



Mergers & Acquisitions: Cultural Collisions?

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M&As: Cultural Collisions?

- *Organizational Culture*
- The Bedrock
- The Middle Layer
- The Surface
- The Good and the Bad
- Steps Toward a Peaceful Coexistence



Organizational Culture

A Definition

**“...a system of shared meaning held by members that distinguishes the organization from other organizations”
(Robbins)**



Organizational Culture: The Bedrock

- **Beliefs**

predictions about how things *are*

(e.g., “people can work hard *and* have fun at the same time” Herb Kelleher, Southwest Airlines)

- **Values**

statement of how things *ought* to be

(e.g., “there *ought* to be a company where people can work hard and have fun...”)



Organizational Culture: The Middle Layer

- Innovation & risk taking
- Attention to detail
- Outcome orientation
- People orientation
- Team orientation
- Aggressiveness



Organizational Culture: The Surface

- **Stories**
- **Rituals**
- **Material Symbols**
- **Myths**
- **Heroes**
- **Language**

When Culture “Works”

- **Creates distinctions between an organization and its competitors**
- **Conveys sense of identity for organization members**
- **Facilitates generation of commitment to something larger than employees’ individual self-interests**
- **Represents social glue that holds organization together by providing appropriate standards**

When Culture “Doesn’t Work”

- **Barrier to change.** When change in external environment requires change because practices that led to previous successes are no longer effective.
- **Barrier to diversity.** By eliminating unique strengths (and potential innovations) that people of different backgrounds bring to organization.
- **Barrier to mergers & acquisitions.** Because organization’s culture is incompatible with potential “partner” or “acquirer.”



Steps Toward a Peaceful Coexistence

- Remember what brought you together in the first place
- Formulate this into a vision
- Surface the beliefs and values that underlie this vision
- Identify the policies, norms, practices...that will align the “new” organization with these beliefs and values
- Ensure that managers at all levels both “talk the talk” and “walk the talk”