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THE SIX-TIER COMMUNICATION GAP  
FOR MULTINATIONAL CORPORATIONS AFTER  
MERGERS AND ACQUISITIONS: LESSONS LEARNED  
FROM THE CASE OF DURACELL AND NANFU

ABSTRACT

The importance of cultural factors as antecedents of post-acquisition integration has been recognized in previous research. Nevertheless, there are not many case studies on the post-merger and acquisition (M&A) integration process of USA-based multinational corporations (MNCs) acquiring Chinese companies. This article summarizes lessons in communication learned from the integration process between Duracell and Nanfu, the two battery giants from the US and China. In 2003, the Gillette Company, who owned Duracell, acquired Nanfu. In 2005, Gillette was acquired by Procter and Gamble (P&G), and the management of Nanfu remains to be coordinated by Duracell. This case embodies the interplay of two national cultures (China and the US) and four organizational cultures (P&G, Gillette, Duracell, and Nanfu). Data from interviews and participant observations with American and Chinese managers and engineers, and Chinese consumers indicate a complex post-acquisition integration process. The article proposes a six-tier American-Chinese communication gap to be overcome for any MNCs in their post-acquisition integration after cross-border transactions between the US and China: *Directness vs. Subtleness; Aggressiveness vs. Modesty; Courtesy vs. Command; Different connotations of the same concepts; Competitive vs. Obliging Conflict Management Styles; “Rule-based” vs. “Good will-based” working atmosphere.* The case study on the Duracell-Nanfu case demonstrates that MNCs need to provide comprehensive intercultural training for its multinational teams for more effective communication and higher productivity after M&As.

KEYWORDS: Chinese culture, American culture, M&A (merger and acquisition), P&G (Procter and Gamble), Duracell, Nanfu, post-acquisition integration, cross-border transactions, communication gap

PART I: INTRODUCTION

Since the 1990s, following the deepening of the economic reform and deregulation of the market in Mainland China, acquiring established Chinese

companies has become a shortcut for international companies to quickly establish a strong market position in China. However, for multinational corporations (MNCs), mergers and acquisitions (M&As) in China are particularly challenging. To be successful, MNCs operating globally need to overcome challenges in dealing with different cultures, languages, rules and regulations, and tax systems. Misunderstandings in communication and culture can lead to conflict and financial losses.

In 2003, the Gillette Company, owner of the world's top consumer battery brand Duracell, took over a controlling stake of up to 70% in Fujian Nanping Nanfu Battery Co., Ltd., located in southern China. The acquisition gave Gillette a top Chinese battery brand of Nanfu (南孚), a state-of-the-art manufacturing plant, and a national distribution network with over 3 million retail outlets throughout China. In addition, the acquisition gave Gillette a dominant position in China's battery market, since Nanfu accounts for more than 40% of China's alkaline battery sales (Battery grant, 2003). Prior to 2003, Duracell was an insignificant player in the Chinese battery market, occupying only 10% of the market share. Two years later, in 2005, Procter and Gamble (P&G) acquired Gillette. Consequently, P&G gained control of the majority of shares of Nanfu. Both Gillette and P&G gave Duracell leadership power over Nanfu, making Duracell the de facto "supervisor" for Nanfu since its acquisition in 2003. However, in the eyes of the Chinese management team at Nanfu, Duracell was a former inferior competitor who became the "supervisor" of Nanfu through acquisition. This fact was hard to accept. Interview data shows that this attitude from the Nanfu side, and the lack of sufficient communication between Duracell and Nanfu in post-acquisition integration, created much misunderstanding and operational conflict between the two companies for many years.

