Strategic Human Resource Management in Multinational Enterprises

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ABSTRACT
Companies must navigate the choppy waters of a complex global economy, and position themselves to attract and retain the workers they will need on this journey. Companies have sought to respond to millennials’ needs according to their size. International companies, in particular, have cottoned on to the idea that modern-day workers are more likely to crave freedom from micro-management. Parallel to the development of research on strategic HRM issues, international HRM researchers and practitioners have paid increasing attention to more macro-level issues, such as the strategic nature of international HRM and implications for organizational performance. Attitudes and behaviours resulting from cultural orientation differ from those resulting from pre-integration mind-sets in that they are deeply rooted in the complex identity of the firms and people involved, and not in the uncertainty or arrogance induced by the M&A transaction. Organizational cultures seem to be less important than the complementarily of organizational cultures. Each firm needs to be valued for its unique contribution to the new organization, and this requires the acquirer to understand and deal effectively with complex human resource issues during integration. Several theoretical perspectives have been applied to SHRM in MNEs, including institutional, economic and behavioural theories. From a strategic choice perspective, it is argued that managers create and select environments by choice of domain, representing a view of managers as more proactive than the contingency view. Scholars recognize constraints on managers, but argue that they still have significant latitude for decision making. The influence of environmental factors is recognized, but is viewed as mediated by managerial choice.

Keywords: Human Resource, Strategic HRM Issues, Organizational Cultures And Human Resource.

INTRODUCTION
The field of international human resource management has been characterized by three broad approaches (Dowling, 1999). Early work in this field (for example, Laurent, 1986) emphasized cross-cultural management issues.

Second area of research has been developed in comparative HRM research (for example, Hendry, 2003; Rowley, Benson & Warner, 2004). Third, much of the research in international HRM has focused on aspects of HRM in MNEs. This latter area is most widely recognized as international HRM, involving the same elements as HRM within a single country, yet with added complexity due to diversity of national contexts and inclusion of different national categories of workers (Dowling & Welch, 2004). A major aspect of international HRM research has developed understanding of micro-level variables related to the cross-national transfer of employees and management practices (for example, Caligiuri, 2000; Engle, Mendenhall, Powers & Stedham, 2001; Zhang, 2003).

Parallel to the development of research on strategic HRM issues, international HRM researchers and practitioners have paid increasing attention to more macro-level issues, such as the strategic nature of international HRM and implications for organizational performance (McWilliams, Van Fleet & Wright,
This work raised awareness of the emergence of SIHRM, which has been defined as: human resource management issues, functions, and policies and practices that result from the strategic activities of multinational enterprises and that impact the international concerns and goals of those enterprises. (Schuler et al., 1993.)

This definition is consistent with, yet expands upon, the definition of strategic HRM offered by Wright and McMahan (1992). Schuler et al. (1993) sought to build upon the work of Wright and McMahan (1992) and to build connection, rather than separation, between strategic and international HRM. This definition has been adopted by other writers in the field (for example, Taylor, Beechler & Napier, 1996).

The identification of SIHRM as a distinct area of research has been a useful step in differentiating the emergent ‘strategic’ and ‘international’ issues, but we argue that this has been an interim step which may be of greater benefit if we balance our search for distinctiveness from ‘domestic’ HRM with recognition of the similarities. We suggest that it is more appropriate to speak of ‘strategic HRM in MNEs’ when describing this area. Schuler et al. (1993) presented an integrative framework of SIHRM, in which they concluded that a fundamental issue is the tension between the needs for global coordination (integration) and local responsiveness (differentiation) (Doz & Prahalad, 1991; Quintanilla & Ferner, 2003; Rosenzweig & Nohria, 1994). The framework showed factors exogenous and endogenous to an MNE that influence SIHRM issues, functions, policies and practices, thereby influencing the realization of MNE concerns and goals. Schuler et al. (1993) presented their framework as a conceptual model for exploratory analysis, and the framework has been noted as a useful tool that brings together the strategic and international dimensions of HRM (Kamoche, 1996; Taylor et al., 1996).

In an important development in this field, Taylor et al. (1996) developed a theoretical model of the determinants of SIHRM systems in MNEs. These authors acknowledged the importance of the endogenous factors identified by Schuler et al. (1993), namely strategy, international experience of the firm, organizational structure and headquarters’ international orientation, and suggested the importance of additional endogenous factors, such as organizational life cycle. Taylor et al. (1996) also recognized the influence of external factors on an MNE, and particularly on SHRM.

