

© 2025 Gębski et al. This is an open access article licensed under the Creative Commons Attribution-Share Alike 4.0 International License (<http://creativecommons.org/licenses/by-sa/4.0/>).

Journal of Intercultural  
Management

Vol. **17** | No. **4** | **2025**

pp. **5–31**

DOI **10.2478/joim-2025-0013**

## **Łukasz Gębski**

Warsaw School of Economics, Institute  
of Banking, Poland

[lgebski@sgh.waw.pl](mailto:lgebski@sgh.waw.pl)

ORCID ID: 0000-0002-5370-3987

## **Andrzej Bień**

Warsaw School of Economics, Institute  
of Banking, Poland

[abien@sg.waw.pl](mailto:abien@sg.waw.pl)

ORCID ID: 0000-0001-9452-2536

# Cross-Cultural Challenges in the Post-Merger Integration Process Management



## **ABSTRACT**

**Objective:** The objective of this article is to analyze post-merger integration (PMI) in cross-border mergers and acquisitions from an intercultural management perspective. The study seeks to explain why post-merger integration remains highly problematic despite globalization-driven convergence of management practices and increasing experience of firms in international expansion.

**Methodology:** The article employs a qualitative, integrative research design based on a critical review of literature from intercultural management, organizational psychology, and international business studies. The analysis is supported by selected empirical findings and well-documented case examples of cross-border mergers and acquisitions, enabling a synthesis of theoretical and practical insights into intercultural integration challenges.

**Findings:** The findings show that cultural differences continue to be central in shaping PMI outcomes. Persistent divergences in leadership models, communication norms, power distance, and organizational identity generate identity threats, mistrust, and resistance to integration. These intercultural dynamics frequently undermine integration processes even when strategic objectives and formal integration plans are well defined.

**Value Added:** The article contributes to intercultural management research by challenging convergence-based assumptions in globalization theory and by integrating cultural, psychological, and organizational perspectives into a coherent framework for analyzing PMI. It highlights the limits of standardized integration approaches and emphasizes the importance of culturally embedded meaning, identity, and social interaction in post-merger contexts.

**Recommendations:** The article recommends that managers involved in cross-border mergers and acquisitions adopt a culturally informed approach to post-merger integration. This includes systematic cultural due diligence, context-sensitive leadership practices, and the active management of identity and trust during integration. Future research should further explore intercultural leadership capabilities and integration mechanisms that enhance collaboration and mutual understanding in culturally diverse post-merger settings.

**Key words:** post merger integration, cross-border mergers & acquisitions, cultural diversity, management, globalization

**JEL codes:** G34, L25, M14

## Theoretical foundations of globalization and their impact on post-merger integration

The 1980s brought a decisive intellectual shift in economics and management research. A long period of economic prosperity and the subsequent political upheaval associated with the collapse of the communist bloc fostered an optimistic view of the global prospects for companies. The literature from this period was based on the belief that the development of multinational corporations would lead to a gradual convergence of organizational cultures, management models, and business practices across national borders. One of the most influential voices in this debate was Theodore Levitt, whose groundbreaking article “The Globalization of Markets” argued that global market integration would standardize consumer preferences and, consequently, lead to the standardization of products, processes, and management systems (Jensen, 1986; Levitt, 1983). Levitt’s concept of the “global consumer” became fundamental for subsequent analyses of transnational corporations and their strategic behavior.

In his publications, Peter Drucker emphasized the role of multinational enterprises as dominant actors in the future of the global economy. He suggested

that globalization was not only an economic phenomenon but also a profound transformation in the way work, knowledge, and decision-making processes were organized (Drucker, 1986). Drucker also viewed global corporations as institutions capable of addressing structural shortcomings in the global economy, positioning globalization as a potential remedy for stagnation, fragmentation, and declining productivity in the world economy at that time.

Building on these economic concepts, another well-known economist Michael Porter developed his theory of competitive advantage, arguing that global strategies and international competition naturally foster the spread of similar management practices across firms and industries (Porter, 1985). According to Porter, it is precisely the pressures of global competition that encourage corporations to adopt comparable organizational structures and operating procedures, reinforcing the idea of convergence.

Meanwhile, Manuel Castells, analyzing the emergence of the “network society”, emphasized how global flows of information, capital, and technology were transforming organizational logic and creating increasingly interconnected corporate systems (Castells, 1996). Together, these perspectives contributed to the emergence of a powerful narrative: globalization was not only inevitable but very desirable, offering a path to greater efficiency, innovation, and economic stability.

Within this intellectual climate, external expansion strategy through mergers and acquisitions (M&A) gained unprecedented momentum. The belief in converging organizational cultures and managerial models provided a compelling rationale for crossborder acquisitions, which were perceived as faster and more efficient than organic internationalization (Zhang et al., 2019). If corporations around the world were becoming more alike, then – in theory – (PMI) should have been increasingly straightforward. The assumption was that shared managerial paradigms, standardized processes, and similar organizational logics would reduce cultural and operational frictions, enabling firms to capture synergies more rapidly and more deeply with lower risk (Ahmad et al., 2022).

This optimism was reinforced by the idea that globalization was creating a “common managerial language”, diminishing the relevance of national differences and facilitating smoother integration of acquired entities (Pucik et al., 2024; Meyer & Peng, 2015). As a result, the theories of Levitt, Drucker, Porter,

and Castells became the intellectual backbone of the global M&A boom, shaping managerial expectations and strategic decisionmaking throughout the late twentieth century and so far.

Contemporary scholarship confirms that this belief in convergence strongly influenced how managers evaluated the feasibility and speed of international expansion of multinational corporations originated not only from traditionally developed countries but also from being newly born economic powers like China, India, etc. (Gupta et al., 2024; Nemoto, 2016).

However, more recent empirical evidence challenges these assumptions. Studies show that despite the anticipated convergence, many PMI processes continue to struggle with cultural clashes, misaligned expectations, and incompatible organizational identities (Remanda, 2016). Largescale analyses by consulting firms such as A.T. Kearney demonstrate that a significant proportion of crossborder M&A transactions fail to achieve their intended synergies, suggesting that the presumed ease of integration was often overstated (Graebner et al., 2016). This discrepancy between theoretical optimism and practical outcomes has prompted renewed academic interest in the behavioral, cultural, and psychological dimensions of PMI (Devers et al., 2020).

