

# Cultural Management Strategies in the Merger of Government Organizations: The Experience of 8 Merged Governmental Organizations in Iran

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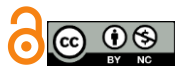
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## ABSTRACT

**Objective:** This article analyzes the process of merging governmental organizations in Iran with a special focus on managing cultural differences.

**Methodology:** This research uses a case study method to examine government organizations resulting from mergers in the past ten years.

**Findings:** It has shown that the greater the cultural differences between organizations, the more negatively the merger performance is affected in terms of employee job satisfaction and their willingness to remain in the organization.

**Conclusion:** However, if these cultural differences are managed, this relationship can be influenced. Furthermore, this research discusses important practical solutions for managing cultural differences in the merger process, including various aspects such as necessary training to enhance communication skills, increasing tolerance for ambiguity, providing necessary tools for adapting to different cultures, technical training related to organizational structure and functions before the merger, paying attention to the initial conditions of the organization in the merger, the importance of managers' readiness to manage tensions and cultural differences, and more.

**Keywords:** *Organizational Cultural Differences, Cultural Difference Management, Merger Strategy, Merger Performance*

## 1 Introduction

Since the inception of contemporary governments in Iran, structural changes have frequently occurred in various forms. One of the most significant changes has been the merger of two or more governmental organizations. Many external sources have emphasized the merger of organizations and the factors that directly and indirectly affect their effectiveness. One of the most important approaches to mergers identified in numerous studies is the cultural approach. However, there are clear contradictions in the results regarding the effects of culture on mergers. In reviewing the literature on the merger of governmental organizations, at least two key gaps have been identified: the effects of culture on post-merger organizational performance and how to align organizational cultures during mergers. Studies examining the role of cultural differences in mergers and their impact on merger performance often present contradictory results. Some view cultural differences between merging organizations as a factor for merger failure (Cartwright & Cooper, 1993; Teerikangas & Very, 2006; Triandis, 2006; Winata, 2024; Yoonesi & Jafari, 2024), while others consider cultural differences as a factor contributing to merger success (Muhseena, 2024; Rostami & Ghezelseflu, 2022; San Park & Hyun Kim, 2009; Winata, 2024). These contradictions are observable both theoretically and empirically. Additionally, there has been limited research within the domestic literature on the merger of domestic organizations, their challenges, or the influencing factors. Generally, the cultural approach is not given attention in the merger of governmental organizations, with a higher emphasis placed on the integration of work processes. Despite its importance and the need for further examination in practice, this field has been the subject of few domestic resources. Another significant challenge of mergers is the issue of managing cultural differences between organizations and aligning the cultures of merged organizations, which has been studied less frequently. Only a few researchers have attempted to prescribe guidelines for more effective cultural alignment of merged organizations (Marks & Mirvis, 2011). In the private sector, there is generally no clear model of guidelines for managing the culture of merged organizations (Marks & Mirvis, 2011), and in the public sector, cultural considerations have not been addressed in practice due to policy implementations based on regulations.

Recent studies on merger outcomes have shown that none of the studied financial and strategic variables have played a

role in the variance of post-merger performance, and more focus should be placed on non-financial variables (Weber & Camerer, 2003). This research also considers the non-financial performance of mergers, though financial indicators are also examined where identifiable, to extract the impact of activity integration and socio-cultural integration as main components of merger integration on the success or failure of the merger. Therefore, this model broadly examines the effect of cultural differences and the management of cultural differences on merger performance. Merger performance can be influenced by the cultural differences between organizations before the merger, as described by the concept of pre-merger cultural disparity (Weber, 1996). In governmental organizations, due to the lack of consideration for accounting performance and stock return issues, concepts related to employee reactions are given more attention. Thus, the concept of employee effectiveness includes job satisfaction and job commitment, as well as employees' willingness to relocate. Actions are also taken during and at the end of mergers to manage cultural differences within organizations, and this model aims to measure the impact of these actions on integration and subsequently on merger performance by creating perceptions of procedural justice.

Organizations with cultural differences undergo mergers and need post-merger integration to achieve the highest level of performance. According to the socio-technical systems theory, post-merger integration can also consider both human and technical aspects. From the human perspective, one form of merger integration is cultural integration (Marks & Mirvis, 2011), which is measured by variables such as employee attitudes toward the merger, communication, trust, commitment, and shared identity (based on social identity theory) (Schweiger & Goulet, 2000; Stahl & Voigt, 2008). The other aspect of mergers, which considers the technical aspect of mergers, focuses on task integration post-merger, based on role conflict theory and job characteristics theory. This refers to the extent of resource sharing and knowledge transfer post-merger at various levels of the merged organizations (Stahl & Voigt, 2008). Generally, it is assumed that in governmental organizations, the manner of operation in the new organization post-merger is communicated to the organization, and technical integration is unrelated to the design of organizational structure and processes.

