Chapter-8

Findings and Analysis

With in Case Analysis

Intercase Analysis and Discussion
This chapter is divided into analysis and findings of three cases separately and at last a cross case analysis of the three cases comprising how were the difference in organizational culture, what are the various interventions followed for post mergers and acquisitions cultural integrations.

**Within Case Analysis**

**Within Case Analysis (Case-1)**

RINSI had a traditional culture where there were interactions among employees, bonding and attachment. The hospital was mainly a doctor run hospital. Things were many times not black and white. Rustid on the other hand is a corporate hospital; processes are standardized, evolved and measurable. Rustid is clear.

**Management Perspective on Integration**

Management at Rustid believes that acquired companies should allow cultural differences but certain level of integration is a must.

**Human Resources**

Leave policies are very different, there are employees who started questioning why there are different leave policies. There has to be amalgamation and there has to be clear definition what has to be integrated and is not to be integrated. They adopted the best practices.

Companies also introduced exit interview for employees who leave the company. This helped the hospital to understand how employees perceive about the various aspects of the Rustid, where they need to improve upon.

Employees at RINSIs were not cooperating in implementation of new performance management system. They had worked in a culture where employees were getting promoted based on number of years they spend. Here it was like your performance was counting. So employees were settled
in a comfortable zone. Management strategically identified and did the appraisal to employees, many of them found it lucrative and better.

<table>
<thead>
<tr>
<th>RINSI</th>
<th>Rustid Healthcare</th>
<th>RustidRINSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Different Leave Policy</td>
<td>Different Leave Policy</td>
<td>Different Leave Policy</td>
</tr>
<tr>
<td>No Exit Interview</td>
<td>Exit Interview</td>
<td>Exit Interview</td>
</tr>
<tr>
<td>No communication with top management at all</td>
<td>Easy Communication with Management</td>
<td>Easy Communication with Management</td>
</tr>
<tr>
<td>Time bound Promotion</td>
<td>Performance Based Promotion</td>
<td>Performance Based Promotions</td>
</tr>
<tr>
<td>Individual Based IT system</td>
<td>Process Based IT system</td>
<td>Process Based IT system</td>
</tr>
</tbody>
</table>

Rustid Healthcare had used strategy of mergers and acquisitions for strategic growth. The acquisition of RINSI Heart Institute was seen as a milestone. However company had no formal cultural due diligence. The decision of acquisition was primarily on financial strategies. But there were stumbling blocks as employees in RINSI had a traditional culture where there was almost one to one interaction. Though communication with top management mainly managing director was once in a blue moon.

Top management however strategize that no employee would be laid off. This decision was strategic because they had to ultimately run the hospital. The existing employees were experienced employees and they had understanding of current system. As post acquisition strategies, it was communicated to employees that please drop the apprehensions that anyone would be asked to go. It was emphatically conveyed that there would be no lay off in newly acquired company. There were difficulties with new things, employees were worries about how they behave and how do not behave. There used to be discussion among themselves on their job
security and the comfort level which they enjoyed with earlier management would continue with
new management or not. Employees were not only worried about job security but they were also
worried about their adjustment with the corporate culture. How the new management reacts to
them. Many of them were not ready to welcome new culture. Though this was important who
shares this message. The rise of a very senior doctor of RINSIs Hospital at leadership position
also played a pivotal role in reaching to the end employee. Since employees had already worked
directly or indirectly with him, his communication was taken in a more reliable way.

**Performance Culture**

Regarding performance management, company proposed a new performance management
system in which employees were asked that they would be evaluated based on their performance
rather than number of years spent in the company. There were resistance initially but when few
employees were given benefit under this, most of them queued up to be an integral part of new
performance management.

There were resistances also in performance management, few resistant people were doctors and
those who spent several years in hospital, they were of the view that why they would be judged
as per a new parameter. Since they have spent even more then 18 years in a world known cardiac
hospital and now they are being assessed for performance. But gradually by witnessing benefit of
few colleagues, they got convinced with the idea.