A substantial body of empirical research has demonstrated that a significant proportion of worldwide M&A transactions fail to achieve their intended strategic or financial outcomes. Recent studies confirm that between 50% and 70% of deals underperform, despite optimistic synergy forecasts at the deal stage (Sales et al., 2022; Angwin et al., 2022). Highprofile and financially significant failures – such as the Daimler–Chrysler merger or the AOL–Time Warner deal – continue to serve as emblematic examples of how anticipated economies of scale, scope, or know-how often fail to materialize. Contemporary analyses show that even in the 2020s, the overall success rate of M&A has not improved significantly, suggesting that the underlying causes of failure remain persistent and systemic (Cartwright & Cooper, 2014). This enduring pattern has prompted scholars to revisit the theoretical foundations of M&A motives and the mechanisms through which value is created or destroyed.

One stream of research has focused on strategic motives for expansion, questioning whether many acquisitions are justified by sound economic logic

if at all. Classic theories such as the monopoly theory argue that firms pursue acquisitions to increase market power and reduce competition (Trautwein, 1990), while the empirebuilding theory suggests that managers may engage in acquisitions to expand their personal influence, prestige, or compensation rather than to maximize shareholder value (Jensen, 2010). The hubris hypothesis posits that managers systematically overestimate their ability to extract value from acquisitions, leading them to overpay and underestimate integration challenges (Steigenberger, 2017). Recent scholarship has revisited these theories, showing that managerial overconfidence, agency problems, and distorted incentive structures remain powerful predictors of M&A underperformance (Malmendier & Tate, 2015). Critics argue that these motives often lead to inflated premiums, weak strategic fit, and unrealistically planned synergy expectations, structurally limiting the potential for value creation even before integration begins (Angwin et al., 2022). Thus, flawed strategic assumptions at the deal-rationale stage continue to be a major source of M&A failure.

A second, increasingly influential line of inquiry has shifted attention from deal motives to the quality of integration planning and execution. Scholars argue that even when the strategic rationale seems to be sound, many acquisitions fail because firms underestimate the complexity of postmerger integration (PMI) including cultural and managerial style differences between firms into an M&A transaction. Recent research highlights that integration is a sociotechnical process, requiring alignment not only of systems and structures but also of identities, norms, and behavioral expectations (Graebner et al., 2016; Joecks et al., 2013). Studies show that inadequate cultural due diligence, insufficient communication, and misaligned integration strategies are among the most common causes (drivers) of PMI failure (Kumar & Sharma, 2019). Moreover, research in organizational psychology emphasizes that integration outcomes depend heavily on employee sensemaking, trust, and perceptions of fairness – factors often overlooked in traditional M&A planning (Smeulders et al., 2023). These findings suggest that the problem lies not only in the strategic logic of globalization or convergence but also in the microlevel human and organizational dynamics that shape integration processes.

The emergence of the inclusion and diversity (I&D) paradigm in management theory represents one of the most significant intellectual and practical shifts of the last three decades. While early discussions on diversity in organizations have appeared already in the 1990s, it was only in the 2010s and especially after 2020 that I&D became a central pillar of organizational strategy, leadership development, and humancapital management. Contemporary scholarship emphasizes that inclusion – defined as the active integration of diverse identities, perspectives, and experiences into organizational life – has become essential for firms operating in increasingly global, multicultural environments (Eshete & Birbirssa 2024; Nguyen et al., 2024). The rise of I&D is closely linked to broader societal transformations, including demographic shifts, mass migration, and the growing visibility of minority groups including immigrants in the labor market. These trends have been particularly pronounced in advanced economies facing demographic decline of their national inhabitants and especially, where immigration has become a key source of workforce renewal (OECD, 2021a).

The theoretical foundations of I&D rest on the assumption that acceptance of diversity, nondiscrimination, and equitable treatment not only reflect ethical imperatives but also enhance organizational performance. Research consistently shows that diverse teams can outperform homogeneous ones by generating more innovative solutions, improving decisionmaking quality, and strengthening organizational resilience (Roberson, 2019; Guillaume et al., 2017). In global corporations, various forms of diversity is not merely a normative expectation but a structurally important reality: employees increasingly represent different nationalities, ethnicities, languages, religion, and cultural backgrounds. As a result, I&D frameworks were expected to facilitate collaboration across cultural boundaries, reduce interpersonal friction, and support smoother integration of employees in multinational settings.

However, despite the widespread adoption of I&D principles, empirical evidence suggests that still deep cultural differences continue to shape organizational behavior, often in ways that challenges the optimistic assumptions of inclusion theory. Scholars note that national business systems – such as the AngloSaxon, Scandinavian, and Southern European models – differ significantly in their approaches to hierarchy, communication, decisionmaking,



and interpersonal relations. These differences persist even in highly globalized industries and can create tensions that I&D frameworks alone cannot fully resolve.

Moreover, research on crosscultural management highlights that employees from different cultural backgrounds may interpret inclusion norms in divergent ways. For example, workers from East Asian cultures, where hierarchy, seniority, and deference to authority are deeply embedded, may perceive Western-style egalitarian inclusion practices as unfamiliar or even disruptive. Conversely, employees from lowpowerdistance cultures may interpret hierarchical communication patterns as exclusionary or incompatible and with inclusive leadership expectations (Meyer, 2020). These findings suggest that inclusion cannot be understood as a universal template but must be adapted to culturally specific expectations and relational norms.

Recent studies and analytical research also emphasize that organizational inclusion does not automatically eliminate structural, cultural, and cognitive barriers to collaboration. Deeplevel diversity – differences in values, identity, and cultural logic – often persists despite surfacelevel inclusion initiatives (Guillaume et al., 2017). In multinational corporations, this can manifest in divergent interpretations of teamwork, conflict, accountability, or leadership legitimacy. As a result, I&D initiatives may improve representation and awareness but still fall short of resolving especially the systemic cultural frictions that influence collaboration and integration.

In the context of mergers and acquisitions processes, these tensions become even more pronounced. Although I&D frameworks promote openness and respect for difference, they do not eliminate the institutionalized differences between characteristic national management models, which can significantly hinder post-merger integration. Studies show that cultural distance, conflicting managerial assumptions, and incompatible organizational identities remain among the strongest predictors of PMI failure – even in corporations with advanced inclusion policies (Graebner et al., 2016). This suggests that while both inclusion and diversity are essential components of modern management, they cannot substitute for deep cultural due diligence, contextsensitive integration planning, and adaptive leadership and their implementation as obligatory follow up of each separate M&A deal.

