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Acquisition or merger? Now that's the question!



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[**Kraft's surprise £10.2bn takeover bid for Cadbury \(news/kraft-foods-bid-for-cadbury-turns-hostile\)**](#)

added a sweet taste to stock market returns for investors.

While the British confectioner rejected the American food giant's offer as inadequate, what would have been the challenges of integrating different working cultures and management regimes post-merger or acquisition?

From a shareholder perspective, it probably makes little difference as long as the potential synergies and promised results are delivered. From an employee perspective, it makes the world of difference – and trust me, I've experienced it first-hand.

Whether we like it or not, organisational identity is locked hand-in-hand with culture and one drives the other. When identity is threatened or challenged, staff feel uncertain, productivity drops and morale can fluctuate wildly. If that's not a priority for the leaders, I don't know what is.

So what should senior management teams focus on leading up to, during and after an acquisition or merger? Let's face it, it's not rocket science – transparency, direction and recognition are the order of the day.

Transparency – What does the deal involve? Be explicit about what is to be gained. Get in with proactive communications right from the off, and for goodness sakes don't let the rumour mill go into overdrive.

Direction – Provide clear direction to focus employees, ensuring they're clear about where the organisation is heading. It will help to smooth the bumpy ride.

Recognition – Leaders at every level must pay attention to the fact that you can't slam people's feelings, beliefs and values together without a concerted effort.

The choice is simple, you can facilitate the space and focus for enabling the two cultures to come together or you can let human nature take over and create the lowest common denominator, as each side seeks to protect what it considers to be the best way.

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