The company prime objective was to make them understand that we are moving from a single
person started hospital to corporate hospital. A different performance management system was
introduced for doctors because their indicators are also different. Many doctors found the
initiative lucrative and this made other somewhat convinced that at the end of the day new
system has not cut our previous benefits. Rather it has enhanced our compensations and benefits.
It took more than a year to establish this belief.

Further Rustiddopted an uniform model of performance appraisal for all its employees.
<table>
<thead>
<tr>
<th>No Skill Up gradation Courses</th>
<th>Several Skill Up gradation Courses</th>
<th>Several Skill Up gradation Courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Compensation</td>
<td>Comparatively Higher Compensation</td>
<td>Comparatively Higher Compensation than that of RINSI earlier.</td>
</tr>
<tr>
<td>Low Attrition</td>
<td>High Attrition</td>
<td>High Attrition</td>
</tr>
</tbody>
</table>

In Admin RINSIs had only Chief Administrator earlier but Rustid perceives admin as a full fledge function. Therefore a new position of Admin Head was created. An employee from RINSIs only upgraded as Admin Head.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Objectives</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Picnic</td>
<td>To provide a platform to interact with one another.</td>
<td>Employees opened themselves, their concerns and apprehensions, simultaneously they had an opportunity to mix with Rustid employees who were concerned with the new management.</td>
</tr>
<tr>
<td>Dinner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town hall Meetings</td>
<td>To clear confusion among various issues</td>
<td>There were lot of confusions and clarifications required. Town hall meetings helped in clearing those confusions and also how management</td>
</tr>
</tbody>
</table>
perceives the things to move ahead.

| One to One Discussion | To clear the individual confusions, miscommunications | There were individual issues such as an employee was worried how his boss would grade him in new performance management system as he has rough relations with him. Such queries were clarified in one to one discussions. |

There were resistance among employees as there were separate canteens for doctors and other staff. But Rustid decided to have one canteen in which all staff can have the stuff. This was an initiative to provide a platform for integrations. But Doctors did not like this decision. They were reluctant to eat in same canteen. Later when they noticed that top management even used to have their lunch coming in queue with other staff, they gradually adjusted with the new system.

Nurses and other staff were having a feeling that a security is gone. They were apprehensive that the new management can tell them to leave the company. They were also worried that how the company would handle the entire situation.

<table>
<thead>
<tr>
<th>Item</th>
<th>RINSI</th>
<th>Rustid</th>
</tr>
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<tbody>
<tr>
<td>Organizational Culture</td>
<td>• Traditional, • Interactions, • Bonding • One Man Run Hospital</td>
<td>• Corporate, • Standardized, • Evolved and • Measurable • Corporate Run</td>
</tr>
</tbody>
</table>
### Nature of Difference in Organizational Culture

- RINSI was a small group and close knit, where there were more interactions among people. It was like a family organization having a traditional culture. Whereas Rustid is a larger group where there is informal relation but the communication is more formal and standardized. People were more point to point and they were suppose to perform the various tasks they have been assigned. So it can be said that Rustid was a culture which focused on measurable performance.
• The culture at RINSI was static in which almost no one was part of decision making. Whereas Rustid had a modernized, developed and standardized system. RINSI was indeed a Doctor run hospital where relationship was important, Rustid was a processes run hospital where processes were important. Basic practices in both the hospital were different. Approaches to the roles were also different.

• There was no delegation of authority in RINSIs, all decisions were mainly taken by one doctor as it was a doctor run hospital. There were lot of pendency in case of leave being taken by head of RINSIs as there was no second man to take decision. But in Rustid each decision is linked with position. Hence it’s the system that works not the person.

• Policies in Rustid are very clear and transparent. But in RINSIs there were no set norms. Many things depend on the single doctor. Even for employees recruited at few level had to meet him before they join, for such meetings sometimes they had to wait for whole day or in few cases the meeting could take place by waiting for two days. The disappointing part was that such meetings did not last for two minutes even.

Post M&A Cultural Interventions

• There were addresses from top management in town halls. This was to clear the perspective of Rustid on various issues that may emerge as complex and problematic.

• Management placed an old senior doctor from RINSIs as head of hospital, to make the communication more convincing and integration possible.

• Employees working at junior level were upgraded and many of them were made departmental heads. This resulted in sense of job security and growth among them.