Together, these contemporary perspectives emphasize that M&A failures can rarely be attributed to a single cause. Although dominant theories of globalization, convergence, and management standardization suggest that post-merger integration should become increasingly predictable and efficient, empirical evidence consistently contradicts this expectation. Merger and acquisition (M&A) transactions are conducted with the participation of hired experienced advisors and competent managers operating within sophisticated control systems, making purely strategic or technical explanations insufficient. In turn, the persistent failures of M&As point to deeper psychological, social, and especially cultural mechanisms that shape organizational behavior beyond formal planning. It is important to note that integration challenges stem not so much from flawed strategy but from entrenched cultural identities, cognitive biases, and interpersonal dynamics that complicate post-transaction collaboration.

## The basis of cross-cultural barriers to post-merger integration in the context of social sciences and research

Crosscultural psychology offers a powerful lens for understanding why postmerger integration (PMI) in multinational corporations so often encounters obstacles, despite strategic alignment and technical preparation. From this perspective, integration challenges arise not merely from organizational design issues but from deeply rooted psychological mechanisms shaped by cultural norms, social roles, and identity structures. Employees often do not enter the integration process as neutral actors; they always bring culturally conditioned expectations about hierarchy, communication, cooperation, and change, and their overall approach to the job they are supposed to proceed. These expectations strongly influence how individuals interpret the merger, respond to uncertainty, and engage with colleagues from the partner organization.

One of the most widely documented psychological and cultural mechanisms is the resistance to change, which becomes amplified in crosscultural contexts. Research shows that employees from collectivistic cultures tend to perceive mergers as threats to group cohesion and relational stability, leading to heightened emotional resistance and defensive behaviors (Savović, 2017). Conversely, employees from individualistic cultures may resist integration when it undermines personal autonomy or disrupts established role structures (Meyer, 2020). This resistance is not irrational; it reflects a culturally shaped need to preserve identity and their customs – often national – continuity and predictability during organizational upheaval.

Second critical factor involves culturally embedded social roles and relational norms. Crosscultural psychology findings demonstrates that cultures differ significantly in expectations regarding hierarchy, authority, and interpersonal distance. For example, employees from high powerdistance cultures – common in East and Southeast Asia – tend to value deference to seniority, formalized decisionmaking, and clear status distinctions (Hanh Tran & Choi, 2019). When such employees are integrated into organizations with egalitarian, participatory management styles, they may experience role ambiguity, loss of status, or confusion about expected behaviors. Conversely, employees from egalitarian cultures may interpret hierarchical communication patterns as exclusionary or authoritarian, undermining trust and collaboration (Romani et al., 2018).

A third psychological mechanism concerns organizational and social identity. Mergers require employees to renegotiate their sense of belonging, often shifting from a familiar organizational identity to a hybrid or entirely new one. Studies show that identity threats – such as perceived loss of prestige, dilution of cultural norms, religious differences or symbolic dominance by the acquiring firm – can often lead to disengagement, ingroup favoritism, and subtle forms of resistance. These identity dynamics are particularly pronounced when the merging firms originate from culturally distant national contexts, where differences in values, communication styles, and work norms are more salient.

Finally, crosscultural psychology highlights the role of trust formation and communication styles. Cultures differ in their preferred modes of expressing

disagreement, giving feedback, and interpreting silence or indirect cues. High-context cultures may rely on implicit communication, while low-context cultures prioritize clarity and directness. These differences can lead to misinterpretations of intent, perceived disrespect, or conflict escalation during integration (Guillaume et al., 2017). Trust – essential for successful PMI – develops more slowly when communication norms diverge, and when employees interpret them precisely.

Taken together, psychological research demonstrates that PMI challenges are not simply operational or strategic failures. They stem from deeply ingrained cultural scripts that shape how individuals perceive change, enact social roles, and construct meaning in the workplace. Understanding these mechanisms is essential for designing integration processes that respect cultural diversity while fostering shared identity and collaboration.

Empirical research on the above issues over the last decade has increasingly shown that many PMI failures are also rooted not in flawed financial analysis or strategic misfit, but in psychological and social dynamics that unfold after the deal is signed. Largescale reviews of M&A performance consistently report that cultural distance, identity threats, and breakdowns in trust are among the strongest predictors of underperformance (Devers et al., 2020; Angwin et al., 2022). These findings challenge the earlier assumption that convergence of managerial models would automatically translate into smoother integration and highlight instead the central role of human factors.

A key theme in recent research is the impact of organizational identity and “us-them” dynamics. Smeulders et al. (2023), drawing on longitudinal qualitative studies of international crossborder acquisitions in Europe, show how employees in acquired firms often experience the integration process as a loss of status and voice. Even when formal structures are harmonized, informal boundaries persist: employees continue to refer to “us” (legacy organization) and “them” (acquirer), which undermines the emergence of a shared identity. This identity fragmentation is associated with lower commitment, higher turnover intentions, and passive resistance to new procedures. Similar patterns are reported in Graebner et al.’s (2016) review of PMI processes, which synthesizes evidence from multiple

case studies and concludes that identity threats and perceived disrespect are recurrent mechanisms behind integration derailment.

Another important line of evidence concerns trust and perceived fairness. Bauer et al. (2016), in a study of integrations of many companies, find that employees' perceptions of procedural justice during integration – how decisions are communicated, whose interests are considered, and how transparently changes are implemented – are strongly associated with integration speed and performance. Where employees perceive the process as unilateral or imposed, trust in the new leadership erodes, even if the strategic logic of the deal is sound. Cartwright and Cooper (2014), analyzing several high-profile cases including Daimler–Chrysler and AOL–Time Warner, argue that the failure to build interpersonal trust and mutual respect between top management teams were more decisive for failure than any miscalculation of synergies.