Additionally, the management of cultural differences as an independent variable can influence individuals' perceptions of organizational justice and, consequently,

employee performance (Sabuhari et al., 2020; Sari et al., 2021). Activities in managing cultural differences to increase the likelihood of achieving integration in merging organizations include training, employee participation, improving management style, harmonizing human resources activities, team building, and employee involvement in the merger.

## 2 Methods and Materials

In this research, a mixed-methods approach of quantitative and qualitative methods was employed to examine the process of merging governmental organizations and the related cultural impacts. The research method was selected based on the complex nature of the subject and the need for a deeper understanding of the cultural contexts affecting mergers. Due to the depth of the cultural approach and the need for information, this research was conducted as a case study, examining merged governmental organizations over the past ten years. Eight merged governmental organizations from 2012 to 2023 were the cases under study.

In the quantitative section, statistical tools were used for data analysis, and the relationships between various variables were evaluated. Thus, around 12 experts, heads, and managers from the 8 studied organizations were analyzed using PLS software.

In the qualitative section, interviews with individuals at expert and managerial levels in each of the studied cases were conducted to summarize experiences and opinions

regarding methods of managing cultural differences. This section provided categories for factors influencing the merger of governmental organizations. Initially, each of the 8 cases was described independently across five dimensions: pre-merger initial conditions, pre-merger cultural differences, management of cultural differences, integration, and merger performance. Each case was thus thoroughly examined, and in the first stage, the researcher focused on individuals and groups. Sample references to interview notes and organizational reports for each criterion were provided.

## 3 Findings and Results

This section follows the data analysis and research results, aiming to achieve four main aspects. These four main aspects, which are the primary angles of this research, are as follows:

- How cultural impact paves the way for organizational cultural alignment post-merger.
- Strategies and methods for aligning organizational culture.
- The effectiveness of cultural alignment strategies on merger performance.
- Participants' suggestions for improvement.

To achieve the results for the first question, the statistical analysis of the questionnaires is used. For answering the remaining three aspects, interviews with related approaches will be examined.

**Table 1**

### Case Introduction

Case Number	Merger Year	Integration Level	Overall Merger Goal	Number of Merged Organizations	Number of People Before Merger
1	2016	Whole organization	Resource sharing	2	2350+150
2	2012	Headquarters/Division	Cost reduction	4	800+200+400+200
3	2012	Headquarters	Creating an independent specialized organization	4	150+100+50+50
4	2012	Headquarters (General)	Downsizing	2	150+550
5	2012	Whole organization	Downsizing	2	700+400
6	2021	Whole organization	Enhancing the banking system	6	(One organization) 27000 +13000 (6 other organizations)
7	2012	Headquarters	Downsizing	2	150+300

Conducting 30 interviews (at least 3 interviews in each merged organization) yielded the following information

regarding the contextual variables before the merger and the status of the merger:

**Table 2**

### Merger Status of Each Case

	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8
Initial Conditions	High organizational connection: high Power distribution: more powerful organization less than one year No pre-merger planning	Low organizational connection: Power distribution: larger organization less than one year No pre-merger planning	High organizational connection: Equal power less than one year Pre-merger planning present	Medium organizational connection: Higher power: larger organization less than one year Pre-merger planning present	Medium organizational connection: Equal power less than one year No pre-merger planning	Low organizational connection: Equal power less than one year No pre-merger planning	High organizational connection: More powerful organization more than one year Pre-merger planning present	Low organizational connection: Equal power less than one year No pre-merger planning
Required Integration Level	High	High	Medium	Medium	High	High	High	High

**Table 3**

*Cultural Differences Management Strategies in Each Case*

	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8
Suggested/Implemented Strategies	Organizational culture identification Merger planning Managerial structure	Clear structure Balanced attention by management Merger planning Training Equal welfare facilities	Employee familiarity Management coordination Separate work of merged organizations	Attention to organizational power Activity similarity Employee information Training Equal legal conditions Uniform regulations	Attention to legal structure Work relation of organizations Merged organizations unrelated work	Clear structure Attention to physical space Clear organizational structure Culture identification and attention	Clear structure Employee familiarity program Attention to cultural aspects Physical relocation Uniform salary and benefits Comprehensive information	Clear structure Managerial attention Uniform salary and benefits Standardizing employee work structures

Initially, the data analysis from the quantitative questionnaire research, with an average sample of 12 employees per case study and a total of 96 employees, is

presented. Statistical results in the quantitative section are reviewed at both descriptive and inferential levels.