"Mergers fail more often than marriages," said Voigt (2009). While the current divorce rates vary between 40% and 59% in North America and Western Europe (Divorces, 2013), 70% of M&As fail to increase shareholder values worldwide (Mohibullah, 2009). A study by the Hay Group (2007) found that more than 90% of M&As in Europe fail to reach financial goals. Researchers agree that M&As fail frequently (Dauber, 2011; Hofstede, 2010; Mohibullah, 2009). Most analysts found the incompatibility of the two partnering corporate cultures to be the most significant reason for their breakdown (Uljin, Duysters, & Fevre, 2010). Was the acquisition of Nanfu by Gillette a smart decision? Were there any intercultural business communication challenges between the Chinese teams and the American teams after the acquisition? I

conducted a seven-year longitudinal study from 2007 to 2013 on the Duracell-Nanfu case and my findings illustrate the lessons in communication learned from this M&A.

The purpose of this article is three fold: First, it focuses on the post-acquisition integration process by analyzing the case of Gillette, Duracell's parent company, acquiring the Chinese company Nanfu in 2003. This process implied the interplay of two national cultures (Chinese and American) and four organizational cultures (Duracell, Gillette, P&G, Nanfu). Second, this article reveals opportunities and challenges in post-acquisition integration in the Chinese marketplace through the study of the Duracell-Nanfu case. Finally, it seeks to identify cultural elements that contribute to intercultural communication gaps between the Chinese teams and the American teams after a M&A. The lesson learned in this case can be transferrable to other M&A cases that involve Chinese and American cultures.

The terms *merger* and *acquisition* need to be defined. An *acquisition* is defined as one company taking a controlling interest (over 50%) of another company, regardless of the sizes of the companies (Butler, Ferris, & Napier, 1991). The term *merger* refers to a combination of equal-sized firms, in which no one party can clearly be seen as the acquirer (Haspeslagh & Jemison, 1991; Sørderberg & Vaara, 2003). Often in existing literature the two terms *merger* and *acquisition* are used interchangeably (Haspeslagh & Jemison, 1991; Sarala, 2009). Teerikangas and Very (2006) argue that such loose definitions of mergers and acquisitions have led to an ill-defined focus in merger and acquisition studies. However, since the focus of this longitudinal study on the Duracell-Nanfu integration case is on the integration of two companies rather than on the control factor, relevant literature in both mergers and acquisitions was consulted.

## PART II: RESEARCH METHOD

Although the acquisition of Nanfu by Gillette for Duracell happened in 2003, a literature survey showed that there are no extensive and specific investigations on this acquisition regarding the challenges in communication involved in the post-acquisition integration process. In global business and intercultural communication analyses, case study is a widely used methodology when a holistic in-depth investigation is needed. To conduct case studies in an effective way, many different methodologies have been developed, such as grounded theory, survey research, focus groups, or content analysis. Case studies require a multi-perspective analysis, and thus triangulation of methods

is commonly used. Given the nature of this study, the triangulation methodology was adopted (Yin, 2003). Four sources of data were used, combining secondary data, in-depth interviews, and participant observation:

- Information from official websites: Nanfu Batteries (<http://www.nanfu.com/en>), Duracell (<http://www.duracell.com>), Gillette (<http://www.gillette.com>), and P&G (<http://www.pg.com>).

- Online secondary data from both English and Chinese websites: Though online information may have credibility issues, I used information from well-known and credible sites. *China Daily*, *The People's Daily*, *Sohu Finance*, and *The Wall Street Journal* are among those online sources quoted.

- In-depth interview data: From 2007 to 2011, in a span of 5 years, a total of 43 semi-structured in-depth interviews were conducted with top executives and engineers at both Duracell and Nanfu, as well as with electronics store managers and Chinese battery consumers in China. (See table 1 for interviewee distribution.)

