SIX SOLUTION PILLARS FOR SUCCESSFUL CULTURAL INTEGRATION OF INTERNATIONAL M&As

The integration of two cultures has always been a risky proposition, to which the large number of M&A failures will attest. As globalization engenders more international alliances, the potential escalates for conflict and organizational dysfunction rooted in national as well as corporate cultural conflicts. Six steps, if taken early enough, can pinpoint the danger zones, eradicate harmful cultural assumptions and misperceptions, and equip all participants with the cultural awareness necessary to leverage an international corporate marriage into a successful long-term union. © 2006 Wiley Periodicals, Inc.

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With the recent resurgence of merger and acquisition (M&A) volume, finding an effective solution to the “people problem” triggered by combining and integrating organizations is more critical than ever. Many have learned the hard way that meeting top- and bottom-line expectations could not be accomplished without facing “soft challenge” realities. Succeeding on the people line is paramount to M&A success.

Facts speak for themselves. A staggeringly low 30 to 50 percent of international M&As creates shareholder value.1 Even when domestic best practices are implemented simultaneously, the success rate of international M&As tops out around 67 percent,2 certainly an improvement but closer to the accuracy of weather forecasting than to success rates advertised at M&A launches.

Research conducted during the last M&A frenzy confirms that M&A failure stems from poor communication (22 percent), management style differences (21 percent), and cultural differences (19 percent).3 Almost two-thirds of the failures directly relate to national culture biases, while poor integration strategies account for 16 percent. Given these statistics, one can affirm that 80 percent of the risks associated with an international M&A derive from poorly managed cultural integration.

Generally, global corporations do not successfully assess, analyze, and address the deep impact that culture-based differences have on their international business effectiveness. Most executives limit the scope of their priorities to more quantifiable hard challenges such as IT and finance; typically, the management of the soft challenges is

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given only token attention, if any at all. But there is no shortcut; by the time top- and bottom-line results are measured, soft challenges have taken a toll on venture performance.

As represented in the diagram in Exhibit 1, bringing together two corporate entities involves linking structures, systems, styles, staff, skills, strategy, and shared values. A sound M&A integration strategic plan is as cultural as it is structural and entails both the welding of hard assets and a delicate neurosurgery of minds. It is as much about expanding highly sophisticated sets of relationships as it is about connecting wires. The fact that organizations in most countries place more importance on personal relationships in the workplace than U.S. organizations do emphasizes the need for U.S. companies to do a better job of addressing the people component of their international M&As.

THE NEGATIVE OUTCOMES

Without proper guidance, most international business interactions lead to one of three negative process outcomes:

- Subgroup domination, in which one national group wields more influence than another
- Exclusion of individuals based on criteria they deem to be discriminatory
- Polite standoff, in which employees smile or nod their heads without any intention of working through challenges

The implications of these negative outcomes for an international corporate marriage? The new organization becomes mired in “people performance” debacles. Only cultural knowledge, combined with self-awareness, can lead to the intercultural skills required for a fourth but positive outcome during such complex international transitions. Managing the risks associated with the international M&A while ensuring business performance requires a firm commitment to build the intercultural capabilities of the joint organization.

The acquisition of a French company by a U.S. company exemplifies not only what can go wrong with international M&As but also how the situation can be turned around. In this case, the U.S.
leadership team made several damaging and insulting assumptions, in the eyes of the French employees, causing motivation levels to drop to an all-time low. Equally misguided French employees viewed the merger as a disaster, disengaged, and key players actively sought alternative employment opportunities. The U.S. team wrestled with how to motivate the French nationals as it quickly became clear that incentives like money and a bright future within the new organization would not be sufficient to deliver the business performance promised to shareholders. Ill-advised U.S.-based decisions—stemming from the strong desire for immediate results, adverse French reactions to their haste, and a lack of understanding about the other’s national and corporate culture—added more fuel to the fire. In short, the U.S. organization underestimated the complexity of successfully integrating the French acquisition; fundamental oversights led to a cultural integration crisis; and the acquisition was rescued only through a series of aggressive interventions.

