive strategy can also be considered as a form of control in which German Supplier's leaders actively seek compliance from the Chinese Parent to reform itself. It positively addresses the demand imposed on the Chinese acquirer to emulate the habits, culture, speech, values, and institutions of international business (cf. Siltaoja et al. 2019, 78), and can easily build a joint framework binding the new German subsidiary and the Chinese parent, which is, in turn, more likely to promote the transfer of values, norms, and knowledge to the Chinese acquirer and affect the behavior of the Chinese acquirer in favor of the acquiree.

In this framework, German Supplier's leaders articulated the relationship between the acquirer and the acquiree as an equal partnership and actively engaged in both formal and informal interactions with relevant parties within the Chinese acquirer. The corporate slogan "one world, one team" used here as a means of symbolic communication is an example of the episodic model (Schildt et al. 2020) of how German Supplier's leaders gave sense to the relation between German Supplier and Chinese Parent to influence the latter's sensemaking of the relationship with the former. This slogan was carefully chosen and was a paraphrase of the slogan of the 2008 Beijing Olympics: "One world, one dream." In invoking this Olympic slogan, the Chinese government proclaimed that "we belong to the same world and we share the same aspirations and dreams" (Beijing Olympic Committee 2008, cited in Webb 2015, 2). Such a statement goes beyond the intrinsic content and implies the expectation that Chinese people will be treated as equal partners and that expectation fulfillment is the basis of creating a feeling of recognition. As Seemann (2009, 510)

pointed out, “to say that I harbour a particular kind of expectation towards you is to say that I operate with a certain idea—a norm—that I take you to live up to.” The new corporate slogan “one world, one team,” which was developed by German Supplier’s leaders, is socio-culturally specific and can only be interpreted as such by one who is familiar with the socio-cultural norms of a given context—in this case, the Chinese context. Not only does the phrasing “one world, one team” imply that German Supplier and Chinese Parent have a shared interest in meeting and rising above the challenges of global markets, but it can be interpreted by Chinese Parent as a kind of living up to the expectation of being treated as an equal partner. To say that we are “one world, one team” is to say that “I recognize your partner status and your competence.” It also says, “You can trust me because I will not disappoint your expectation of being treated as a partner.” From the postcolonial perspective, “one world, one team” is an expression of the principle of *power sharing* of Western-based firms with Chinese acquirers, which allows the concurrent obtainment of “being subsidiary” and “leading from the subsidiary.” Based on the information collected by the research team through the corporate website, the internationalization of German Supplier was strongly promoted. The firm has started two wholly owned subsidiaries to establish manufacturing in China. To the best of my knowledge, these activities have not been perceived as opportunistic empire-building, as they are otherwise termed to describe the conflicting HQ–subsidiary relationship (Birkinshaw et al. 2000).

Conclusion

This study presents an explanatory interpretive analysis of the post-acquisition integration of acquired Western-based firms into Chinese EMNEs. Much research on the post-acquisition period in Chinese acquisitions has focused on the integration management of the Chinese acquirers. Little is known about acquirees’ integration work. The present paper adds to the literature by providing a nuanced account of the ways in which these leaders make sense of and give sense to post-acquisition integration. The case studies show at least two different ways of handling the dilemma of integration and autonomy, and different patterns of sensemaking and sensegiving either facilitate or hinder the integration of acquired firms into the ongoing Chinese transnational network. This study adds to the previous literature on the leaders of acquired firms (Colman 2020; Graebner 2004; Karamustafa and Schneider 2020) by extending beyond national boundaries and discussing the micro-practices of sensemaking and sensegiving that these leaders engage in within a cross-cultural context. Thus it contributes not only to the literature on sensemaking, leadership, and organizational change (Gioia and Chittipeddi 1991; Smircich and Morgan, 1982), but also to the emerging stream of research on post-acquisition integration as a process of social construction (Rovio-Johansson 2007; Söderberg 2003; Vaara 2003). My study also highlights the necessity of incorporating a power-sensitive perspective into sensemaking and sensegiving to explore the power

relations between Chinese acquirers and acquirees from advanced economies. A postcolonial management perspective could prove useful in clarifying the specificity of the patterns of sensemaking and sensegiving I identified and in revealing the effects of the postcolonial imagination on the relationship management of acquired-firm leaders with the Chinese acquiring firms and the ambivalent dynamics of its production and deconstruction. Arguably, the integration of firms from advanced economies is a “neo-imperial space” (Boussebaa and Morgan 2014), in which power relationships and symbolic boundaries are constructed.

This study has some limitations. First, the research was based on a comparative analysis of two cases and has limited generalizability. I am aware that the management of meaning by the leaders of acquired firms is not the only factor influencing the successes or failures of the integration arrangements of Chinese acquisitions. Therefore, the findings should not be interpreted as an overall description of Chinese acquisitions. The second limitation is the restricted access to informants from the Chinese HQs. Although other materials were considered, the Chinese HQs’ perspectives could not be fully understood. Future research should consider the sensemaking and sensegiving of Chinese acquiring firms and continue to propose a dialectic sensemaking and sensegiving framework to better understand emerging and contemporary issues around the integration of Chinese cross-border acquisitions in their real-world settings.

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