TABLE 1: INTERVIEWEE DISTRIBUTION

Interview totals: 43	Position	Time of Interview	Location of Interview
3	Midlevel Managers, Nanfu	July 2007	Nanping, China
2	Managers, R&D Division, Nanfu	July 2008	Nanping, China
10	Engineers, Nanfu	July 2008	Nanping, China
1	Corporate Executive, Gillette	May 2007	LaGrange, GA, USA
13	Engineers, Duracell	May 2007/ July 2007/ June 2009	LaGrange, GA, USA
2	Managers, Duracell	May 2007/ June 2009	LaGrange, GA, USA
5	Battery consumers in China	July 2009/ August 2010	Beijing, China Hefei, China
1	White Elephant Battery Manager	July 2007	Shanghai, China
3	Chinese electronic retail store managers	July 2009/ August 2010	Beijing, China Hefei, China
3	Corporate Executives, P&G	May 2007 August 2009 April 2011	LaGrange, GA, USA

• Notes from participant observation: From 2007 to 2011, I was invited as a consultant to teach effective intercultural communication in Georgia (USA) and in China. I took detailed notes while observing the progression of integration involving Duracell, Nanfu, Gillette, and P&G.

### PART III: RESEARCH FINDINGS

#### *Good-Enough Market for Nanfu in China*

Historically, MNCs have focused on China's premium markets, and Duracell's market positioning was no exception in 2003. However, MNCs sticking with a premium-only strategy are increasingly under attack from Chinese competitors with a compelling offering: fairly reliable products at prices low enough to attract China's growing ranks of mid-level consumers. In fact, in the mid-2000s, the "good-enough market," which was a huge segment of lower-end—but acceptable—products, with unbeatable prices, was emerging in China. Indeed, China's middle market is growing faster than both the premium and low-end segments (see figure 1). In some categories, the "good-enough market" accounts for nearly half of all revenues (Gadiesh & Vestring, 2006).

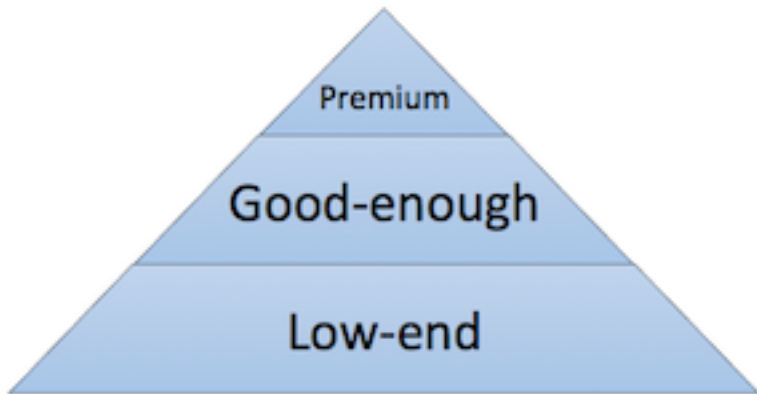


Figure 1: Market segmentation based on product quality

After the acquisition of Nanfu in 2003, Gillette protected both Duracell's and Nanfu's brands in their respective segments, and leveraged cost synergies, economies of scale, and superior distribution to significantly increase

operating margins in China. “The two have their own product features and brand value. I guess, Gillette won’t kill the Nanfu brand since Nanfu has a significant number of loyal customers in China,” said Mr. Miao Xiushu of Shanghai White Elephant Swan Battery Co., Ltd. in 2003. Gillette continued to sell premium batteries under the Duracell brand, and maintained Nanfu as the leading national brand for the mass market, the good-enough market. Dual branding, cost synergies, broadened product portfolio, and distribution to more than 3 million retail outlets in China was successful for Gillette.

In addition, to maintain Duracell and Nanfu each in its position, the Gillette Company and P&G needed to restrain Nanfu’s global ambition. As the “national power,” it had planned overseas expansion. Nanfu was advised by Duracell to focus on the domestic Chinese market, to avoid head-on competition with Duracell in the foreign market (Boarding the pirate ship, 2005). For some Chinese intellectuals, Nanfu’s eventual acquisition by P&G was seen as a tragedy of “National Power.” It was said that in 1999, Nanfu was forced to seek a Foreign Direct Investment (FDI) by the local Nanping government, even in the context of no additional funding needed. However, the local government said: “Nanfu is still in Nanping, and it still generates jobs and tax to the local economy. We are pleased with that result” (Nanfu battery, 2013).