They identified reciprocal influences between organizational factors, such as MNE strategy or life cycle stage, and SIHRM. Further they present a simplified version of SIHRM constituents, reducing Schuler et al.’s (1993) ‘SIHRM issues, functions, policies and practices’ to ‘SIHRM orientation’ (analogous to HR function strategy) and ‘SIHRM functional focus’ (comprising All HR practices). Similarly, De Cieri and Dowling (1999) presented a revised framework, highlighting the theoretical bases informing the framework and reviewing empirical research that reflected the substantive developments in this field throughout the 1990s.

While previous frameworks have provided useful and informative steps in the development of SHRM in MNEs, recent global events, represented by tumultuous events such as corporate scandals, terrorism and the 2004 tsunami disaster in Asia, suggest the need for a paradigmatic shift in our research approaches and practical applications, in order to build a contemporary vision of SHRM in MNEs. For example, Czinkota, Knight & Liesch (2004) make the point that the impact of terrorism is geopolitical and pervasive and has influenced risk management in MNEs in a fundamental way. In this context, it is pertinent to note that risk management has received scant attention in the extant literature related to SHRM in MNEs. Czinkota et al. (2004) discuss the increase in the level of uncertainty in the following areas: Consumer demand for the firm’s goods and services; Supply of needed inputs, resources and services; Government policies and laws enacted to deal with terrorism, thereby altering the business environment and the ease with which business is conducted; Macroeconomic phenomena; and the nature of relations among countries.

SHRM in MNEs is involved closely with the first three of these five areas. The HR function in MNEs has been particularly affected by changes in the economic, geopolitical, social and biospheric environment. A comprehensive understanding of SHRM in MNEs in the new global context requires much more than a traditional focus on micro-level IHMR issues. Macro level factors, particularly those external to the MNE, demand attention and investigation to reveal their implications for SHRM policies and practices in
MNEs, and inevitably for MNE concerns and goals. We suggest that developments in these areas bring the need for a revised framework for SHRM in MNEs.

The complexity of globalization and global events invites Multi-theoretical, multi-level analysis. Following Guillén’s (2001) sociological analysis of the debate surrounding globalization, we suggest that we need a framework to encourage the integration of theoretical perspectives and research methodologies that bridge the micro–macro gap, ‘i.e., that move across levels of analysis from the world-system to the nation state, the industry, sector, community, organization, and group’. Before presenting our framework, in the following sections we acknowledge the theoretical and empirical bases for this framework.

Literature Review

Theoretical perspectives of SHRM in MNEs

Several theoretical perspectives have been applied to SHRM in MNEs, including institutional, economic and behavioural theories. The theoretical perspectives vary in their philosophical assumptions and their emphases from exogenous (market-based) to endogenous (intra-organizational); from macro-level to micro-level; from strategic to non-strategic (De Cieri & Dowling, 1999). Although few of the theories were developed with human resources in mind, their application to SHRM in MNEs is worthwhile. Our framework, and those upon which it is built, draws from various theoretical perspectives, including institutional theory, resource dependence theory, transaction cost theory, strategic choice theory and resource based theory.

The Institutionalism Perspective

The institutionalism perspective (DiMaggio & Powell, 1983; Scott, 1987) encompasses a broad range of perspectives. A common assumption is that ‘the structural forms (as well as the identities and values sustaining these) of relevant external institutions map themselves on to organizations which depend on them for legitimacy, resourcing or staffing’ (Child, 1997).

Institutional analysis focuses on the manner in which societal bodies accord social legitimacy to organizations and thereby contributes to achievement of organizational success and survival (Meyer & Rowan, 1977; Powell & DiMaggio, 1991).

When applied to HRM, an institutional perspective may help to explain the institutional pressures that may be powerful influences on HR strategy, programmes and practices. For example, it has been suggested that ‘larger organizations should adopt more sophisticated and socially responsive HRM activities because these more visible organizations are under more pressure to gain legitimacy’ (Jackson & Schuler, 1995).

An institutional (or neo-institutional) perspective highlights the importance of external stakeholders such as regulatory bodies or communities of practice (Tregaskis, 2003). Overall a wide range of external factors, across the contexts of industry, nation and region, may influence organizational factors, SHRM in MNEs and the achievement of MNE concerns and goals.

