



SNS COLLEGE OF TECHNOLOGY

Coimbatore - 35

19BAE717 – Cross Cultural Management

UNIT-IV COMMUNICATION AND
NEGOTIATION & DECISION MAKING

CROSS CULTURAL ISSUE IN MERGER
AND ACQUISITION

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TODAY'S TOPIC:

CROSS CULTURAL ISSUE IN MERGER AND ACQUISITION





CROSS CULTURAL ISSUE IN MERGER AND ACQUISITION



Different decision-making styles can lead to slow decision-making, • failure to make decisions, or failure to implement decisions. Leadership style (for example: dictatorial or consultative, clear or diffuse) A shift in leadership style can generate turnover among employees • who object to the change.

These are some of the most common cultural differences that can cause issues in the workplace.

- Religion.
- Ethnicity.
- Sexual Orientation and Gender Identity.
- Education.
- Generation.
- Cultural Behavior.
- Educational Clash.
- Ensure Effective Communication.



CROSS-CULTURAL ISSUES IN MERGERS AND ACQUISITIONS



Many studies have reported that the number one reason for merger and acquisition failure is the lack of cultural integration. Even companies with strong organizational cultures may develop into dysfunctional organizational cultures after a merger without actions to harmonize the two cultures. Mergers and acquisitions create volatile, uncertain, complex, and ambiguous environments for those trying to integrate cultures. Additionally, in recent years the push for a quick return on investments has impacted how cultures are integrated. This push leads to an organizational priority placed on financials, and creating a shared culture takes a back seat to financial needs. Also, as momentum builds, more people become involved, and it becomes more visible and harder to stop.



CONTD:



Lack of cultural due diligence is often a problem. Usually, due diligence is conducted by lawyers and experts in finance or accounting rather than experts in understanding and diagnosing culture. Because culture is resilient and implicit, it is not susceptible to change. The staying power of culture is because it feels right and natural; cultural values imposed are opposed and seldom replace existing cultural elements.

Employee communication is difficult during mergers and acquisitions. Both organizations struggle to know whom to communicate with and when to communicate, leaving employees in the dark about the merger and acquisition, which in turn amplifies the rumor mill and fear among employees being left out. Communication is a skill that becomes critical for leaders during mergers and acquisitions. Listening becomes more difficult as workloads increase. Being aware of employees' concerns and questions is crucial for knowing what to communicate.



REFERENCES:



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