• There were picnics, parties, dinners and other various entertainment activities to open up and develop rapport with employees.
• Patients were directly approached through writing, mailing and other sources of communication.

• New Doctors were brought in. This also brought a pool of patients as senior doctor’s move with patient relations. So they brought new businesses too.

• Few key positions were changed with own people of Rustid. Lot of interaction among various departments, bosses and subordinates and with others with HR were encouraged.

• Talent acquisition was stressed through performance linked appraisal. Rustid realized that the key people can be retained and get motivated by linking their performance with job enrichment and job enlargements.

• Financial power was delegated. This helped in expediting various work at various level. It was in contrast to earlier mechanism in which no financial power was delegated to any of the employees in RINSIs except Managing Director.

• Information Technology was based on a individual system in RINSI. Rustid introduced an IT system which was connected to each other. In fact there was corporate reporting so there are multiple reporting systems in corporate culture. In new IT system, programs were developed as per the requirement of departments, and their feedbacks were used to be taken. This was to make IT more handy and easy to use.

• In DNB, earlier there was one course but now there were several new courses were introduced since this was a phenomenon in Rustid. So they integrated their courses here.

• Sharing rooms, General, ICU and few more categories were introduced to serve different categories of patients. Emerald lounge and other lounge were brought in to provide a comfort zone to patients and their attendants. Now if any patient comes, somehow our aim is to provide him a bed. So patient care is the focus.

• Other specialty also started understanding the fact that patients coming for cardiac treatment may need other specialty either for themselves or for any of his known. This helped in business development.
Company recognized loyalty, employees who had spent 10, 15 and 20 years in the company they were offered gold coins of various size as a token of reward. This initiatives touched employees as the gold is a valued metal and is an object which can always remind you for what it was rewarded.

Analysis of Case-2

NPPL Group and Morning Daily has cultural difference in editorial context. The reporting in NPPL Group is different from reporting in Morning Daily. NPPL addresses a large number of rural readers also whereas Morning Daily explicitly addresses urban class. There is change in perspective of a reporter in NPPL Group and a reporter in Morning Daily. For a reporter of NPPL Group, Varanasi, a car costing Rs:25 lacs would a luxury car and he will perceive that while reporting also whereas for a reporter of Morning Daily a car of more than a crore would be a luxury car.

There is apparent difference in socioeconomic status of editorial team of NPPL Group and Morning Daily. A journalist working in Morning Daily at large does not come from a rural background whereas a journalist working in NPPL Group starts from a grass root and often from small town or rural background.

The hierarchy is more formal in Morning Daily whereas is informal in NPPL Group. Here still CEO is being addressed as Bhaiya (Elder brother) and Chairman as Chacha (Uncle).These words relates employees with owners and also their linkage as family members rather than a subordinate or employee.

Morning Daily is number 5 newspaper in Mumbai whereas North has mainly among top three positions in various cities in India.

There is change in culture because the work force in North Group is till now mainly from tier two and tier three cities. Even in case of Delhi, here people used to come from small cities and joined the news group. So they have different values, norms and preferences. This phenomenon
has larger contribution in our cultural development. By and large you can say that there has been family like ambience due to employees coming from small cities. The reason of employees coming from small cities orientation towards family like situation is because they still value human relations. In small town community culture exists to the extent.

Local level policies were not disturbed because the acquired company had presence in local market. For leave also 27 PL were made mandatory for all, but for other leave In News were left free to either continue or adopt our practices. They preferred to continue with their practices.

There is no creativity in sales at large, Morning Daily had opportunity to work in a metro, whereas we opted in Delhi among few metro that too targeting hindi readers only. The English reader segment is bit different in their taste from Hindi readers. The skill level in sales in both the newspaper is also different.

Reporting was culturally different in two organizations, therefore they were not aligned and it was noticed that it was not possible to align. In North it evolved with its own dynamics and organizational culture whereas in Morning Daily it was evolved based on their own culture.

Morning Daily has workflow set but not assigned by IT solutions, whereas NPPL Group has appropriate IT solution with full automation. North has its own enterprise system. That was the major challenge how that can be integrated.