The Resource Dependence Perspective

In common with institutional theory, resource dependence theory (Pfeffer & Cohen, 1984; Pfeffer & Salancik, 1978) is focused upon relationships between an organization and its constituencies. A resource dependence perspective, however, considers that central to these relationships are exchanges of resources, in contrast to institutional theory’s emphasis on concerns about social acceptability and legitimacy (Pfeffer & Cohen, 1984). A resource dependence perspective views the environment as the source of scarce and valued resources, which are essential for organizational survival. This perspective is focused on power relationships, identifying the ability of external parties to have command of resources that are vital for the operations of an organization as the basis for power over that organization (Child, 1997).

An organization will be vulnerable if external parties control vital resources, such as knowledge, and the organization will strive to acquire control over those resources that minimize their dependence. Tregaskis (2003) suggests that combining ideas from neo-institutional and resource dependency theory is ‘particularly powerful given the conflict between the need both for conformity (in response to isomorphic pressures) and for differentiation (in terms of having critical and valued resources), and given the
diversity of institutional contexts influencing multinationals’ operations’. As one example of application in research, these theories could help to explain the acquisition and transfer of knowledge through inter-organizational and intra-organizational networks.

According to Taylor et al. (1996) has viewed the resource dependence perspective as useful in the identification of ‘situations in which MNCs will exercise control over the SIHRM system of their affiliates’. These authors combined resource dependence with a resource-based perspective and applied these to develop their theoretical model of the determinants of SIHRM systems in MNEs. The resource dependence perspective supplements our knowledge of the influence of both external and organizational factors and their reciprocal relationships with SHRM policies and practices in MNEs.

This perspective, which informs much of international business theory (Buckley, 1996), has been noted as a potentially useful perspective for strategic HRM (Wright & McMahan, 1992). Transaction cost economics focus on the ‘adaptive adjustments which organizations need to make in the face of pressures for maximizing efficiency in their internal and external transactions’ (Reed, 1996). From the transaction cost perspective, it is assumed that firms choose governance structures which economize transaction costs associated with establishing, monitoring, evaluating and enforcing agreed upon exchanges (Williamson, 1975, 1981).

Several environmental factors and human factors will influence organizational efforts to minimize the costs associated with these exchanges. This perspective has direct implications for SHRM in MNEs, and the manner in which SHRM practices may be utilized to achieve a governance structure which enables the management of multiple implicit and explicit contracts between employers and employees (Wright & McMahan, 1992). Transaction cost economics may have particular applicability in the case of multinational joint ventures or strategic alliances. For example, Kabst (2004) has used this perspective to argue that selective control via functional gatekeepers, such as expatriate managers assigned to key joint venture positions, will provide an efficient mechanism to reduce opportunistic behaviour in joint venture relationships.

The transaction cost perspective has not received a great deal of attention in the SHRM literature, with some notable exceptions (Festing, 1997; Kabst, 2004). While recognizing that transaction cost economics provides additional support for the idea that there are reciprocal relationships between endogenous factors, SHRM and MNE concerns or goals, we note that a criticism of this perspective is that it fails to provide ‘any sustained interest or concern with social power and human agency’ (Reed, 1996).

The Strategic Choice Perspective

A strategic choice perspective focuses on the interaction of people and environment (Child, 1997). For example, organizational members belong to external bodies, and can influence them, through actions such as lobbying, or through social networks. Strategic choice is defined as ‘the process whereby power-holders within organizations decide upon courses of strategic action . . . Strategic choices are seen to be made through initiatives within the network of internal and external organizational relationships through pro-action as well as re-action’ (Child, 1997). Strategic choice is essentially a political phenomenon, and the term ‘strategic’ is used to identify matters of importance to the organization as a whole, particularly issues with impact on performance.

From a strategic choice perspective, it is argued that managers create and select environments by choice of domain, representing a view of managers as more proactive than the contingency view. Child (1997) recognizes constraints on managers, but argues that they still have significant latitude for decision making. The influence of environmental factors is recognized, but is viewed as mediated by managerial choice.