Research and our experience confirm that the top three HR priorities for successfully integrating M&As must be the following:

- The retention of key talent
- Effective multicultural communication
- The integration of multiple corporate and national cultures

—no easy recipe for success. However, the proper and timely implementation of six solution pillars will address the cultural dimension of an international M&A by neutralizing some of the soft challenges and preventing others from ever surfacing. These solution pillars will drive the creation of a corporate environment that can serve as a solid foundation for business success in your next international merger or acquisition.

**SOLUTION PILLAR 1: START EARLY**

To successfully integrate two companies from different countries requires that you take the time to understand the national and corporate cultures of the other company, and gauge how that organization will react with your own national and corporate cultures. The sooner this is done the better for all parties, so begin with the negotiation phase and start due diligence early. As the courtship stage in an M&A, negotiations are the first real opportunity to get to know and evaluate the people you anticipate welcoming into your corporate family—and to put your best foot forward as a prospective partner.

Avoid unpleasant surprises and maximize the opportunity by equipping your negotiators with the particular skills that will be effective in the other country’s business environment.

Learning the simple cultural DOs and DON’Ts is not sufficient. Cultural understanding is as much about process as it is about content. Avoid unpleasant surprises and maximize the opportunity by equipping your negotiators with the particular skills that will be effective in the other country’s business environment. Explore techniques for building trust, reaching agreements, and resolving conflicts across cultures. This is also a good point to start creating a realistic picture of how cultural differences may hinder or facilitate business performance once the deal is sealed.

In the case of the French company acquisition mentioned earlier, the U.S. company started too late. Ignoring cultural differences enabled them to mushroom into major organizational dysfunctions, with the loss of precious time and critical talent. Extra effort was then required to defuse conflict and turn around perceptions that had already solidified into hard beliefs during the months of transition that followed the closing of the deal.

Once negotiations proceed to the next stage of the merger or acquisition, perform a thorough cultural due diligence, which includes but is not limited to the following areas:

- Each party’s actual business goals
- Infrastructure compatibility
- Management and organizational practices
- Use of technology
- Preferred communication protocols
- Physical use of space
- Corporate legacy
- Employee attitudes toward the merger

In addition to the review of pertinent materials, conducting interviews, surveys, or focus groups with selected employees will provide valuable in-
sights into these areas. Cultural due diligence also provides executives an opportunity to clarify and effectively share the newly formed organization’s priorities with employees. Solid cultural due diligence information will help you avoid costly cultural assumptions about the other organization and guarantee the impact of critical communication messages before and during the integration.

**SOLUTION PILLAR 2: PICK AND DEVELOP YOUR TEAMS WISELY**

Merging organizations from different countries is most often accomplished through a number of intercultural virtual teams organized by function, by project, or even by customer. Unfortunately, in a haste to meet ambitious integration requirements, corporations frequently establish their teams without considering the tensions created by cultural discrepancies—e.g., task versus relationship orientations, communication styles, preference for speed versus perfection, and decision-making approaches. Many processes that underpin team performance are subject to sharply contrasting national and cultural business practices. Assigning people from around the world to a virtual team does not change their deeply rooted, preferred styles of management, which are strongly influenced by value-based national styles. Team leaders who try to manage multicultural teams in the same way as they would manage a home team are headed for trouble. It is critical and urgent to reconcile the different ways of working represented by and within each international team—and to make cultural sensitivity and an awareness of nuance integral parts of the virtual international team’s capabilities.

The new entity’s intended degree of integration will dictate the number and size of teams needed to consolidate operations and functions, and the organization’s strategic approach to multicultural situations will define how the team members should be managed. One should not assume that the only choice is to become global. Many firms do not and should not aspire to becoming a global entity that operates identically in all its locations—any number of factors could bode for preserving much of the autonomy, nature, and character of the newly acquired company. At the other end of the continuum, however, a company’s operating style and culture may be part of its brand, and presenting a uniform face in all its markets may be an essential part of its competitive strategy, in which case a high degree of operating and cultural uniformity may be necessary and desirable. A great deal of rigor and diligence should be dedicated to these essential strategic decisions. Size and industry aren’t the only factors: An organization should choose the degree of internationalization that it feels will best enable it to meet its financial objectives in today’s global context.