**Post Acquisition Cultural Integration Interventions**

- Primarily, NPPL Group did not believe in integrating Morning Daily culture with them. They adopted the best practices integration strategy in which North replicated the best practices of Morning Daily and best practices of North were incorporated in NPPL Group.
- For Human Resources, like recruitment, appraisal, leave, work hours and others benefit were almost different understanding the fact that the requirement in hindi newspaper and
English newspaper publishing from a metro would be different. But HRIS was integrated to have management control.

- In appraisal the kind of reporting, sales, media marketing (space selling) and productions were different in both. So KRAs were also different. Therefore the uniform appraisal formula could not have been applied. Even Morning Daily was allowed to operate on its own. But a major change was integration of its Managing Director in North Board his reporting to NPPL Group.
- In print media it was observed that people have less time to persuade rather then you have to behave well and perform if want to bring any cultural integration or change. NPPL Group adopted same strategy; seniors deputed for helping the Morning Daily team show commitment towards them and were always ready to respond to them. This helped a lot for integrations.
- North had software in integrated system, it was aligned with Morning Daily. Morning Daily had efficiency of Sales planning in large metro, this was integrated into NPPL Group.
- North integrated IT system of Morning Daily into its enterprise system called JEMS.
- User Training was done for 15 days for Morning Daily employees. Initially it was done in a group so that there can be group learning. They were educated to use JEMS. They were comfortable using mailer. North did not remove that but also encouraged them to use JEMS.
- North believed in creating the STAR TEAM rather than making acquiring a team of STARS. For this various skill up gradation interventions were done such as training editorial people to use JEMS, IT people to use various reporting system being used by North and also for sales people to be more efficient through understanding local market demands and act accordingly.
- Morning Daily Table structure was studied and was integrated in five structures. For this IT personnel studied the backup data of Morning Daily and incorporated them in North ERP system. The changes made were as per NPPL Group policy. There were some mandatory aspects.
• There were absence of modules like production, Morning Daily people were educated on that and were encouraged to use that module. It was made understood that implementation of this module would help in proper monitoring, reporting and controlling.

People show disinterest initially. They were not motivated and enthusiastic about the new system. Many people left because that was performance related issue. There was now change of parameter and yardstick in which they were not found comfortable. There are 80 percent people who are old people, old here means they were working earlier. They are performing and continuing.

<table>
<thead>
<tr>
<th>Post Acquisitions Cultural Integration</th>
<th>Description</th>
<th>Outcome</th>
</tr>
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<tbody>
<tr>
<td>• Uniform Appointment Letter</td>
<td>• There was different appointment letter but after acquisition uniform appointment letter was introduced.</td>
<td>Feeling of an integral part of NPPL Group.</td>
</tr>
<tr>
<td>• Access to HR</td>
<td>• Earlier there was no access to HR, HR head started more and more interactions with people. Some of the key activities were seating with them for lunch, tea</td>
<td></td>
</tr>
<tr>
<td>• Skill Up gradation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sales Planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Integration of IT into North ERP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
and sometimes going to their place and just interacting with them.

Morning Daily has experience of sales planning in a large metro like Mumbai, so this was learnt and integrated to NPPL Group. Morning Daily IT was integrated to North ERP based on five table.

- Access to HR

All news can be accessed from any edition.

### Analysis of Case-3

#### Difference in Organizational Culture

The culture at two organizations were different in terms of behavior, norms, values etc. There was noticeable difference between operations of the two companies. In N Airlines employees were not very guest oriented whereas in Airways, the focus was on customer retention for which guest treatment was the priority.

However, Airways management were initially apprehensive of poaching by competitors if early integrations are not made. There was mutual agreement between the two companies that no employee would be laid off. In case any employee does not want to continue with the new entity,
Noxas (Airlines parent Group) will retain them in their group of companies. So this was done towards developing a sense of security towards human resources.

The concern towards poaching of human resources who were experienced and had technical education like engineers and pilots was high. Thus the post acquisition integration was a priority to Airways top management.

The differences at the level of culture and operations were writ large and those could not have been brushed aside. The difference in organizational culture was apparent. Employees of one organization was different in their perspective from the other organization. The integration has been a challenge as the employees had a lurking fear that there may be lay off and they may lose their job.