### *Six-Tier Communication Gap*

In 2003 when Nanfu was acquired by Gillette, Nanfu owned 40% of the market share in battery products in China. Interview data shows that in the perspective of the Nanfu management team, Nanfu was acquired by Gillette, partly because Duracell could not compete with Nanfu in market share and product price. In 2007, Duracell occupied only 10% of the Chinese market. However, P&G gave 100% coordination authority to Duracell to manage Nanfu. Since Nanfu “belonged” to Duracell, Nanfu was somewhat forced to purchase high cost equipment within fiscal years by spending “The Year End Fund.” Nanfu’s Research and Development (R&D) managers were not happy, and I observed this incident at a Nanfu factory campus in China. The Nanfu team’s argument was that Nanfu had been following the Chinese value of frugality, and the company had been able to keep a low cost and high yield production. However, after many rounds of bilingual reports to the US Duracell headquarters, Nanfu’s purchasing department was obliged to follow the Americans’ directives and purchase expensive equipment made in Pennsylvania, USA. Nanfu R&D managers were worried about losing their efficiency in low-cost production, but they lacked the channel for expressing themselves. They faced “powerful” American bosses, and did not

want to challenge their authority. After the acquisition by Gillette in 2003, many sets of equipment were purchased, but not used at Nanfu (Boarding the pirate ship, 2005).

Intercultural misunderstandings and conflicts were omnipresent in daily communication between managers and engineers from Duracell and Nanfu for over ten years. The interview data and participant observation notes uncovered a six-tier intercultural communication gap between the two teams from the American and Chinese cultures. These were directness-subtleness, aggressiveness-modesty, courtesy-command, different interpretations of concepts, competitive-obliging, and rule-based vs. good-will-based working atmosphere. The in-depth interviews revealed that the different belief systems of the Chinese and Americans affected the ways they behaved and communicated in the post-M&A integration process.

*Tier #1: Directness (US) vs. Subtleness (China)*

Gudykunst and Kim (2003) state that people who have Asian languages as their first language tend to communicate in a more indirect fashion when speaking English. The Chinese appear to be subtle and ambiguous in their expression partly because the Chinese communication style is high-context oriented (Hall, 1976), with most of the information embedded in the physical context or internalized in the person, and very little in the coded message. In the Chinese culture, what is most important is sometimes not said, and subtlety is valued as a virtue. On the contrary, Americans are more direct in communication (Gudykunst & Kim, 2003). As a result, subtle meanings that the Chinese try to convey might be ignored or misunderstood by American partners, and a straightforward expression of the Americans may be over-analyzed by the Chinese in their subtle mindset. Consequently, the subtleness of the Chinese communication style becomes a communication obstacle.

Liu, a 38-year-old researcher at Nanfu said: "I think that Americans are more open than us. It is easy to communicate with Americans because they are direct. They will tell you either they agree with you or disagree with you frankly." James, a 42-year-old manager from Nanfu agreed: "I think Americans are very straightforward. There are fewer mind games going on." In summary, the Chinese perceive a multi-layered explanation contained in their American employers' expressions. With a relatively indirect thinking pattern, the Chinese might face challenges when working with Americans. Chinese employees need to be aware of the more open, direct, and linear style of communication used by their American colleagues and supervisors. At the same time, American supervisors should consider the complex ways



of interpreting messages of the Chinese employees and try to understand inevitable communication problems.

*Tier #2: Aggressiveness (US) vs. Modesty (China)*

According to Hofstede (1980), one way in which Asian cultures are different from American culture is in individualism-collectivism. US culture is individualistic, whereas Asian cultures are collectivistic. In individualistic cultures, individuals take precedence over groups; in collectivistic cultures, groups take precedence over individuals. Consequently, while Americans communicate assertively, the Chinese tend to be modest in talking about themselves. Moreover, in a collectivist culture, one is encouraged to talk about the group rather than oneself. A talkative person, with no “true knowledge,” is sometimes characterized as a “noisy half-filled vinegar bottle” who is criticized by the public. Such popular Chinese sayings as “Eloquence may be silver, but silence is gold” influence the Chinese mindset.