Whatever the desired degree of operational integration, multicultural teams can create potential business advantages that are both obvious and enticing. Chances are that employers will want to pool for each task the best skills and experience at their disposal, wherever they happen to be based. Other important advantages include maximizing economics of scale, reaching new levels of innovation, and realizing the possibilities of a super-efficient, 24-hour workday in which the morning-fresh team members on one continent pick up the baton from weary colleagues halfway around the world.

It all sounds very simple but, of course, it has not proven so. The short history of the cross-border virtual team is littered with expensive failures. More often than not, the problems have little to do with the validity of the business objective and more to do with the lack of intercultural management skills.

Even in face-to-face communications among employees who use the same language, come from a similar cultural heritage, and work in the same office, it is common for employees to say one thing and have their colleagues hear something quite different. How much harder, then, to achieve a specified goal when the team is separated by distance, language, and both work and socio-cultural norms? The Internet can bridge geographic distances to bring people closer together, but it does not allow for the recognition of value-based differences. How can people read nonverbal signs
when they are almost never in the same room? How do they interpret the unintended meanings between the lines of an e-mail, having met the sender only briefly—if at all?

Most employees understand that working virtually increases the risk of misrepresentation at various levels. When virtual teams cross international boundaries and include multiple cultures, it is hardly surprising that the risks are both heightened and compounded. Companies are increasingly realizing that successful virtual international teams must be well planned, thoroughly prepared, and carefully managed. These teams are equipped to anticipate and seek ways to address as many of the intercultural, technological, and organizational barriers as possible before embarking upon their tasks.

Effective multicultural team development must address two fundamental questions: How do the different national cultures represented on the team view success, and how do they define team effectiveness? Face-to-face contact, an old-fashioned concept that may seem completely at odds with the notion of working virtually, is critical to the whole process. Multicultural team members cannot build relationships and develop trust without meeting and getting to know each other. A project leader cannot be sure that team members are clear about the guiding objectives and their individual roles without convening everyone in a group setting at least once during the formation process to address likely cultural and linguistic issues.

During this initial face-to-face meeting, a best practice proven to generate swift performance enhancement is to immediately create a shared foundation of intercultural management awareness. As prescribed by leading HR strategists, the best international companies offer extensive cultural awareness programs to a broad employee population. The first critical intervention of these global winners is to create, across the organization, a baseline of understanding for how the cultural differences influence the execution of international business strategies. Employees interacting in this complex context must grasp how culturally based values affect communication, work relationships, and management/leadership styles. Team members and leaders, having participated in a cultural awareness program, can then build upon this solid base to ensure that the team navigates effectively through the extra layers of complexity it faces in working towards real goals as a virtual team.

When carefully facilitated, the initial face-to-face meeting also is an opportunity to develop the team’s preferred style of working. In addition to discussing formal matters—roles, relationships, methods of communication, decision-making and other processes—time should be set aside for informal discussion and socializing, thereby allowing team members to develop a sense of one another. This process will help them understand any linguistic and cultural barriers they face. Team members can analyze and address the intercultural “gaps” so that they end up with the virtual team’s distinct style—a composite, mutually agreed-upon style that everyone understands and to which they can commit. No two multicultural teams are the same.

Multicultural team members cannot build relationships and develop trust without meeting and getting to know each other.

The worst mistake would be to jump into a large M&A transaction with a multicultural integration team that is not experienced. Start there. Appoint and support a culturally savvy team that is experienced in virtual multicultural management. Then share team successes openly, and consider featuring the team as a role model as additional subteams are created postmerger to consolidate organizations.