Airways and Airlines should have at last deliver strategic gains through optimization of its wide network. The Airways should have to be ready for short term losses whereas the long term perspective must be to optimize the synergy. Airways has experience, expertise and excellence in airlines but it has failed also by acquiring Airlines. The newly created entity at the end of the day could not work and failed miserably. Of course this has also been a detriment to the brand value of Airways. The difference of perception may be seen through one example the way the guests are being received by two companies.

**Post Acquisition Cultural Intervention**

- There were murmuring among employees of Airways that those who are coming with us are liability. So ultimately to will share the cake of us. But they were convinced through various discussions and meetings that if they are coming then they are also bringing fleet. So they are coming sources of earning. Therefore they can not be termed as liability for us.
There was integration in ticketing system as now Airways Lite flights were available as 9W* for customers. Customers were given facility to book tickets for direct or connecting flight through Website booking system.

There were dissension and dissatisfaction among employees because of disparity in compensation of Airways and Airways Lite, but Airways persuaded the Airways Lite employees that we are trying to rationalize the compensation. For this various means of communication was used like group meetings, discussions etc.

Regular address by one of the employees from and Airways Lite were being made on a forum weekly. This was to develop interactions among employees of both.

It was observed that Post Acquisition Cultural Integration is mainly HR driven and is a senior and middle management role. Middle management has main role as the communication mainly tops down from them.

A common phenomena was found that in all three cases there were difference in organizational culture, and management in all three companies did not prioritize culture difference as a concern. Rather, it was found that companies are comfortable with cultural difference as they believe that there should not be any imposition of culture.

It was also found that the compensation in three companies were different however in case one it was rationalized for acquired hospital, in case two which is an acquisition of an airlines company, there is no rationalization and compensation disparity continued, which led to dissatisfaction among employees, in case three, there were compensation difference but the product and human resources requirements were also different. In addition to that in case three, there was difference of geographical locations also. So unlike case one and case two, case three had least face to face interaction among employees of various editions.
Inter Case Analysis

<table>
<thead>
<tr>
<th>Item</th>
<th>Case-1</th>
<th>Case-2</th>
<th>Case-3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Difference in Organizational Culture.</strong></td>
<td>Organizational culture was absolutely different. Culture in acquiring hospital was corporate whereas in acquired it was a traditional.</td>
<td>Organizational culture were different, in acquirer it was more like a family culture thus can be termed as a traditional culture whereas in acquired company the culture by and large was corporate.</td>
<td>In acquiring company the organizational culture was corporate but it was a traditional culture in acquired company.</td>
</tr>
<tr>
<td>Leadership</td>
<td>Leadership in acquiring company was liberal but was limited to involve the top management only in mergers and acquisitions decisions. In acquired company the leadership was autocratic and was not ready to integrate. The top leader of the acquired company decided to introduce a</td>
<td>In Case-2, the leadership in acquiring company was stereotype but the leader was accessible to one and all whereas in acquired company it was system oriented. There was proper system which was to be followed. So there was delegation of leadership at different</td>
<td>Leadership in acquiring was system oriented but there was moderate access to leadership whereas in acquired company, the leadership was stereotype and access to leadership was not open to one and all.</td>
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</table>
Presence of Specific Phenomena in three Companies which have Undergone M&A

<table>
<thead>
<tr>
<th>Phenomena</th>
<th>Morning Daily</th>
<th>RINSI</th>
<th>Airlines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resistance</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Lay off</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Attrition</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Job Insecurity</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Prior Information on M&amp;A</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Initial Adjustment to New Management</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
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</table>

Future Implications
The results in this study offer a knowledge which can be useful while integrating the two organization culture. It also provides new perspectives that acquirer firm should have cultural tolerance, cultural tolerance here refers to there may be difference in organizational culture but that should be allowed for successful mergers and acquisitions.

There is need to future study on Talent Management Cultural Diversity in Cases of Cross Border M&A. Such study will focus on how talent is being managed in cases of cross border M&A specifically where there are sharp difference in organizational culture of two firms. One of
the major causes of such difference in organizational culture may be of course the difference of national culture.