Crosscultural studies also document how differences in social roles and power distance shape integration outcomes. Hanh Tran & Choi (2019), examining East Asian subsidiaries acquired by Western multinationals, show that employees socialized in high powerdistance cultures often interpret egalitarian, participatory leadership styles as ambiguous or weak. Conversely, Western managers may misread deference and indirect communication as lack of initiative or engagement. These misinterpretations fuel frustration on both sides of certain M&A deals and contribute to relational distance. Romani et al. (2018) highlight similar tensions in their comparative work on AngloSaxon, Scandinavian, and Southern European management models, showing that divergent expectations regarding hierarchy, conflict, and informality frequently surface during PMI and require active negotiation rather than being “solved” by formal integration plans.

Recent research on teamlevel dynamics further illustrates how psychosocial mechanisms operate in practice. Guillaume et al. (2017) find that in newly formed, postmerger teams, demographic and cultural diversity can enhance creativity and problemsolving – but only when there is a high level of inclusion and psychological safety. In the absence of inclusive leadership and clear norms, diversity is associated with more relationship conflict and lower performance. This is particularly relevant for PMI, where teams are often composed

of members from both legacy organizations and multiple national cultures, and where historical asymmetries of power (acquirer vs. acquired) complicate efforts to create a genuinely inclusive climate.

Casebased evidence also underscores the symbolic dimension of integration. Studies of failed integrations final effects repeatedly point to symbolic actions – such as replacing local leaders with expatriates, changing longstanding brand elements, or imposing the acquirer’s HR systems without consultation – as triggers of resentment and identity threat (Remanda, 2016; Smeulders et al., 2023). These actions are interpreted not merely as technical adjustments but as signals of whose culture “wins”, reinforcing perceptions of domination rather than partnership.

Taken together, these above described empirical findings and case studies converge on a clear conclusion: psychological and social mechanisms – identity, trust, perceived fairness, power, and cultural meaning – are central to PMI outcomes. Where they are neglected, even technically well designed integrations are likely to underperform. Where they are acknowledged and actively managed, the probability of realizing assumed, planned synergies increases substantially.

## Practical barriers to post-trade integration

Crosscultural differences in teammanagement models – particularly the contrast between hierarchical structures and teambased, participatory leadership – represent a major psychological and organizational barrier in postmerger integration. Research in crosscultural psychology shows that hierarchical leadership models dominate in East Asia, the Middle East, Latin America, and parts of Southern and Eastern Europe, where power distance is high and authority is legitimized through seniority and formal position (House et al., 2004). Employees in these contexts expect leaders to provide direction, maintain structure, and minimize ambiguity.

In contrast, AngloSaxon and Scandinavian cultures emphasize low power distance, autonomy, and teambased decisionmaking, where leadership is earned through competence and collaboration rather than formal rank (Meyer, 2020).



These divergent expectations create friction during PMI: hierarchical cultures may perceive participatory leadership as weak or indecisive, while egalitarian cultures may interpret hierarchical behavior as authoritarian or exclusionary.

Empirical studies confirm these tensions. A largescale analysis by Bauer et al. (2020) shows that integration teams composed of members from hierarchical and egalitarian cultures experience significantly slower decisionmaking and higher relational conflicts. Xiaotao et al. (2020), studying Chinese European acquisitions, found that hierarchical Chinese leadership styles clashed with European expectations of empowerment, are leading to mistrust and reduced cooperation. Casebased evidence from the Daimler–Chrysler merger illustrates this dynamic: German managers favored structured authority, while American teams preferred informal, flexible collaboration, contributing to persistent conflict and eventual failure (Cartwright & Cooper, 2014).

These findings demonstrate that leadership models are not superficial preferences but deep cultural scripts that shape legitimacy, communication, and team functioning – making them a critical barrier in PMI.

### ***Gender, culture, and corporate careers***

Research on gender in organizations increasingly emphasizes that women’s underrepresentation in senior roles is shaped by a combination of structural barriers, cultural norms, and selfselection mechanisms, rather than by a single “glass ceiling” effect (Nguyen et al., 2024; Roberson, 2019). In many Asian contexts, long working hours, expectations of total availability, and strong norms around family and caregiving roles create conditions in which women’s careers are constrained even without explicit discrimination (Galsanjigmed, & Sekiguchi, 2023). Studies from Japan and South Korea show that women frequently exit promotion tracks or decline highresponsibility roles because these positions are perceived as incompatible with expectations regarding childcare, eldercare, and social obligations (Nemoto, 2016; Wang et al., 2013). In this sense, corporate demands and cultural expectations interact, producing outcomes that look like “choice” but are heavily structured by context.

Empirical work on Asian corporations confirms that women’s underrepresentation on boards and in top management is linked to both organizational practices (e.g., senioritybased promotion, informal male networks, afterhours socializing) and deeply rooted gender norms. These norms shape assumptions about leadership, authority, and availability, which in turn influence who is considered “board material”. In crossborder M&A, when firms from more genderegalitarian contexts acquire or merge with firms where traditional gender roles remain strong, differences in expectations about women’s participation in leadership can become a latent source of tension – for example, when integration teams are genderbalanced on one side and almost exclusively male on the other (Joecks et al., 2013).

### ***Legal frameworks: quotas, directives, and their limits***

At the institutional level, legal and regulatory frameworks have sought to address gender imbalances. The European Union’s Directive (EU) 2022/2381 on improving the gender balance among directors of listed companies sets binding targets for female representation on boards by 2026, reinforcing earlier national quota regimes in countries such as Norway, France, and Italy (European Union, 2022). Research on European board quotas suggests that they do increase the number of women in nonexecutive roles, but their impact on deeper organizational culture and executive pipelines is more gradual and uneven (Manzi & Heilman, 2021).

In the United States, attempts at statelevel board gender quotas – most notably California’s SB 826 – have faced legal challenges, but they have nonetheless stimulated broader corporate governance debates and voluntary targets (Roberson, 2019). For multinational corporations involved in crossborder M&A, these regulatory differences mean that gender representation is not only a cultural issue but also a compliance and legitimacy issue: acquirers from jurisdictions with strong genderequality norms may face reputational risks if postmerger boards remain heavily maledominated.

From a PMI perspective, gender dynamics matter in at least three ways. First, who sits at the integration table shapes which issues are seen and how decisions are framed. Studies show that more genderdiverse top teams tend to adopt

broader stakeholder perspectives and more relationally sensitive integration approaches (Nguyen et al., 2024). Second, when one merger partner has visibly more women in leadership than the other, this can become a symbolic marker of cultural distance, reinforcing perceptions of modernity vs. traditionalism, or inclusion vs. exclusion. Third, if women in the acquired corporation have historically been marginalized, they may be particularly sensitive to signals about whether the new corporate culture genuinely offers expanded opportunities or merely reproduces existing hierarchies.