The process of strategic choice may be viewed as a dynamic social process. Actors, both individuals and firms, are capable of learning, and organizational structures and routines are both affected and modified by the learning process (Child, 1997). HR managers’ values influence strategies and practices, and determine decisions made across a range of areas. Hence the HR manager in an MNE has the opportunity to play a strategic role in the adoption of strategies that deal with a variety of demands and have potential for significant positive outcomes for the organization.
We suggest that a strategic choice perspective contributes to our understanding of SHRM in MNEs by emphasizing the influence of organizational factors, such as managers’ international orientation and experience, on SHRM and MNE concerns and goals. The work by Brewster, Tregaskis, Hegewisch and Mayne (1996) highlights the reciprocity between HR function strategy and the organizational factors of corporate-level and business-level strategy.

Resource Based Perspective
The resource-based view of the firm has been applied in research related to SHRM in MNEs; for example, relationships between strategic issues and SHRM in MNEs have been highlighted by research applying a resource-based perspective (Kamoche, 1997; Li, 2003; Park, Mitsuhashi, Fey & Björkman, 2003). However, several scholars have identified challenges encountered by resource-based approaches to HRM (for example, Coff, 1997; Lei, Hitt & Bettis, 1996). As Delery (1998) has noted, ‘while the resource-based view provides a nice backdrop, explaining the importance of human resources to firm competitiveness, it does not deal with how an organization can develop and support the human resources it needs for competitive advantage’. Recognizing such limitations, several researchers have advocated an integrative approach, recognizing the explanatory power of other theoretical perspectives, which complement or build upon the resource-based view (Colbert, 2004).

The theoretical perspectives discussed above, we note the emergent application of other perspectives. For example, political influence theory (Judge & Ferris, 1991, cited in Novice Vic & Harvey, 2001) has been applied to explicate the increasing influence of the corporate HR function in MNEs. This perspective appears to have potential to provide useful new insights, and to raise new areas for research in SHRM in MNEs, to complement the understanding gained via strategic and rational perspectives. We note some emerging interest in critical and post-modern perspectives of international management (Welge & Holtbrügge, 1999) and SHRM in MNEs (De Cieri, Wolfram Cox & Fenwick, 2001).

Each of the perspectives discussed above, and others, holds potential for useful contributions to understanding of SHRM in MNEs. However, we acknowledge that, overwhelmingly, the SHRM field has been influenced in the past decade or so by the resource-based view of the firm (Penrose, 1959; Boxall & Purcell, 2003; Wright, Dunford & Snell, 2001). Overall SHRM in MNEs may be best understood via integration of multiple disciplinary bases and theoretical perspectives, to explain the complex phenomena under investigation. Indeed, there are ‘signs that a more integrated, eclectic approach is emerging as researchers strive to weave together elements taken from a variety of theoretical perspectives’ (Quintanilla & Ferner, 2003).

CULTURE IN INTERNATIONAL HUMAN RESOURCES MANAGEMENT
Culturally a distinction has been made between emic and etic approaches as provide for by Ronen, 1986; Thomas, 1993; Holzmüller, 1995). ‘Whereas emics apply in only a particular culture, etics represent universality they apply to all cultures in the world’ (Ronen, 1987). At the most general level, while the empirical data on national cultural differences are limited (Hofstede, 1980, 1991, 2001; House et al., 2004; Schwartz, 1992, 1994), they do demonstrate considerable diversity. Cultural differences have a direct impact on HRM. It does not require much experience of international travel and particularly international work to understand that the way people respond to authority, the way they relate to their peers, the impact of gender and the importance of face-to-face contact, to mention just a few items, vary considerably from country to country.

Critiques of this literature would point to the limited databases used, the static nature of the evidence and in particular to the confusion of culture and country. There are countries in the Arab world, and in Africa, for example, where the boundaries have been drawn only recently and cut across traditional boundaries. There are countries as different as Switzerland and India, which include several different linguistic, religious and national groupings. A fascinating recent study of the bicultural state of Belgium (Buyens et al., 2004) concluded that, in some of the HR practices, the two communities (French Catholics and Flemish-speaking Protestants) are very close together, whilst in others the French-speaking region is closer to France and the Flemish-speaking region to the Netherlands.
Cultural orientation

Attitudes and behaviours resulting from cultural orientation differ from those resulting from pre-integration mindsets in that they are deeply rooted in the complex identity of the firms and people involved, and not in the uncertainty or arrogance induced by the M&A transaction. Culture has been generally described as the norms, values, beliefs and attitudes of a group of people. These characteristics of culture are broadly based in societies (national culture) (Hofstede, 1980) and in organizations (organizational culture) (Schein, 1985). Acquirer target differences in cultural orientation have been associated with human resource issues during integration. Understanding and managing these differences is critical to achieving favourable integration outcomes.

