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Title	COPING WITH CHANGE IN THE GYM - Challenges of Post-Acquisition Integration in <i>SATS Finland</i>		
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Abstract

The competitive global market environment has led to a phenomenal growth in cross-border acquisitions during the past few decades, especially in the service industries. The internationalization of services is a relatively new phenomenon, as are chaining and acquisitions in the fitness industry, which is a key reason why service sector acquisitions, and the fitness industry in particular are in need of further examination. Within the service industry, people are an essential part of the product; employees make the acquisition happen. Since they are a crucial factor in the outcome of the acquisition, they should be taken into consideration in the acquisition process on an equal footing with financial issues. Acquisitions have mostly been studied in terms of top management actions, which results in a somewhat biased and one-sided view of the process. Therefore, this thesis examined how employees and middle management of *SATS Finland* have experienced the change related to the acquisition. The research topic was further divided into four complementary research problems:

- How has the acquisition affected the organization as a whole – how has the integration been managed and what have been the major changes?
- What effect has the acquisition had on the services offered?
- How have cultural differences in the acquisition process been perceived by employees?
- How has the acquisition affected individual employees?

Due to the scarcity of research available on service industry acquisitions, the theoretical framework was drawn from research on manufacturing industries. The qualitative research was conducted by using the case study approach. The data comprises of semi-structured theme interviews and company document analysis.

The study revealed that in the case of *SATS Finland* the changes brought about by the acquisition were not experienced as problematic despite some difficulties in the pre-combination and integration stages. The acquisition introduced a wholesome, well-managed product concept that has improved the working environment and the quality of service production. The acquisition seems to have had only positive influence on the acquired company even though the changes especially in the group fitness product range were radical. Cultural differences did not cause difficulties and none of the typical negative reactions to change occurred. The results therefore raised the questions as to whether service sector acquisitions are different from those in the manufacturing industry, and whether the type of industry has an influence on employee reactions.

Key words	Acquisitions, service sector, fitness industry, integration, human resources, employee reactions to change
Further information	