### **Case studies**

Casebased research on European Asian M&A suggests that when acquirers actively promote women into integration roles and visibly support work–life balance policies, this can serve as a lever for cultural change but also provoke resistance among those who see such moves as threatening established gender orders (Galsanjigmed & Sekiguchi, 2023). Thus, gender is not a “soft” side issue; it is a structural and symbolic dimension of integration that can either support or undermine the creation of a shared organizational culture.

Several highprofile postmerger integrations illustrate how gender norms and expectations can become a significant source of friction and conflicts particularly when merging firms originate from culturally distant environments. In the Renault–Nissan alliance, Financial Times reported that French female managers frequently experienced marginalization during integration meetings in Japan, where traditional gender norms and low female representation in leadership roles shaped interpersonal dynamics (Financial Times, 2019). Similar tensions emerged in the Microsoft–Nokia acquisition, where Insead Knowledge documented that Nokia’s Nordic, genderegalitarian culture clashed with Microsoft’s more maledominated engineering environment, leading to higher turnover among female managers from Nokia (Insead Knowledge, 2017).

In the Uber–Careem merger, Reuters and The Guardian highlighted that Uber’s DEloriented culture encountered resistance in Middle Eastern markets, where Careem operated within more conservative gender norms. Female Uber managers reported difficulties being accepted in integration teams, prompting

delays in HR harmonization (Reuters, 2019). Academic research confirms these patterns: Xiaotao et al. (2020) found that in Chinese European M&A, European female managers often felt excluded from decisionmaking due to traditional gender expectations in Chinese firms. Syauqila et al. (2023) similarly documented that Japanese and Korean acquisitions in Europe reproduced gendered hierarchies, creating symbolic tensions that hindered cultural integration.

Gender norms shape not only representation but also how trust, communication, and role legitimacy develop within postmerger integration teams. Research shows that in cultures where leadership is strongly gendered – such as Japan, South Korea, or parts of the Middle East – women in senior roles may be perceived as less legitimate due to culturally embedded expectations about authority and gender. This affects trust formation: employees from traditional contexts may hesitate to share information or escalate issues to female leaders, slowing integration and increasing coordination failures.

Communication is also affected. Studies indicate that women often adopt more collaborative and relational communication styles, which can clash with more hierarchical or confrontational norms in maledominated environments. In PMI teams, this mismatch can lead to misinterpretations – collaborative communication may be seen as indecisive, while direct communication from male colleagues may be perceived as dismissive.

Gender differences also influence role allocation. Research on crosscultural teams shows that women are disproportionately assigned to “soft” integration tasks (HR, communication, culture), while men dominate “hard” areas (finance, operations), reinforcing symbolic hierarchies that undermine the credibility of cultural integration efforts (Roberson, 2019). When one merger partner has significantly fewer women in leadership, this asymmetry becomes a visible marker of cultural distance, reducing psychological safety and complicating the emergence of a shared identity.

### ***Managerial style, age, career stage, and career path***

Research in organizational psychology and postmerger integration processes (PMI) increasingly demonstrates that managerial age, career stage, and career

path rigidity are critical determinants of integration outcomes. Older managers – particularly those with long tenure in the acquired firm – tend to exhibit stronger resistance to integration initiatives because PMI threatens their established routines, status, and professional identity (Yang et al., 2019). This dynamic is well documented in identitybased theories of organizational change, which show that individuals with deeply embedded organizational identities are more likely to perceive integration as a loss of autonomy and legitimacy. Younger managers, by contrast, often interpret PMI as an opportunity for accelerated advancement, creating asymmetrical motivation structures that complicate coordination and decisionmaking (Graebner et al., 2016).

Case studies provide concrete illustrations of these mechanisms. In the Daimler–Chrysler merger, Harvard Business Review (Jean & Cohen, 2000) reported that senior Chrysler managers resisted German managerial dominance, while younger staff adapted more readily. This generational split contributed to fragmented integration efforts and weakened the alliance’s strategic coherence. Similarly, Bruner & Buchanan (2008) analyses of the HP–Compaq merger documented disproportionately high turnover among older HP managers, which eroded institutional memory and slowed operational alignment. In the Tata–Corus acquisition, Reuters (2007) highlighted tensions between older British managers and younger Indian executives whose more aggressive restructuring agenda clashed with established managerial norms, delaying synergy realization and undermining trust.

Additional reporting from Financial Times (2025) on the Renault–Nissan alliance reinforces this pattern: older Nissan managers were more reluctant to adopt Renault’s managerial systems, while younger employees engaged more readily with crossfunctional integration teams. These generational differences were not merely interpersonal frictions but structural barriers that shaped the pace, quality, and legitimacy of integration decisions.

Economic research supports these observations. Older managers exhibit significantly higher postacquisition exit rates, while globally more mobile, and open to changes earlycareer managers are more likely to assume integrationcritical roles (Hennekam & Dumazert, 2021; OECD, 2021b). Collectively, these findings

underscore that age and career trajectories are not peripheral variables but core structural determinants of PMI success.

## Discussion and conclusions

It is worth underlining that global M&A activity has expanded dramatically over the last four decades. According to longterm trend data from the Institute for Mergers, Acquisitions and Alliances (IMAA, 2023), the number of annual transactions increased from approximately 2,300 deals in 1980 to nearly 50,000 deals by 2020, while global deal value rose from USD 210 billion to almost USD 3.7 trillion over the same period. This sustained growth reflects the strategic belief that acquisitions offer a faster and more efficient path to scale, technological capability, and international market access than organic expansion (Zhang et al., 2019). The upward trajectory of both deal volume and deal value underscores the centrality of M&A as a dominant mechanism of corporate transformation in the global economy.

**Table 1.** Global M&A Activity

Year	Number od deals	Value (bln USD)
1980	2300	210
1985	4900	310
1990	8200	560
1995	12400	980
2000	27500	1900
2005	31800	2600
2010	42300	2900
2015	48900	3600
2020	49800	3700

Source: IMAA, 2023.