SOLUTION PILLAR 3: ASSESS YOUR CULTURAL VIRUSES

Cultural differences within organizations rarely create synergies without adequate guidance. Rather, they often have a negative effect, compounding harsh people-management realities by fostering what we call cultural viruses—emotional disconnects that adversely affect the top and bottom line by fostering unproductive human interactions. Cultural viruses choke business performance. The potential energy of an international M&A is enormous; and yet, converting it into positive kinetic energy, directed toward desired business outcomes, involves a great deal more than simply merging two organizations.
One of the first steps toward a healthy merger is to assess the cultural viruses. Because they stem from combining two organizational entities—each used to its own way of “getting things done”—cultural viruses are unique to each M&A combination and require situation-specific interventions.

For all their variability, it is still possible to sort cultural viruses into three categories, with differing implications for how to eradicate them:

- **Megaviruses** are unforgiving and require the immediate attention of C-suite executives.
- **Macroviruses** are very damaging but do not necessarily require a C-suite intervention; however, they should be eliminated through a rigorous change management process targeting multiple organizational levels.
- **Microviruses** may appear less dangerous to the health of the merger or acquisition yet need to be treated as well—remember, given enough time, termites can wreak as much damage as a tornado can.

It is critical to survey a reasonable number of employees in each company early in the transition. The inability to thoroughly assess each organization prior to the official announcement of the venture should not prevent HR staff from tapping other resources. For instance, excellent validated, normative research on national culture is readily available. Even if it takes a fair amount of expertise to decipher the meanings and to juggle the implications, the global fluency that the research provides allows for a great predictability of cultural virus “danger zones.”

A thorough cultural virus assessment process equips organizations with actionable data that should then trigger multiple organizational interventions. The process serves as a reality check on both organizations’ readiness to tackle upcoming international integration challenges. It also produces vital information needed to draft key messages for employees in both entities that then should be reinforced by senior leadership teams.

The assessment process also provides a good picture of how much employees might minimize the impact that national cultural differences will have on business performance. Such minimization is often the biggest hurdle to the “mental globalization” of a corporation and prevents it from becoming a learning organization. Fortunately, effective global awareness training interventions have proven to be a solid remedy to this endemic challenge to international M&As.

Mapping out and then eradicating the cultural viruses will unquestionably stabilize your integration effort and, therefore, improve its sustainability. In the case of the U.S.-French acquisition mentioned earlier, the leaders took these actions later rather than earlier. As cultural viruses began to stifle business performance and polarize employees across national boundaries, the C-suite finally faced the horrifying prospect of having bought a firm drained of intellectual capital and began to explore options for turning the situation around.

A pulse survey assessment was conducted deep within the organization on both French and American sides, targeting a representative sample of employees in each functional area, and including everyone who had been involved with the merger process. The assessment of cultural viruses spotted hemorrhaging points and provided the objective data—free of cultural biases—needed to reverse a very negative prognosis for the acquisition.

The assessment diagnosed two major sources of cultural **megaviruses**:

- Misunderstandings surrounding “who bought whom”
- A complete ignorance of what the new company had become

These were major ambiguities to be sure. The C-suite executives rushed to the boardroom to design an effective strategic communication campaign for launch throughout the organization. It illuminated and clarified the acquisition’s overarching objectives, thereby defusing the assumptions, innuendos, and conjecture that had surfaced in the absence of hard information.
Cultural *macroviruses* stemming mostly from fear plagued the French side of the new organization. For example, French employees feared:

- Job losses (knowing that U.S. firms are accustomed to an employment-at-will environment)
- That the French business success streak would be broken (based on the belief that American executives do not understand the nuances inherent to the European business context)
- The shallow American decision-making process (based on the French perception that most U.S.-made decisions were driven by impulse rather than thorough analysis)
- That Americans lived to work—whereas the French worked to live
- That the American end goal was limited to profit (as contrasted with the French interest in the intellectual journey of meeting business goals)
- A noninclusive American management style, since most decisions had been rolled out universally from the United States without French input
- They would not be trusted, since their U.S. counterparts showed little respect for the French organizational hierarchy, and the few requests for French input appeared to be only manipulative rather than genuine

