Recommendation: Integrate cultures after a merger

After talking to Mr. Bender about Schindler and its business practices, it became apparent that Schindler is very fond of acquisitions. In fact, Mr. Bender was brought into the Schindler Company through an acquisition. While it became apparent that acquisitions were beneficial to Schindler because it brings in talented people like Mr. Bender, acquisitions also affect the workplace cultures usually in a negative way. In order to prevent the cultural class brought upon by acquisitions, Schindler and its management should integrate cultures by setting up cultural agendas and identifying differences in culture.

In the five stages of progression of a team, the first two are forming and storming; these stages are formally defined as the time where members get a feel of expectations and who is in charge and the time where conflict occurs due to emerging idea brought to the team respectively. The third stage of the progression model in called norming which is essentially where the members realize that they need to cooperate in order to achieve the team’s goals. The task that is set upon the managers during an acquisition is to minimize the time spent in the first two stages and to quickly reach the third stage of norming. In order to accomplish this one of the most important tasks to perform would be to establish a cultural agenda. Since the culture of a company is defined as the shared knowledge of a group regarding the organization which reflect on employee behaviors, one can expect the culture to change with a large influx of employees. This agenda should comprise of the major aspects of culture which includes whether the company has a mechanistic or organic structure and some common artifacts of culture whether they be traditions or even a mission statement. This agenda will ease the process of socialization which is the process by which employees learn about an organization and its norms.

In the process of making an agenda, management has to also take into account the current culture in place. This part is very essential to create a smooth transition into a new culture. Since Schindler uses the same measurement programs throughout all of their braches, this is one of the many things that needs to be accounted for. In addition the new employees coming in must also have some sort of culture already within their teams. This culture should be merged with the pre-existent culture. By understanding the key concepts of each company’s culture and locating the differences, management will have an easier time to create one unified culture. The whole idea of culture clash can be avoided with a bit of compromise. There have been multiple examples of unsuccessful integration between companies such as eBay when it bought skype for $2.6 billion in 2005 and sold it again in 2009 for $1.9 billion. With a properly managed merger, both companies can maximize their efficiency and achieve their objectives. By preventing cultural clash during a merger, management can avoid the consequences of a bad merger and quickly benefit from the integration of cultures.