Chapter-3

Theoretical Framework
To understand cultural integration it is imperative to look at organizational culture concepts since there is integration of two organizational culture in cases of mergers and acquisitions. Schein (1985) has given a model of three levels of culture. In first level he puts Artefacts and Creations, in second level is a value and in third and last level is Basic Assumptions (Fig-1).

Figure 1.
Levels of culture and their interaction

Source: (Adapted from) Schein, E.H. (1985, p.14)

Organizational culture manifests itself through and critically impacts the employee behaviour. It hence needs to be measured at multiple levels of behaviours starting from the impact of infrastructure, artifacts and logos on employee behaviour

Hofstede's describes about five various cultural dimensions such as Power Distance. Power Distance may be described as there are different nations which have different values. For example, inequalities are allowed in some societies and in some societies inequalities are minimized through providing people opportunity to grow. There exists power distance in societies. The countries which have low power distance there is mutual relation and low
dependence on seniors. Whereas the countries which have higher power distance has high
dependence and subordinates need to be in consultation with his seniors.

The second dimension is Individualism, there are societies where individual is important and
individual thinks about himself and his family whereas there are societies where collectivism is
being encouraged. For example from birth onwards one gets support and it comes from parents,
uncle, aunt, grandfather & grandmother etc.

Masculinity and femininity is also an important contributor in organizational culture. This refers
to roles assigned to genders in any societies.

**Uncertainty Avoidance**
Culture either makes individuals comfortable or uncomfortable in unstructured situations. In fact,
culture tries to minimize uncertain situations through norms, laws security. People in countries,
where they are uncomfortable towards uncertainty, are emotional. On the other hand people who
are comfortable with uncertainty may have less norms, security, rules and expression of
emotions. People in such cultures are more contemplative.

**Long Term Orientation**
People have long term orientations like thrift and perseverance. So far as short term orientation is
concerned values like respect for tradition, protecting social obligation and respect for one's face.
Hofstede was of the view that the above five dimensions of culture have impact on
organizational culture.

Organizational culture represents an imperfectly shared system of interrelated understandings
that is shaped by its members’ shared history and expectations. Most definitions of culture focus
on the beliefs, assumptions and values that members of a group share about rules of conduct,
leadership styles, administrative procedures, rituals and customs (Schein, 1985)
Organizational culture is defined typically in terms of the way people think, which has a direct influence on the ways in which they behave. For example, recognizing that culture manifest itself in terms of behaviour and espoused values, Schein (1998).

Though there are various theories on organizational culture but We can not see an organization's culture assumptions, values, and beliefs directly. Instead, organizational culture is deciphered indirectly through artifacts. Artifacts are the observable symbols and signs of an organization's culture, such as the way visitors are greeted, the physical layout and how employees are rewarded. Therefore this is imperative to understand the culture at level of various departments.

**Conceptualization of Organizational Culture**
Organizational culture here has been conceptualized as values, beliefs, norms, practices and are deciphered through various artifacts. It would be essential to understand such values, beliefs, norms and practices in human resources, marketing, finance, production and other departments.

**Post Mergers and Acquisition Cultural Integration**
After reviewing various Airways Literature on cultural integration, it is being perceived as an interaction of two organizational culture in terms of their various departments. Companies do integrate the norms, patterns and practices of their various departments such as Human Resources, Marketing, IT & System and Finance & Accounting.