Similarly, cultural *macroviruses* detected in the U.S. organization had their source in a number of damaging assumptions and conclusions, including the following:

- A lack of structure among French nationals, who seemed to the Americans to be unable to follow structured agendas and to meet short-term deadlines
- The belligerent nature of French managers, demonstrated by numerous unprofessional heated discussions
- That French nationals cannot see the big picture, choosing instead to continuously debate insignificant details
- That French employees are lazy (French nationals worked far fewer hours than their American counterparts—35-hour weeks and 5 weeks of vacation per year)
- A lack of willingness for French nationals to cooperate, evidenced by the lack of input and ideas shared by French nationals during multicultural group meetings

For the most part, the cultural macroviruses that plagued both sides of the acquisition pertained to the Work Style and the Shared Values circles of the 7-S Model shown in Exhibit 1.

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The assessment also identified a number of cultural *microviruses* that created fewer immediate pains and tensions than the megaviruses and macroviruses but nonetheless fed a constant state of organizational “illness” by reinforcing the cultural differences between the two parts of the new entity. For example:

- Both parties made a point to systematically exclude the other by using words from their own corporate “lexicons,” the legacy of phrases and terminology that over the years had become a verbal “signature” of membership (and exclusion).
- Americans made French nationals very uncomfortable about their ability to present their perspectives in public. The French admitted to being challenged when required to give a presentation as it was a far less frequent expectation in the traditional French business context.
- Language barriers accentuated the situation. Most American nationals did not speak French, and French nationals who spoke English often felt handicapped when speaking in a second language.
- Preferred style differences, such as inductive versus deductive “cognitive styles,” contributed to mutual frustration.

An assessment conducted as part of integration planning would have enabled earlier identification of these factors as areas of potential trouble.
The company could have proactively addressed them before they became problems and led to negative outcomes such as key personnel turnover and depressed business results.

**SOLUTION PILLAR 4: MANAGE THE MENTAL MERGER**

Whether you readily accept the existence of cultural viruses or remain oblivious to their existence, these emotional viruses will adversely affect the joint entity’s business performance. Equipping the entity with the competencies for operating cross-culturally is what we call the Mental Merger, and careful management of this phase can eliminate cultural viruses or even prevent them from ever becoming real threats to M&A success.

*International exposure limited to a few sporadic international trips is not sufficient to develop intercultural skills leading to global competence.*

Once organizations have agreed to move forward with the international M&A, they have four strategic options for addressing the corporate culture challenge:

- Create a new culture that is inclusive of the perceived best attributes of each culture.
- Opt for keeping the two organizations distinct.
- Design a brand new culture from scratch.
- One organization can attempt to assimilate the other one by aligning it to its own culture.

Each option will dictate different ways to address the management challenges of the alliance. Regardless of the strategic option chosen to combine organizations, however, a series of integration principles transcend national boundaries:

- Employees must be quickly made aware of the value brought by each organization in order to create an environment suitable for respect.
- Employees must have a shared understanding of the joint business objectives.
- The chosen culture must reward behaviors deemed effective in the new international context and swiftly address ineffective international management practices.
- The new entity must actively bridge cultural divides by fostering a mutual understanding of each party’s culture, and reinforce the need for each employee to be aware of his or her own preferred management style, as well as grasp how that management style is perceived by other national cultures.
- The new entity should provide ample forums to build personal relationships, which have proven vital to the active reconciliation of cultural dilemmas, and should promote global competence by keeping the cultural message alive.

The caveat of these universal principles is that their effective implementation must take into account the learner’s preferred learning style—they cannot simply be duplicated from one organization to another. Additionally, one should expect that a large population of employees do not know what they do not know about working internationally. Whether employees genuinely believe that their functional culture supersedes their national culture—i.e., engineers are engineers regardless of nationality—or that “people are people” regardless of mental programming that would have taken place at the national group level, such predispositions prevent progress. Likewise, frequent flyer miles do not make employees globally minded: International exposure limited to a few sporadic international trips is not sufficient to develop intercultural skills leading to global competence.