National culture has long been accepted as a key variable affecting integration efforts in cross-border M&As. Indeed, Norburn and Schoenberg (1994) found that 65 per cent of European cross-border acquirers that experienced serious problems with integration said that the difficulties were due to national culture differences.

Research on national culture distance between the acquirer and target has provided an array of interesting results. In Western European and US cross-border M&As, for example, targets with a national culture high on uncertainty avoidance (Hofstede, 1980) were found to perform more profitably when subjected to lower levels of integration (Morosini & Singh, 1994). Conversely targets with a national culture low on uncertainty avoidance were found to perform more profitably when subjected to higher levels of integration. These results suggest that in cross-M&As acquirers will have greater difficulty achieving synergies from integration when targets are from countries that rate high on uncertainty avoidance. They also suggest that acquirers will unnecessarily forfeit synergies from integration when higher levels of autonomy are granted to targets from countries that rate low on uncertainty avoidance.

In highly individualistic societies (Hofstede 1980) lower levels of integration were also associated with higher productivity (Morosini & Singh, 1994). Therefore, several dimensions of a target’s national culture may need to be considered by the acquirer when determining the nature of integration. However, it is unclear how an acquirer should integrate a target that possesses national culture traits that are not complementary (that is, possessing cultural traits of both low uncertainty avoidance and high individualism).

To address the complexity of national culture research, a composite index of cultural distance (Kogut & Singh, 1988) based on Hofstede’s (1980) dimensions has been developed and subsequently used by various studies within an M&A context (for example, Brouthers & Brouthers, 2000; Morosini, Shane & Singh, 1998). However, this measure has recently been criticized for oversimplifying the conceptual and methodological properties of cultural distance, which has led to inconsistent and flawed results (Harzing, 2003; Shankar, 2001). Research has yet to develop and widely embrace an efficient and effective means of measuring and interpreting the effects of national culture on M&A phenomena.

National culture has also been found to affect the integration practices of acquirers. A study of US, British and French acquirers of Western European targets, for example, found that French acquirers exercise higher formal control over targets than both British and US acquirers (Calori, Lubatkin & Very, 1994). This is consistent with the national culture dimension of uncertainty avoidance, on which France scores higher than both the US and UK (Hofstede, 1980).

Other findings associated with national culture indicate that French, more so than British, acquirers rely on centralized headquarters–subsidiary controls over targets, so that power and influence resides at the hierarchical top (Lubatkin, Calori, Very & Veiga, 1998). These integration practices have been attributed to the French not only expressing a greater need for uncertainty avoidance but also having a greater acceptance of power distance (Hofstede, 1980).

Conversely US acquirers have been found to rely more on informal communication and cooperation than the French, and to rely more on formal control by procedures than the British (Calori et al., 1994). US managers have also been found to provide a higher level of personal effort to support merger success. They become more involved with target employees than the British. This ‘hands off’ attitude of acquirer
managers was found to be typically British. More important, the use of these informal integration mechanisms was found to yield higher post M&A attitudinal and economic measures of performance. These findings indicate that acquirers may be culturally predisposed in the way they approach integration, and that targets may be culturally predisposed in the way they respond to integration. They also indicate that some differences in national culture may elicit perceptions of attraction rather than resistance. Therefore, similarity of national culture traits in cross-border M&As may not necessarily be a harbinger of more successful integration results. Indeed, a study of Italian cross-border M&As found that national culture distance was associated with performance based on sales growth over a two-year period following the M&A (Morosini et al., 1998).

There are some indications, however, that the effects of national culture distance may be giving way to the use of ‘best practices’ in cross-border M&As. Convergence in some human resource practices was found in a study of US, Japanese, German, French and UK acquirers of UK targets (Faulkner, Pitkethly & Child, 2002). Practices such as performance-related pay, formal planning systems, tighter cost control and overall financial management, and greater investment in training were common across nationalities. Considerable differences, though, still remain. US acquirers were found to have a shorter-term employment and termination philosophy than the other countries surveyed, and to practise the least open communications, preferring a ‘need to know’ formal approach to the more open approach found to be practised by Japanese, German and French acquirers. Differences were also found in the way training was performed, with the US and UK favouring courses and the Japanese, German and French favouring on-the-job training. Although more closely related to US acquirers, UK acquirers were less short-term in employment philosophy and showed less of a tendency towards a ‘need to know’ communication style. Furthermore, the Japanese were found to be less likely than the Americans to employ a formal and transparent personnel appraisal system, whereas the French were found to be the most formal in planning career development. Conversely the Germans were found to be the most ad hoc in career development, and the least likely to employ job rotation practices. In sum, although some homogenization of human resource practices has occurred in cross-border M&As, there remains a significant nation-specific bias in the way acquirers apply human resource practices to integration.