Valuing silence and modesty can be an issue for a Chinese team working with American bosses and colleagues. Modest Chinese colleagues might appear to be humble, timid, or shy. Usually Chinese employees feel inhibited from talking about themselves and offering constructive opinions. At corporate meetings, one’s strength is partly dependent on his/her self-marketing skill. If this skill is underdeveloped for cultural reasons, the synergy between the Chinese and American employees cannot grow. In collectivistic societies such as China, people are hierarchically related, and social interaction is strongly defined by age, gender, and social status. As a result, Chinese employees listen to American employers respectfully without asserting themselves. This tendency can be a hindrance for American supervisors in recognizing Chinese employees’ accomplishments, as well as their creativity.

*Tier #3: Courtesy (US) vs. Command (China)*

Power distance is another typology in Hofstede’s (1980) 5 dimensions of cultural differences. Power distance measures the extent to which inequalities among people are seen as normal and accepted at different hierarchical layers of a society. On this index, the Chinese culture scores high, while the American culture scores low. The hierarchical Confucian world-order influences the Chinese to practice a command-obey format of communication, commonly in a downward direction, when a task is given. Interview data shows that this tendency was recognized by some of the American employees when they were communicating with their Chinese counterparts. The Chinese might choose a seemingly blunt, simple, and unpolished “command”

style of speech in an interaction, such as: “You should do this!” “Tell me as soon as possible!” “When will you make a decision?” To Americans, such expressions lack politeness.

On the contrary, in a low-power-distance culture like the US, people strive to treat each other with courtesy. Individuals typically attempt to address each other as equals in a horizontal, rather than hierarchical structure. When Americans give suggestions, they strive not to be authoritative: “If I were you, I would ...” or “I suggest ...” or “In my opinion, you might want to consider ...” Therefore, to Americans, Chinese appear to be blunt and insensitive to word choice, and the Chinese team might offend their co-workers from America by using too much of the command style of expression. In 2008, Nick, a 47-year-old engineer from South Carolina who worked for Duracell, was sent to Nanping, China, once every two weeks to work with the Chinese team. When he was not in China, he communicated with his Chinese counterparts via email, in English. Nick complained: “I am a Southern gentleman, and all throughout my life, nobody has ever given me commands about what I ‘should’ do. However, I often receive emails from China, starting with such phrases, telling me I should do this, or I should do that.” Chris from Atlanta echoed: “I think Chinese are sometimes too abrupt ...” Americans would say, “If I were you, I would do this, but the Chinese don’t. It is more courteous. This might be superficial, but courtesy makes people feel better.” For all of the Chinese employees who communicate with Americans, English is a second language. Most of them are not proficient in English, and have a limited vocabulary. Since Americans from Duracell usually do not speak Chinese, English is the only language of communication. To the Chinese, a phrase like “You should ...” is simply a way to make their meaning clear, not knowing that it causes more confusion from the American standpoint.

#### *Tier #4: Different connotations of the same concepts*

Usually, foreign visitors lack first-hand experience and knowledge about the local culture, which creates an obstacle in understanding each other, even when the language is not a barrier. When Americans work in China, they lack first-hand Chinese experience. Such a deficiency posed a challenge for the Chinese and American teams in daily interactions. Such a gap is difficult to bridge, even if one strives to do so by reading books and consulting other sources.