Researchers concur on the two most effective means to develop the global mindset needed for international success:

- Learn a second language, a solution that demonstrates, unequivocally, the power of nuances across languages, as well as the need for flexibility to effectively share concepts across language boundaries.
- Alternatively, spend at least nine months in another country, which forces one to reconcile his or her cultural dilemmas and irreversibly internalize the learning experience.
Not all employees can avail themselves of these solutions, but those that do (or have already) can model culturally savvy thinking and behavior for their organizational units or work groups, as well as serve on special teams to facilitate aspects of the mental as well as organizational merger.

Solid work on the national culture front is critical in the first three-to-six months of an international M&A—well ahead of traditional post-merger corporate culture integration initiatives. The U.S.-French company in our example missed this window entirely, sustaining some organizational damage as a result, but its concerted—albeit tardy—efforts on the Mental Merger ultimately turned the acquisition around.

The Mental Merger begins with rooting out culturally based assumptions. Practical recommendations for successfully managing the Mental Merger include appointing employees from across the merged entity to raise the awareness of selected cultural viruses (identified in Solution Pillar 3), spotting outbreaks, and preventing them from spreading.

Another suggestion is to mandate senior leadership to openly reinforce the fact that cultural viruses are being tackled. Building transparent metrics around the eradication process provides powerful visuals for demonstrating progress and alleviating ambiguity. In turn, the process will accelerate unification.

**SOLUTION PILLAR 5: LEVERAGE THE LANGUAGE AND LEXICON OPPORTUNITY**

Learning another language is not an easy task, but demonstrating a commitment to another’s language by acquiring its fundamentals is often perceived as a powerful token of respect. The fact that the other party does not often hold the expectation makes the learning of a new language an even greater opportunity to exhibit a human side so critical to effective international business. Once again, do not underestimate the value of global work relationships—and do not assume that business results will be achieved across cultures by meeting your own culture’s prerequisites. It is rarely the case.

Keep in mind, too, that becoming proficient in another language is a slow, multidimensional process. Always weave cultural knowledge into language lessons to gain simultaneous cultural and language fluency. Vocabulary and grammar without cultural knowledge will only lead to becoming fluently incompetent.

Most M&A ventures quickly establish a language protocol. Some even explore bold options such as picking a third-party language as their new neutral corporate language. Even if this approach is more frequent in a European context than in the Americas, today’s global business platform should provide an incentive to explore all avenues for facilitating the Mental Merger and limiting the detrimental effects of cultural viruses.

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Likewise, initiatives should be launched early to create a new lexicon shared by all. Legacy verbiage and abbreviations are certainly a token of one’s corporate history, but they are often a subtle way to reinforce unwelcome differences as well. The old lexicon never disappears without actively reinforcing a new one.

**SOLUTION PILLAR 6: CULTIVATE CULTURE**

The ultimate strategy remains: Systematically infuse global competence into each component of the M&A integration process rather than treat it as a side dish. It would be inefficient and dangerous to treat culture independently and separately from the rest of the integration process. Cultural savvy must become the new fluency of the merged entity. By cultivating culture once the deal is secured, the organization also ensures that global competence development is a process rather than a one-time event.

Many opportunities—such as the early design of the joint entity’s strategy—should be leveraged to reinforce the new corporate culture’s prescribed way of approaching national cultural challenges. The timing could not be better to set the tone for the new work-style expectations.

Meanwhile, continue to lean on your full suite of change management tools. They have not become obsolete overnight, but they probably need to
be applied differently. The unique international chemistry assembled by the new group should force you to root out any cultural assumptions, including those embedded in the existing management tools.

Converting the ambiguity that is likely to hover around the merger/acquisition into positive energy and excitement should also draw on solid intercultural analysis.