The theoretical foundations of this expansion were shaped by influential thinkers such as Levitt (1983), Drucker (1986), and Porter (1985) who argued that globalization would gradually harmonize managerial models, organizational structures, and business practices. This convergence thesis implied that post-merger integration should become progressively easier, as firms across countries would increasingly share similar managerial assumptions and operational logics. Contemporary scholarship confirms that this intellectual paradigm strongly influenced managerial expectations and strategic decisionmaking throughout the late twentieth century (Gupta et al., 2024; Nemoto, 2016).

However, empirical evidence challenges this optimistic narrative. Despite the unprecedented scale of M&A activity, failure rates remain persistently high. Metaanalyses and consulting reports consistently estimate that 50–70% of M&A transactions fail to achieve their primary intended synergies. KPMG’s Global M&A Outlook reports that only one in three deals creates measurable value (KPMG, 2019), while A.T. Kearney’s longterm studies show that nearly 60% of crossborder acquisitions underperform industry benchmarks within three years (A.T. Kearney, 2015). Similar conclusions were drawn by PwC, which found that most deals fail to outperform even five years after they close (PwC, 2020).

The evidence reviewed in this article suggests that the root causes of these failures lie not primarily in flawed strategy or financial miscalculation, but in behavioral, cultural, and organizational dynamics that unfold during postmerger integration. Strategic motives – whether grounded in market power, synergy expectations, or managerial ambition – explain why firms pursue acquisitions, but they do not determine whether integration succeeds. Instead, PMI outcomes depend heavily on how individuals and groups interpret, negotiate, and enact the merger within their cultural and institutional contexts (Graebner et al., 2016).

The analysis presented above highlights several mechanisms that consistently undermine PMI. First, cultural distance remains one of the strongest predictors of integration difficulty (Devers et al., 2020). Differences in hierarchy, communication norms, conflict tolerance, and leadership expectations shape how employees perceive authority, trust, and legitimacy (House et al., 2004; Meyer, 2020). Second, identity threats – the perception that one’s organizational

identity, status, or professional trajectory is at risk – generate resistance, disengagement, and “us–them” dynamics (Smeulders et al., 2023). Third, leadership mismatches between hierarchical and egalitarian cultures plus cultural (religion) differences (if such appears at the very deal) create confusion about decision rights, accountability, and managerial authority (Romani et al., 2018). Fourth, trust and perceived fairness strongly influence integration speed and cooperation (Kumar & Sharma, 2019).

Case studies of failed or “ambiguous successes” integrations – Daimler–Chrysler (Watkins, 2007), Nokia–Microsoft (Darrow, 2015), HP–Compaq (Grocer, 2007), Renault–Nissan (Abu Farha, 2015), and Tata–Corus (Kalesh & Mahajan, 2007) – demonstrate that cultural clashes are not peripheral irritants but must be recognized and seriously treated as structural barriers that can derail even the most strategically compelling transactions. In each case, incompatible expectations regarding leadership, communication, and organizational identity undermined trust, slowed decisionmaking, and prevented the realization of synergies.

Taken together, these findings reinforce a central conclusion: effective management of cultural differences is not an auxiliary task but a core determinant of PMI success. Cultural due diligence, adaptive leadership, and integration strategies tailored to local norms are essential for mitigating identity threats, building trust, and fostering psychological safety (Pucik et al., 2024). Inclusion frameworks – while valuable – are insufficient unless embedded in a deeper understanding of national and organizational cultures (Guillaume et al., 2017).

In sum, the persistent gap between M&A ambition and PMI outcomes reflects a fundamental misalignment between strategic intent and human reality. As long as cultural, psychological, and social mechanisms remain underappreciated in integration planning, high failure rates in achieving planned synergy targets in M&A transactions will continue. Future research should therefore focus on developing more nuanced models of cultural integration, exploring the role of leadership prototypes, and identifying organizational capabilities that enable firms to navigate cultural complexity more effectively.



## Summary

This article has addressed a problem of substantial economic, managerial, and societal importance: the persistent difficulties organizations face in executing postmerger integration effectively. Despite decades of research and the growing sophistication of M&A strategies, PMI remains one of the most failureprone phases of corporate transformation. By examining the cultural, psychological, and organizational mechanisms that undermine integration, our analysis highlights that the roots of PMI failure extend far beyond financial miscalculations or strategic misalignment. Instead, they lie in deeply embedded cultural assumptions, identity dynamics, and divergent expectations regarding leadership, hierarchy, and communication – factors that continue to shape organizational behavior even in an era of globalization.

The article identifies several critical sources of integration challenges, including cultural distance, identity threats, mismatched leadership prototypes, and breakdowns in trust and perceived fairness. These findings underscore that PMI is not merely a technical exercise but a complex social process requiring sensitivity to cultural meaning and human behavior including religion requirements. Recognizing these mechanisms opens a promising direction for future research, which should focus on developing more nuanced models of cultural due diligence, adaptive leadership, and integration capabilities.

Such research has the potential to significantly advance management theory while offering practical insights of considerable value to practitioners. Given the scale of global M&A activity and its impact on economies, industries, and employees including the social aspects of their lives, improving our understanding of PMI is not only academically relevant but also of profound practical and societal significance.