Kyle, a 44-year-old manager from Duracell, reminded me that intercultural life differences may be a global teamwork obstacle: “On my business trips to China, I just feel like I have very limited common topics with them, such as everyday casual things that you share ... I actually want to catch up with

them. However, our different life experiences present different pictures for the same word. For example, in China, when they mention ‘lunch,’ I would quickly think of a sandwich or a hamburger, whereas my Chinese colleagues might have the image of a fish floating in a hot pot.” Thirty-year-old Mr. Zhen from Nanfu suggested that American engineers and managers needed to learn more about Chinese customs and respect the local Fujian culture, in order not to offend people at Nanfu. He suggested: “I think you need to pay attention to Chinese culture, family, history, our food culture, our respect for elders, and learn some Chinese language. I, personally, enjoy learning about such topics, about America in general. Like this, you can find lots of common topics with your Chinese colleagues.” Although it is a fact that Chinese and American team members grew up in different cultural contexts, it is still possible for both parties to learn about each other’s cultures and values. With much American popular culture being globalized, it can be a functional topic when communicating with younger Chinese people. The interview data shows that the younger generation in China is quite familiar with such topics as the NBA, Hollywood movies, the Rolling Stones’ music, and top American brand names. In the meantime, it is helpful for Americans to learn some Chinese culture and respect local traditions. The interview data shows that Chinese employees of Nanfu in Nanping had unfavorable impressions of some American expatriates from Duracell, who spent most of their leisure time in Fuzhou, the nearby metropolitan city, instead of being with their Chinese team members in rural Nanping.

*Tier #5: Competitive (US) vs. Obliging (China)  
Conflict Management Styles*

While I was doing research in Nanfu in 2007, I learned that the conflict in management style differences between the Chinese and Americans was hard to reconcile. Being modest and obliging is a traditional virtue in China, while being competitive is a common Western, especially American, practice when dealing with conflict. Chinese companies tend to take the underdog position in international conflict and pay the price “for peace.” Ting-Toomey, Gao, Yang, Kim, Lin, and Nishida (1991) suggest that these two orientations are based on different cultural values involving identity and face saving. One particularly sensitive issue is deciding upon expenses. Since Nanfu is “supervised” by Duracell, Nanfu is forced to adopt the “expensive” habits of Duracell, even though Nanfu’s managers would do otherwise. The purchase of expensive US equipment put Nanfu R&D managers in a difficult situation, since their non-confrontational management style together with the perception of “im-

posing” American behavior contradicts their principles of non-competing and hierarchy-differing styles of interaction.

In international transaction and conflict management, if Chinese corporations maintain an attitude of being obliged, their Western counterparts will become even more aggressive. Perhaps the Chinese companies need to re-examine their modesty tradition and adopt more competitive management skills.

*Tier #6: “Rule-based” (US) vs. “Good will-based” (China) working atmospheres*

While Americans stick to the agreed-upon rules and procedures, the Chinese put more faith in personal relationships rather than in written rules and procedures. To avoid direct confrontation or losing “face” can lead to decisions that are made with no respect for rules. This is important information when doing business with the Chinese. In China, business becomes often secondary when a good social relationship must be established first. One cannot expect a contract before the social network is established.

Mr. Zhang, a mid-level manager at Nanfu, said that they are not used to having their computers checked once a month by a third party, since they perceive this as a lack of trust by Duracell. It is unimaginable in China for managers’ computers to be checked by third parties, just to see whether they are loyal to the company.

Mr. Wang, the Assistant to the General Manager, said that after the acquisition, life changed. The managers of Nanfu had to write multiple reports in order to buy company cars, while in the past, they could make such minor decisions quickly. He said that to have a luxury company car can strengthen the “face” of the company and bring business deals. In China there is a rising class of *nouveau riche*, and one needs to have a luxury car, which is considered a successful-looking “Xingtou”<sup>1</sup> (行头). *Xingtou*, a term borrowed from the Peking Opera, represents the totality of one’s appearance, including one’s clothing with brand names, watch, cell phone, and car. Such a total image creates a perception of success or failure for class-conscious business