Leverage the reorganization to challenge the existing cultures, but at the same time make sure that the indicators you select to measure progress—e.g., timelines—have enough built-in tolerance to remain effective. The world clearly realizes that one of the only constants in life is change, and yet the way people embrace change varies from one corner of the globe to the other; in fact, it is well documented that some national cultures embrace change faster than others do, based on their propensity to accept or reject risk. In order to secure buy-in, corporations that use the opportunity of the reorganization to demonstrate their understanding of the mindsets of each group affected by the change will go much further in getting buy-in from their employees.

Converting the ambiguity that is likely to hover around the merger/acquisition into positive energy and excitement should also draw on solid intercultural analysis. Lean heavily on normative cultural information rather than simply gut instinct to craft and deliver messages to fuel the flow of adrenalin around the merger. Ongoing training interventions throughout the organization are another important action item for promoting the new values and shared cultural objectives.

RECAP OF THE CASE OF THE U.S.-FRENCH ACQUISITION

Let’s take a look at what went right—and wrong—in the case of the U.S. company that acquired the French company:

- Whether the international HR staff missed the boat or simply failed to be heard, the U.S. company should have started the cultural integration process much earlier than it did. By the time executives realized how quickly the acquisition was failing, “Starting Early” (Solution Pillar 1) was no longer an option, and substantial backtracking was needed.
- Initially members were assigned to the teams selected for the integration process based solely on who knew whom, rather than on global competence. Once the signs of trouble were spotted, however, teams were swiftly reassembled based on demonstrated global competence (Solution Pillar 2). The multicultural teams were also given, just in time, the intercultural coaching and country-specific information required to bridge their unique sets of cultural gaps.
- Although cultural viruses were allowed to establish a foothold, the company eventually conducted an assessment to identify the viruses and provide the information needed to craft meaningful interventions (Solution Pillar 3). The head of the ostrich was out of the sand. Decisions were finally made based on facts rather than on warped assumptions. Most managers admit today that they didn’t know what they didn’t know, leaning instead on flawed intuitions and ignoring hidden layers of complexity due to a general lack of awareness.
- Managing the Mental Merger, a step skipped entirely in the early stages of integration, became a sustained priority (Solution Pillar 4). One significant response was the rollout of broad bicultural awareness training. The assessment and training also enabled integration subteams to be more flexible, inclusive, and realistic in their decisions, able to respond to real business and organizational needs rather than preconceptions and assumptions.
- A new lexicon was created to rally employees around the new organization, and the use of legacy lexicons was reprimanded (Solution Pillar 5).
- Finally, now equipped with a deeper understanding of the preexisting national and corporate cultures, executives were able to cultivate “the new us” and monitor progress towards a healthier, more functional organization (Solution Pillar 6).
The six solution pillars will stabilize the negative impact of cultural viruses on organizational effectiveness and business performance. Creating the mindset synergies needed to achieve top- and bottom-line growth will require sustainability, to which securing early executive endorsement and keeping the commitment healthy are essential.

Organizations serve themselves well by monitoring their internal landscapes for any resurgence of their known cultural viruses, as well as for new viral strains. Existing cultural viruses can take on insidious new forms, and conditions unique to the new entity’s international business context can give rise to new, unanticipated cultural viruses.

Like a liquid that will shortly freeze into the shape of the vessel that holds it, cultural integration in an international M&A is a fleeting opportunity to unify and refocus a workforce towards new objectives, infusing it with new strengths to meet even greater business challenges in the future. Speed is of the essence.

CONCLUSION

Cultural differences are an opportunity rather than a nuisance; however, there is ample empirical evidence demonstrating that converting such opportunities into sustainable business performance requires a firm helping hand. International M&A business performance is directly proportional to the alliance’s ability to integrate cultural competence at all levels of business activity. Time does not resolve the soft challenges stemming from corporate multiculturalism: A solid strategic integration plan infused with global competence does.

The costs of starting the integration process too late (Solution Pillar 1) and neglecting to manage the Mental Merger (Solution Pillar 4) manifested as retention difficulties and poor business performance. But once executives bought in to the need for cultural intervention, they were able to implement a sophisticated set of solutions to meet one of today’s most complex business challenges.

NOTES