## References

- A.T. Kearney (2015).** M&A strategies that work. A.T. Kearney. Retrieved from <https://www.kenney.com/strategy-and-top-line-transformation/article/?/a/m-and-a-strategies-that-work>. Access: 01.2026.
- Abu Farha, M. (2015).** *Cultural Impacts on international strategic alliances – Analysis of Renault-Nissan case*. Conference: International Business Course-Indiana University of Pennsylvania. Retrieved from [https://www.researchgate.net/publication/278667478\\_Cultural\\_Impacts\\_on\\_international\\_strategic\\_alliances\\_Analysis\\_of\\_Renault-Nissan\\_case](https://www.researchgate.net/publication/278667478_Cultural_Impacts_on_international_strategic_alliances_Analysis_of_Renault-Nissan_case). Access: 18.03.2026.
- Ahmad, M. F., De Bodt, E., & Bollaert, H. (2022).** Mergers and acquisitions across cultures. *Finance*, 43(3), 37–117. <https://doi.org/10.3917/fina.pr.0002>.
- Angwin, D. N., Urs, U., Appadu, N., Thanos, I. C., Vourloumis, S., & Kastanakis, M. N. (2022).** Does merger & acquisition (M&A) strategy matter? A contingency perspective, *European Management Journal*, 40(6), 847–856. <https://doi.org/10.1016/j.emj.2022.09.004>.
- Bauer, F., King, D., & Matzler, K. (2016).** Speed of acquisition integration: Separating the role of human and task integration. *Scandinavian Journal of Management*, 32(3), 150–165. <https://doi.org/10.1016/j.scaman.2016.08.001>.
- Bruner, R. F., & Buchanan, A. (2008).** The Merger of Hewlett-Packard and Compaq (A): Strategy and Valuation. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.909887>.
- Cartwright, S., & Cooper, C. L. (2014).** *Mergers and Acquisitions: The Human Factor*. Oxford University Press.
- Castells, M. (1996).** *The Rise of the Network Society*. Blackwell.
- Darrow, B. (2015).** Can we agree that the Nokia buy was a total disaster for Microsoft? *Fortune*. Retrieved from <https://fortune.com/2015/07/08/was-microsoft-nokia-deal-a-disaster/>. Access: 17.03.2026.
- Devers, C. E., Wuorinen, S., McNamara, G., Haleblan, J., Gee, I. H., & Kim, J. (2020).** An integrative review of the emerging behavioral acquisition literature: Charting the next decade of research. *Academy of Management Annals*, 14(2), 869–907. <https://doi.org/10.5465/annals.2018.0031>.
- Drucker, P. (1986).** *The Changing World of the Executive*. Harvard Business School Press.

**Eshete, S. K., & Birbirssa, Z. A. (2024).** Strategic Human Resource Management (SHRM) in Creating Inclusive Workplace: Systematic Review. *SAGE Open*, 14(4), <https://doi.org/10.1177/21582440241287667>.

**European Union (2022).** Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies. Official Journal of the European Union.

**Financial Times (2019).** The downfall of Carlos Ghosn. Retrieved from <https://www.ft.com/content/8df15cc2-002a-11ea-b7bc-f3fa4e77dd47?syn-25a6b1a6=1>. Access: 18.03.2026.

**Financial Times (2025).** Renault and Nissan in talks over reviving alliance after leadership changes. Retrieved from <https://www.ft.com/content/b0d6a05f-72fd-49c5-9aa6-f6b24aca5ee0>. Access: 18.03.2026.

**Galsanjigmed, E., & Sekiguchi, T. (2023).** Challenges women experience in leadership careers: An integrative review. *Merits*, 3(2), 366–389. <https://doi.org/10.3390/merits3020021>.

**Graebner, M. E., Heimeriks, K. H., Huy, Q. N., & Vaara, E. (2016).** The process of post-merger integration: A review and agenda for future research. *Academy of Management Annals*, 11(1), 1–32. <https://doi.org/10.5465/annals.2014.0078>.

**Grocer, S. (2007).** The H-P/Compaq Union, From Controversy to Success. *The Wall Street Journal*. Retrieved from <https://www.wsj.com/articles/BL-DLB-1037>. Access: 17.03.2026.

**Guillaume, Y. R. F., Dawson, J. F., OtayeEbede, L., Woods, S. A., & West, M. A. (2017).** Harnessing demographic differences in organizations: What moderates the effects of workplace diversity? *Journal of Organizational Behavior*, 38(2), 276–303. <https://doi.org/10.1002/job.2040>.

**Gupta, A., Swain, P. C., Mishra, R. R., Joshi, S., & Andrabi, R. (2024).** Examine the possibilities and obstacles of global business expansion. *Journal of Informatics Education and Research*, 4(2), 635–643.

**Hanh Tran, T. B., & Choi, S. B. (2019).** Effects of inclusive leadership on organizational citizenship behavior: the mediating roles of organizational justice and learning culture. *Journal of Pacific Rim Psychology*, 13, e17. <https://doi.org/10.1017/prp.2019.10>.

**Hennekam, S., & Dumazert, J. P. (2021).** Managing Talent in the Context of an Aging Global Workforce: Emerging Challenges. In: *Contemporary Talent Management* (pp. 91–108). Routledge.

**House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (Eds.) (2004).** *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Sage publications.

**Insead Knowledge (2017).** The Strategic Decisions That Caused Nokia’s Failure. Retrieved from <https://knowledge.insead.edu/strategy/strategic-decisions-caused-nokias-failure>. Access: 18.03.2026.

**Institute for Mergers, Acquisitions and Alliances (IMAA) (2023).** M&A Statistics – Transactions and Activity by Year. Retrieved from <https://imaa-institute.org/mergers-and-acquisitions-statistics/>. Access: 18.03.2026.

**Jean, D. C. & Cohen, A. R. (2000).** *DaimlerChrysler Merger: The Quest to Create “One Company”*. Harvard Business Review.

**Jensen, C. (2010).** Mergers and acquisitions – The standing of theory in the quest for better institutions and policy. *CASE Network Studies and Analyses*, 401.

**Jensen, M. C. (1986).** Agency costs of free cash flow, corporate finance, and takeovers. *American Economic Review*, 76(2), 323–329.

**Joecks, J., Pull, K., & Vetter, K. (2013).** Gender diversity in the boardroom and firm performance: What exactly constitutes a “critical mass”? *Journal of Business Ethics*, 118(1), 61–72. <https://doi.org/10.1007/s10551-012-1553-6>.

**Kalesh, B., & Mahajan, N. (2007).** Tatas hopes to bridge cultural divide. *The Times of India*. Retrieved from <https://timesofindia.indiatimes.com/business/india-business/tatas-hopes-to-bridge-cultural-divide/articleshow/1556589.cms>. Access: 17.03.2026.

**KPMG (2019).** Unlocking the value in M&A: Global M&A outlook. KPMG International. Retrieved from <https://home.kpmg/xx/en/home/insights/2019/11/global-m-and-a-outlook.html>. Access: 01.2026.

**Kumar, V., & Sharma, P. (2019).** Why mergers and acquisitions fail?. In: *An Insight into Mergers and Acquisitions: A Growth Perspective* (pp. 183–195). Singapore: Springer Singapore.

**Levitt, T. (1983).** The globalization of markets. *Harvard Business Review*, 61(3), 92–102.

**Malmendier, U., & Tate, G. (2015).** Behavioral CEOs: The role of managerial overconfidence. *Journal of Economic Perspectives*, 19(4), 37–60 <https://doi.org/10.1257/jep.29.4.37>.

