

Three explanations for the lowered productivity levels after a newly blended firm...

[Business](#), [Company](#)



Within mergers and acquisitions, with culturally distant partners one phenomena, that is often identified by managers is the lower productivity levels after the transaction. According to Bijlsma-Frankema, (2001, p. 195) there are three possible explanations for the lowered productivity levels after a newly blended firm, which have been discussed in literature so far. The first is described as the different time horizons which are attached to changes in the structure of the new firm as well as cultural changes. However, the latter mostly lagging behind. The second one is described as an aversive relation between the subcultures of the two former firms, that have to work together productively within the new setup to make the deal a success. The third reason identified by Bijlsma-Frankema (2001, p. 195) is the leadership at the top level of the company. It is often lacking behind in unity and quality of leadership style and therefore fails to perform it's tasks in designing and implementing the changes needed to be made in structure as well as culture to make the new firm effective and efficient in successfully dealing with its environment. The mentioned three factors can be explained and analysed in more detail using a so called three level model, which will be explained later on.

Before further explaining this model, the interrelations between those three factors mentioned above and unproductive behaviour of members and groups have to be explained further. If the assumption, that whether a company is productive or not depends on the degree of productive behaviour, that workers are showing, as defined by Douglas (1982, p. 15ff.) is followed, one question that arises is: how those cultural factors can influence the productivity of organizational behaviour. The basic explanation

here presented also by Bijlsma-Frankema (1997, p. 130) in another work are so called culture-structure frictions which are at work at the cost of productivity. She found out, that cultures in itself, which are as mentioned before seen as shared frames or guidelines for actions can lead to behaviour that is differing from the kind of behaviour which is expected by the organization due to its structure. Reason for this is some kind of aversion, felt by members towards the new organizational structure. In this case, as the author explains, aversions can be identified as indicator for the earlier mentioned culture-structure frictions. Additionally, he mentions, that in culturally distant mergers, these culture-structure frictions are more likely to occur than in mergers which show cultural similarities. This resulting deviant behaviour of organizational members can take different forms. Merton, (1957, p. 34) describes the first one as the form, that contributes to less productive behaviour of the whole organization. He mentions explicitly actions like “ like shrinking work, free-riding, high mistake rates, absenteeism, behaviour connected to goal-displacement, ritualism, retreatism” (Merton, 1957, p. 34). Another form of behaviour is described by Reed (1988, p. 39-40) and is revealing itself in actions resulting from the foundation of anti-organization groups. Additionally, lower trust relations between groups as well conflicts like non cooperative behaviour or disempowerment of management can reveal itself as one form of deviant behaviour. The formation of cultural-structure frictions is by some Authors identified as one of the main reasons for organizational failure.