Organizational Culture
Organizational culture has been further defined as the special way an organization and its members think about what they do and why they do it (Bower, 2001) and what they consider to be appropriate business practices (Schein, 1985). Differences between acquirer–target organizational cultures are associated with anxiety, negative evaluations of counterparts and ethnocentrism between acquirer and target employees (for example, Sales & Mirvis, 1984), which can lead to employee perceptions that place M&A partners into ‘us’ and ‘them’ categories. Often members of one culture attempt to dominate members of the other, particularly in related M & As where the acquirer has experience in the target’s industry (Berry, 1980). Target employees are made to feel like second-class citizens in the new organization (Ulrich, Cody, LaFasto & Rucci, 1989). This can lead to conflict and dysfunctional employee outcomes, including lack of trust in management, lack of commitment to the new organization, lack of cooperation between the acquirer and target firms, and increased turnover among target executives (Lubatkin et al., 1999; Nahavandi & Malekzadeh, 1988; Schweiger & De Nisi, 1991). Acquirers have responded to the problems that differences in organizational culture can create by favouring similar M&A partners. A study of Dutch managers, for example, found that they prefer acquiring a firm with a similar organizational culture, and that cultural similarity is positively related to degree of integration (van Oudenhoven & de Boer, 1995). Managers were found to show a greater willingness to merge with a similar partner, estimate the chance of success to be higher and expect less resistance to the merger within their own company. These findings suggest that acquirers should strive for a less intensive form of integration when there is a large cultural gap between merging firms. Implementing integration in this fashion, however, limits synergies that can be realized from M&As.
Also acquirers risk developing a false sense of security when focusing on targets that have similar characteristics. Similarities found in related M & As, for example, imply that M&A relatedness should lead to greater performance. However, a meta-analysis of M&A studies between 1921 and 2002 found no post-M&A performance effect due to relatedness (King, Dalton, Daily & Covin, 2004). The benefits of relatedness do not always exceed the greater costs of implementing a higher level of integration and the impediments in this process that can cause the loss of anticipated synergies (Jemison & Sitkin, 1986; Larsson & Finkelstein, 1999). Similarity based on the cultural relatedness of acquirer target business practices has even been found to have negative consequences for M&A outcomes. Similarities can lead to redundancies and conflict between the acquirer and target (Krishnan, Miller & Judge, 1997). Combining complementary rather than similar operations is likely to be seen as much less threatening to employees (Walter, 1985). Indeed, complementary M&A partners with moderately discrepant capabilities have been found to evoke relatively little resistance when compared to similar partners (van Oudenhoven & de Boer, 1995).

Research indicates that successful M&As are driven more by how well integration is managed than by the pairing of acquirers and targets based on the similar cultural characteristics of business practices. Similarity of organizational cultures seems to be less important than the complementarily of organizational cultures. Each firm needs to be valued for its unique contribution to the new organization, and this requires the acquirer to understand and deal effectively with complex human resource issues during integration. Finally, the national and organizational culture constructs require additional development based on strong theory and empirical verification to achieve agreement in this critical area of M&A integration research. Several questions must be readdressed as a part of this effort. First, is culture a stable state and can it be objectively described and analysed in quantitative, empirical research, or is culture an ambiguous and evolving phenomenon that may only be captured through longitudinal, qualitative (case) studies? Second, what truly causes conflict between merging companies? Is it a threat to the norms and values of a cultural system, or is it competition between two groups to establish and maintain their social identities and self-images, or perhaps their political interests? Third, can both be active participants in what the literature has referred to generally as culture conflict? Fourth, how do subcultures or social identities linked to departments, professions and other communities of interest within the organization affect the integration process? Research in these areas could have a profound effect on advancing theory of the integration process and have far-reaching implications for practice.

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