Research on the DIY Form of Cultural Integration in Enterprise M&A

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Abstract: The DIY culture integration in corporate mergers and acquisitions reduces the cost of conventional cultural integration and changes the integration driven by the top into spontaneous integration, but the success rate of DIY culture integration is extremely low. It is known that intermediaries can improve the success rate of mergers and acquisitions[1]. This paper uses questionnaires and interviews to investigate the core personnel of a group of 64 people who promote DIY cultural integration, and conducts empirical research on the influence of school think tank practice groups and consulting agency on the DIY culture integration. The conclusion is: the impact mean of school think tank practice group and consulting agency on the DIY culture integration is significant difference, which makes clear the essential participation force of the success of DIY cultural integration.

1 Introduction

The world has experienced five waves of mergers and acquisitions, and the M&A failure rate is 50%-80%. China's mergers and acquisitions began in the 1980s with a success rate of only 30%. A large number of studies have found that the key to the success of M&A is the process of integration. Cultural integration is the difficulty and key point in M&A integration, and is the key factor determining the success of M&A[2]. Bastin & Ven (1986) and Olie (1995) pointed out that most companies have a "M&A Syndrome" at the beginning of the merger. If the syndrome does not cause high-level management to pay great attention to it or deal with it improperly, the company will fall into conflict[3]. We visited enterprises and met many senior professional managers in M&A who paid close attention to cultural integration and tried to change the current situation. Even a few professional managers explored the DIY form of cultural integration.

2 Literature Review

Western scholars define the mode of corporate culture integration as absorption, penetration, separation and extinction[4]. Chinese scholars develop the mode of cultural integration into integrated cultural integration, absorbing cultural integration, isolating cultural integration[5] or strict and feasible flexible integration plan[6]. This is the research results of cultural integration many years ago. There is no published literature on the new state of cultural integration mode. DIY cultural integration is the deepening of cultural integration mode in practice.

3 Conceptual model and assumptions

The essence of DIY cultural integration is that professional managers play a subjective initiative to adjust internal cultural conflicts and contradictions in sub-groups or in certain industrial fields, and strive to not burden the bosses, mobilize the resources available within their own powers, and complete them in sub-areas. However, DIY Cultural integration is mostly endless. The main reasons are: (1) lack of knowledge (2) lack of energy (3) lack of financial power (4) insufficient human rights (5) lack of participation of human resources departments. The channels for seeking help are mainly (1) consulting agency (2) internal enterprises (3) universities. Among them, the university is the most reliable channel, and they hope to increase their participation. The statement of professional manager's difficulties is in line with the investigation of the research group of China
Federation of enterprises[7]. The cultural integration DIY model of professional manager's operation is to seek the help of universities or consulting institutions to conform to the theory of action learning. Based on the recognition of professional managers to universities and the current trend of production, teaching and research, the author changes the vague formulation of universities into the school think tank practice group. It consists of school teachers, doctoral, master's and internships, and undergraduate students. It is affiliated to the college or school management. The multi-level practice group has the ability and continuity to participate in the integration of corporate culture. Lack of financial and personnel rights of professional managers is a common problem in reality. It is the focus of corporate governance research, involving trust and game between principals and agents. Adjusting corporate governance structure is a solution and reconciliation approach[8]. To this end, a temporary corporate culture integration agency will be set up, including members of the board of directors, senior professional managers and school think tank practice groups or consulting agencies, school think tank practice groups or consulting agencies as credible intermediaries to join the board of directors, chairman and professional Managers have invisibly improved the completeness of the professional manager's institutional process. For example, the school think tank practice group or the advisory body and the members of the cultural integration organization are easy to communicate and authoritative, especially the communication with the chairman and directors is convincing. It will help to eliminate the problems of personnel and financial rights encountered in the process of cultural integration of senior managers.

Hypothesis 1. The participation of the school think tank practice group helps the implementation of DIY

Assume 1.1 the participation of the school think tank practice group is significantly related to the lack of knowledge of senior professional managers

Assume 1.2 the school think tank practice group is significantly associated with sharing the energy of senior professional managers

Assume 1.3 the communication between the school think tank practice group and the chairman and directors is convincing (ie, equivalent to the exclusion of financial and human rights obstacles encountered in the cultural integration of senior managers)

Assume1.4 The participation of school think tank practice group is significantly related to the activity intensity of human resources department

Hypothesis 2. The participation of the consulting agency contributes to the implementation of DIY

Assume 2.1 The involvement of consulting agency is significantly related to the lack of knowledge of senior professional managers

Assume 2.2 The involvement of consulting agency is significantly related to the sharing of senior professional managers' energy

Assume 2.3 The consulting agency communicates with the chairman and directors with persuasiveness

Assume 2.4 The participation of consulting agency is significantly related to the activity intensity of human resources department

Drucker, the master of management, once said that if we want to successfully carry out diversification through M & A, we must have a common culture or at least a cultural marriage. The matching degree and integration degree of corporate culture between M & A enterprises and the acquired enterprises will affect the acquisition of M&A performance to a great extent[9]. Different corporate strategic objectives, the difficulty of M&A culture integration will increase, and the promoters of DIY are mainly senior professional managers. The initiative of senior professional managers is also closely related to cultural integration. Therefore, the disturbance variable is set as the strategic goal consistency. The initiative of senior professional managers.