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<sup>1</sup> Xingtou (行头): Peking Opera costumes are called Xingtou or, more popularly, Xifu (戏服) in Chinese. The origins of Peking Opera costumes can be traced back to the mid-fourteenth century, when operatic precursors first began to experiment with large, ornate articles of clothing. Such clothing is part of the total appearance of different characters (Xingtou, 2014). The interplay of “Xingtou” and “face” in Chinese culture fuels conspicuous consumption in China nowadays.

partners and competitors. However, it was difficult for P&G to approve luxury company cars for Nanfu personnel because of fiscal regulations made in the US. The CEO of Nanfu downplayed his power: "I am just a professional manager, I am not a boss." Many emerging Chinese companies operate based on interpersonal good will, while MNCs have a standardized set of rules.

#### PART IV: CONCLUSIONS AND DISCUSSIONS

Most organizational changes generate stress due to misunderstanding and ambiguity. Mergers and acquisitions represent a particularly stressful change, given the large-scale nature of this transformation. The acquisition of the Chinese company Nanfu by the Gillette Company was a direct result of globalization, and the road to post-acquisition integration of Nanfu and Duracell was not smooth. However, individuals from different organizational and national cultures can be trained to overcome cultural barriers with increased intercultural sensitivity (Hammer, Bennett, & Wiseman, 2003; Bennett, 2009). At the same time, cultural differences can lead to learning and an increased knowledge base resulting from diversity. This is especially the case for international acquisitions where differences in beliefs, values, and practices may foster learning and innovation (Barkema & Vermeulen, 1998). The central part of such learning is usually "knowledge transfer" (Bresman, Birkinshaw, & Nobel, 1999). For example, Duracell could have listened more to the management of Nanfu. If Nanfu has survived and thrived so well in the Chinese battery market, there is strength and a "niche" in this organizational culture. The new "parent company" can gain new ideas from the acquired companies, instead of imposing its own corporate culture unconditionally.

Vaara, Sarala, Stahl, & Bjorkman (2010) argue that different beliefs, values, and practices are related to the different forms of knowledge that may be useful for the other party. International acquisitions provide access to a potentially valuable repository of knowledge and capabilities embedded in the local environment of the merging organizations. Acquisitions in culturally distinct countries are more valuable because a greater cultural distance makes it more likely that the target firm will have capabilities that are significantly different from the acquirer's own set. Thus the two companies complement each other (Morosini, Shane, & Singh, 1998). In the case of Duracell and Nanfu, Nanfu certainly embodies local market knowledge of Chinese employees, consumers, and life styles. Duracell could have been more successful if its management had tried to learn more from Nanfu.

Hammer et al. (2003) and Bennett (2009) propose a series of activities that can improve the cultural awareness of the employee. Among them is the

exposure to different organizational and national cultures. Some companies have already established informal activities such as Friday afternoon lunches, birthday parties, or weekend picnics. The employees from the acquired company can learn about these practices and be encouraged to participate. Another important opportunity is to offer employees from both companies the chance to create partnerships, such as dyads or teams for common projects. As such, they have the opportunity to develop a sense of closeness and trust, and to overcome unspoken animosities usually inherent in the post-integration process. Moreover, leaders should appoint mid-level managers who are culturally sensitive (Hofstede, 2010).

As most sources of conflict in the post-integration process are cultural in nature, Fink (2008) suggests that to increase the chances of success, one should try to hybridize a new organizational culture. "Hybridization is the process of blending organizational cultures and management knowledge to transform an acquisition into a new socially viable system with a sustainable culture" (p. 10). Tomlinson (1999) says that "hybridity" or cultural hybridization is a risky notion, as it is inherently associated with reinforcing and contradicting concepts, ideas, and themes. However, cultural hybridization is expected to bring positive and desirable effects to individuals and organizations (Dauber, 2011; Shimoni, 2008). We hope that MNCs learn from this case, overcome the six tiers of cultural differences, and create a new hybrid organizational culture for the new company.

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