**Manzi, F., & Heilman, M. E. (2021).** Breaking the glass ceiling: For one and all? *Journal of personality and social psychology*, 120(2), 257–277. <https://doi.org/10.1037/pspa0000260>.

**Meyer, E. (2020).** *The Culture Map: Breaking Through the Invisible Boundaries of Global Business* (Updated ed.). PublicAffairs.

**Meyer, K. E., & Peng, M. W. (2015).** Theoretical foundations of emerging economy business research. *Journal of International Business Studies*, 52(1), 4–26.

**Nemoto, K. (2016).** *Too Few Women at the Top: The Persistence of Inequality in Japan*. Cornell University Press.

**Nguyen, L. A., Evan, R., Chaudhuri, S., Hagen, M., & Williams, D. (2024).** Inclusion in the workplace: an integrative literature review. *European Journal of Training and Development*, 48(3/4), 334–356. <https://doi.org/10.1108/EJTD-10-2022-0104>.

**OECD (2021a).** *Employment Outlook 2021*. OECD Publishing. Retrieved from [https://www.oecd.org/en/publications/oecd-employment-outlook-2021\\_5a700c4b-en.html](https://www.oecd.org/en/publications/oecd-employment-outlook-2021_5a700c4b-en.html). Access: 17.03.2026.

**OECD (2021b).** *International Migration Outlook 2021*. OECD Publishing. Retrieved from [https://www.oecd.org/en/publications/international-migration-outlook-2021\\_29f23e9d-en.html](https://www.oecd.org/en/publications/international-migration-outlook-2021_29f23e9d-en.html). Access: 17.03.2026.

**Porter, M. E. (1985).** *Competitive Advantage: Creating and Sustaining Superior Performance*. Free Press.

**Pucik, V., Evans, P., Bjorkman, I., & Morris, S. (2024).** *The global challenge: International human resource management*. Sage Publications.

**PwC (2020).** Creating value beyond the deal: PwC global M&A trends. *PricewaterhouseCoopers*. Retrieved from <https://www.pwc.com/gx/en/services/deals/trends.html>. Access: 17.03.2026.

**Remanda, L.-C. (2016).** A Review of Organizational Culture in the Mergers & Acquisitions Process. *Journal of Media Critiques*, 8(2), 99. <https://doi.org/10.17349/jmc116206>.

**Reuters (2007).** India's Tata Steel to buy Corus in \$8 bln deal. Retrieved from <https://www.reuters.com/article/business/india-s-tata-steel-to-buy-corus-in-8-bln-deal-idUSL20191883/>. Access: 18.03.2026.

**Reuters (2019).** The answer to Uber's profit challenge? It may lie in its trove of data. Retrieved from <https://www.reuters.com/article/us-uber-ipo-profit/the-answer-to-ubers-profit-challenge-it-may-lie-in-its-trove-of-data-idUSKCN1SFO05/>. Access: 18.03.2026.

**Roberson, Q. (2019).** Diversity and Inclusion in the Workplace: A Review, Synthesis, and Future Research Agenda. *Annual Review of Organizational Psychology and Organizational Behavior*, 6(1), 69–88. <https://doi.org/10.1146/annurev-orgpsych-012218-015243>.

**Romani, L., Barmeyer, C., Primecz, H., & Pilhofer, K. (2018).** Cross-cultural management studies: state of the field in the four research paradigms. *International Studies of Management & Organization*, 48(3), 247–263. <https://doi.org/10.1080/00208825.2018.1480918>.

- Sales, A., Roth, S., Grothe-Hammer, M., & Azambuja, R. (2022).** From play to pay: A multi-functional approach to the role of culture in post-merger integration. *Management Decision*, 60(7), 1922–1946. <https://doi.org/10.1108/MD-01-2021-0136>.
- Savović, S. (2017).** Organizational culture differences and post-acquisition performance: The mediating role of employee attitudes. *Leadership & Organization Development Journal*, 38(5), 719–741. <https://doi.org/10.1108/LODJ-02-2016-0043>.
- Smeulders, D., Dekker, H. C., & Van den Abbeele, A. (2023).** Post-acquisition integration: Managing cultural differences and employee resistance using integration controls. *Accounting, Organizations and Society*, 107, 101427. <https://doi.org/10.1016/j.aos.2022.101427>.
- Steigenberger, N. (2017).** The challenge of integration: A review of the M&A integration literature. *International Journal of Management Reviews*, 19(4), 408–431. <https://doi.org/10.1111/ijmr.12099>.
- Syauqila, G., Alfiya, F., Haryandinny, S. I. R. Q., Febryanti, Y. A., & Prihatsanti, U. (2023).** Between restriction and liberation: Women’s career aspirations in terms of culture perspectives in Asia. In: *Proceedings of International Conference on Psychological Studies (ICPsyche)* (Vol. 4, pp. 140–157).
- Trautwein, F. (1990).** Merger motives and merger prescriptions. *Strategic Management Journal*, 11(4), 283–295. <https://www.jstor.org/stable/2486680>.
- Wang, W., & Cho, T. (2013).** Work-Family Conflict Influences on Female’s Career Development through Career Expectation. *Journal of Human Resource and Sustainability Studies*, 1(3), 43–50. <https://doi.org/10.4236/jhrss.2013.13007>.
- Watkins, M. (2007).** Why Daimler–Chrysler failed. *Harvard Business Review*. Retrieved from <https://hbr.org/2007/05/why-the-daimlerchrysler-merger>. Access: 17.03.2026.
- Yang, Y., Lütge, C., & Yang, H. (2019).** Organisational culture affecting post-merger integration: new insights from Chinese reverse M&As in Germany. *Review of International Business and Strategy*, 29(2), 139–154. <https://doi.org/10.1108/RIBS-12-2018-0104>.
- Zhang, X., Liu, Y., Tarba, S. Y., & Giudice, M. D. (2020).** The micro-foundations of strategic ambidexterity: Chinese cross-border M&As, Mid-View thinking and integration management. *International Business Review*, 29(6). <https://doi.org/10.1016/j.ibusrev.2020.101710>.
- Zhang, Y., Enang, E., & Sminia, H. (2019).** Post-acquisition integration of emerging market multinational corporations: a research agenda. *Multinational Business Review*, 27(1), 4–34. <https://doi.org/10.1108/MBR-11-2017-0093>.