The conceptual framework of this study is shown in Figure 1.
Of course, this framework is the path of DIY cultural integration research. As an article of research, it may only complete part of the task, and the most likely comparison is the impact of school think tank practice group and consulting agency on DIY cultural integration. Therefore, assume 3.1 there is no significant difference in the mean value of the impact of school think tank practice group and consulting agency on DIY cultural integration, assume 3.2 there is significant difference in the mean value of the impact of school think tank practice group and consulting agency on DIY cultural integration.

4 Research methods

4.1 survey design

The questionnaire was designed on the basis of research interviews, mainly by senior professional managers, board members and chairman of the board, the main leaders of the merged enterprises, employee representatives and some heads of human resources. There is a significant correlation between the topic items of the questionnaire and the deficiency of senior professional managers’ knowledge. Scale design 1 strongly agrees 2 very disagrees with 3 neutral, test questions 6; significant correlation with senior manager energy from Dunham (1979), scale design 1 very not enough 2 not enough 3 maybe enough 4 enough 5 more, test questions 4; communicate with the chairman and directors significantly from Lgbaria (1992), scale design 1 is completely impossible 2 is unlikely 3 unclear 4 by possible 5 It is entirely possible, test questions 3. Significantly related to the participation of human resources department activities. scale 1 almost no 2 less 3 moderate 4 more, test questions 2, questionnaire options answer, are based on limited Small expenses to facilitate the matching of DIY forms of research.

4.2 Data collection

Investigated 6 subsidiaries involved in cultural integration, 5 people/company at the senior management level; 6 people on the board of directors; 2 sub-groups, 6 people/company at the senior management level; 10 people with human resources, including 1 person/sub-group of subsidiaries and sub-groups , 2 company heads; 6 employee representatives, 1 person/ subsidiary. The total number of researchers is 64, including 48 senior professional managers, accounting for more than 70%; The questionnaire was divided into two surveys, the previous one without interference variables, and the latter with interference variables.

4.3 Validity and reliability analysis of the sample

After SPSS software reliability analysis, the alpha value of the scale is above 0.7. The reliability of this questionnaire is acceptable. The validity of the questionnaire is firstly measured by KMO test and Barlett spherical test. It is found that the measurement effect of the two questionnaires is not good. The possible reason is that the influence of interference variables on DIY cultural
integration is relatively large or the questionnaire is not enough to support the measurement of the contribution value of interference variables. Because the main test of this study is not the contribution value of interference variables, this paper will separate the questionnaire. The test without interference, KMO=0.758, P=0.000, the factor rotation total variance interpretation rate is 80.28%, the reliability is 0.897; the test with the interference variable, the reliability is 0.935, no KMO and p. This number supports the rationality of the separate treatment of the questionnaire.

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<tr>
<th>Table 1(a)</th>
<th>Reliability Statistics</th>
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<tbody>
<tr>
<td>Cronbach's Alpha</td>
<td>N of items</td>
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<tr>
<td>.897</td>
<td>30</td>
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<th>Table 1(b)</th>
<th>KMO and Bartlett’s test</th>
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<tr>
<td>Kaiser-Meyer-Olkin measure sampling Adequacy</td>
<td>0.758</td>
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<td>Bartlett test of sphericity approx.chi-square</td>
<td>3311.872</td>
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<tr>
<td>df</td>
<td>435</td>
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<tr>
<td>Sig.</td>
<td>.000</td>
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5 Analysis and results

Paired sample t-test results: p = 0.000, indicating that the school think tank and the advisory body have significant differences in the mean value of DIY cultural integration.

Senior professional managers believe that the integration culture in DIY form joining by the school think tank practice group helps to achieve the goal, and the company and the school are win-win, but the existing research only means that the intermediary is conducive to enterprise integration. As a result, professional managers lack theoretical support in choosing between the school think tank practice group and the consulting agency. The conclusion of this paper is that the school think tank practice group and the consulting agency have significant differences in the mean value of the DIY culture integration, and the key factors of the success of DIY cultural integration are identified.

6 Discuss

In the course of the research, although the questionnaire options were taken from the maturity scale, the questionnaire analysis found that the choice of the tested subjects could not be fully expressed. This may be due to differences in thinking and behavior between China and the West. Develop new scales to facilitate better research. I have imagined that there is no significant difference in the mean value of DIY cultural integration between the consulting agency and the school think tank practice group, but the conclusion is significantly different at the 95% confidence level, which may integrate financial requirements with the DIY culture integration. This indicator is related.

The DIY cultural integration research has just begun. The three hypotheses of this paper only complete one. It is awaiting subsequent research. The research framework has begun to construct the research framework. The interference variables have proved inappropriate. According to the company law, the professional managers and the board of directors have the rights and obligations and related research[10]. In the case of the participation of the school think tank practice group, the positive degree of the chairman and the board of directors is related to the process of DIY cultural integration. Therefore, the DIY culture integration follow-up article research framework is slightly improved as shown in Figure 2:
Figure 2. Research framework.

References