This volume, written by the managing partners of Intercultural Management Associates (ICM), aims to accompany practitioners – corporate managers and consultants – involved in implementing mergers, acquisitions or alliances. Recognizing that after 5 years, over 50% of mergers are considered failures, the authors argue that “more often than not, the root cause of the problem is a failure to account adequately for the human factor and the hidden dimension that is culture.” (p.6) Whereas economic and technical integration relate to explicit and measurable issues, cross-cultural integration relates to unconscious, implicit and oft unspoken factors. The authors posit that achieving full cultural integration on a collective level is neither a realistic nor a necessarily desirable goal. Integrating corporate cultures, however, is possible because the differences involved are less emotionally charged and easier to resolve than national culture elements. Defining the level of integration desired is a strategic choice which arbitrates between the need for group unity and the benefit of recognizing differences.

The book can be divided into 4 sections. Section 1 (chapters 1 to 3) outlines key issues, definitions, and areas of differences oft arising when two or more firms ally or merge. It asks why the issue of culture is so rarely addressed and suggests the reasons lie in a lack of awareness, understanding, willingness or ability. Section 2 (chapters 4 to 6) presents the main variables used in ICM’s culture bridging work with clients (such as legitimacy, effectiveness and view of the future); and Section 3 (chapters 7 to 11) outlines the main phases of the Culture Bridging Fundamentals diagnostic model developed by the authors: diagnosis/cultural audit, integration processes, Culture Bridging competencies training. The last section, an appendix, compiles 7 interviews with senior managers of international companies who have had direct experience with the impact of cross-cultural issues in this era of globalization.

The book relates the experiences of an imaginary CEO, Ingo Janssen, as he struggles to make a success of the merger between two advertising agencies with very different corporate cultures. The narration is an effective means to grasp the reader’s attention and sympathy, and sometimes even humorous empathy when some of the situations he encounters echo with our own experiences. Direct quotes from clients – most of them attributed – also rhythm the book and add credibility or relevance to its arguments.

“How to Bridge Corporate Cultures” is an easy read, practically-oriented, and not lost in theoretical jargon. Although the tone is sometimes too conversational, perhaps even chatty, the book succeeds in raising the
awareness of readers who have yet to experience the impact of cross-cultural issues and in helping those who have to find the vocabulary and the tools to address some of these key challenges. More than a self-help/how to guide but less than a comprehensive manual, this book will leave certain readers wanting more. Yet there is no single recipe, method or process able to bridge cultures in all circumstances. Nevertheless, it would have been useful for the authors to include at least one real-world case study to offer a concrete illustration of the methodology presented and its step-by-step application.

As noted, the example used belongs to a highly client-oriented and individual relationship-based service industry: advertising. Though client quotes reflect a wide array of business sectors, there is little discussion in this volume of the impact of core client or supplier profiles, of external interest holders, or of overall legal and economic environment on corporate culture bridging choices and post-merger integration options. Given the authors’ experience, one could have expected tidbits of wisdom regarding potential differences in the application of their CB model depending on corporate activity (industrial, consumer goods, consumer services, business services etc….), status (public v. private), structure and size, as well as regarding other change management or restructuring/reengineering issues facing the newly merged entity.

Despite these shortcomings, the book fills a gap in mass-market international business literature where offerings tend to focus predominantly on M&A techniques and processes, development of individual cross-cultural competencies, comparisons between one dominant culture (often American) and an array of “foreign” cultures, and cross-cultural training manuals. The authors place the issue of corporate culture at the forefront of the debate on how to select a suitable corporate “spouse” and how to make the “marriage” work. In focusing on keys such as the import of early planning, carefully chosen transition teams, open and honest communications, and realistic and respected promises, the authors tackle culture’s dual vectors (the what – tools, outputs – and the why – values, beliefs, ethics) without getting lost in a re-edition of the traditional analysis of culture along 6 dimensions offered by Hofstede and taken up by many professionals in the field.

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Corporate culture "Do not underestimate its impact on merger success. 30th July 2015 by Dagmar Recklies. It is widely recognized that cultural differences between the partners of a merger are one of the most common reasons for failure in mergers. Research on merger success often reveals that cultural differences are a typical problem in many mergers: That the more powerful partner imposes his culture on the less powerful one. This is done without any evaluation which culture would be the more suitable one for the new organization. Cultural blending is the desired objective in many mergers. It may be successful if it is carefully managed and if both original cultures do not differ very much. However, the risk of failure is high. Mergers, acquisitions and alliances are all common methods for achieving growth strategies. Internal External. Organic Development (internal method of strategic growth) Where a strategy is pursued by building on, and developing, an organisation’s own internal resources and capabilities. Corporate Entrepreneurship refers to radical change in the organisation’s business, driven principally by the organisation’s own capabilities. E.g. easyGroup’s creation of easyFoodstore. A strategic alliance is where two or more organisations share resources and activities to pursue a common strategy (Johnson et al, 2014). Example: in 2014 Apple and IBM signed an exclusive partnership alliance.

The Role of Corporate Culture in Mergers & Acquisitions. In: Etienne Perrault (ed.), “Mergers and Acquisitions: Practices, Performance and Perspectives.” NOVA Science Publishers, May 2013. ABSTRACT: Corporate mergers are an important driver of growth, and yet many mergers fail to produce value for the shareholders of the acquiring firms. Survey and anecdotal evidence suggests that corporate culture is central to the success of mergers and acquisitions (M&A), and that cultural differences are an important causal factor in merger failures. However, there is little either by way of theory or by way of large-sample empirical evidence in Finance and Economics on the importance of culture for M&A performance, although there appears to be growing interest in this area.