**Table 4**

*Structural Equations*

Pathway	Beta	t	Significance Level	R <sup>2</sup>	R <sup>2</sup> adj	F <sup>2</sup>	Status	Hypothesis Direction
Cultural Differences Management -> Perceived Organizational Justice	0.105	2.205	0.029	0.634	0.626	0.021	Confirmed	+
Cultural Differences -> Perceived Organizational Justice	-0.77	-16.196	0.001			0.052	Confirmed	-
Cultural Differences -> Task Integration	-0.542	-7.633	0.001	0.294	0.286	-	Confirmed	-
Cultural Differences -> Socio-Cultural Integration	-0.679	-11.921	0.001	0.46	0.455	-	Confirmed	-
Perceived Organizational Justice -> Merger Performance	0.368	6.262	0.001	0.931	0.926	0.344	Confirmed	+
Cultural Differences Management * Cultural Differences -> Merger Performance	-0.096	-2.323	0.029			0.067	Confirmed	-
Task Integration -> Merger Performance	0.429	9.898	0.001			0.444	Confirmed	+
Socio-Cultural Integration -> Merger Performance	0.394	7.712	0.001			0.394	Confirmed	+
Cultural Differences -> Merger Performance	-0.641	-10.146	0.001			0.556	Confirmed	-

As an analysis of the structural equation findings, it can be stated that cultural differences management and cultural differences collectively explain 63.4% of the variance in perceived organizational justice. Cultural differences alone explain 29.4% of the variance in task integration and 46% of the variance in socio-cultural integration. Perceived organizational justice, task integration, socio-cultural integration, and cultural differences, along with the moderating effect of cultural differences management, collectively explain 93% of the variance in merger performance.

Therefore, based on the quantitative data from the research, the model's hypotheses can be confirmed or rejected as follows:

Hypothesis 1: Mergers of organizations with high cultural differences will have a negative impact on merger performance. Structural equation results show that mergers of organizations with high cultural differences have a significant negative impact on merger performance at a 95% confidence level, and given the negative beta value, this relationship is negative and inverse. ( $\beta=-0.641$ ,  $p$ -value=0.001).

Hypothesis 2: Mergers of organizations with high cultural differences will have a negative impact on socio-cultural integration. Structural equation results show that mergers of organizations with high cultural differences have a significant negative impact on socio-cultural integration at a 95% confidence level, and given the negative beta value, this relationship is negative and inverse. ( $\beta=-0.679$ ,  $p$ -value=0.001).

Hypothesis 3: Mergers of organizations with high cultural differences will have a negative impact on task integration. Structural equation results show that mergers of organizations with high cultural differences have a significant negative impact on task integration at a 95% confidence level, and given the negative beta value, this

relationship is negative and inverse. ( $\beta=-0.542$ ,  $p$ -value=0.001).

Hypothesis 4: Mergers of organizations with high cultural differences will have a negative impact on perceived organizational justice. Structural equation results show that mergers of organizations with high cultural differences have a significant negative impact on perceived organizational justice at a 95% confidence level, and given the negative beta value, this relationship is negative and inverse. ( $\beta=-0.77$ ,  $p$ -value=0.001).

Hypothesis 5: Cultural differences management reduces the negative effect of mergers of organizations with high cultural differences on merger performance. Structural equation results show that cultural differences management as a moderating variable has been able to moderate the relationship between mergers of organizations with high cultural differences and merger performance at a 95% confidence level, and the hypothesis is confirmed. The negative beta value (-0.096) indicates that when cultural differences management is low, the intensity of the relationship between mergers of organizations with high cultural differences and merger performance is stronger compared to when cultural differences management is high. ( $\beta=-0.096$ ,  $p$ -value=0.029).

Hypothesis 6: Cultural differences management has a positive impact on perceived organizational justice. Structural equation results show that cultural differences management has a significant positive impact on perceived organizational justice at a 95% confidence level, and given the positive beta value, this relationship is positive and direct. ( $\beta=0.105$ ,  $p$ -value=0.029).

In this section, the mediator variable acts as a link between the independent and dependent variables, separately affecting the relationship between the independent and dependent variables. The results of the mediator variable effects are calculated using the bootstrap method and the Sobel test, reported in [Table 5](#).

**Table 5**

*Sobel and Bootstrap Test Results for Mediator Variable Effects*

Pathway	Beta	T	Sobel Statistic	Significance Level	Result
Cultural Differences -> Perceived Organizational Justice -> Merger Performance	-0.283	-5.698	5.604	0.000	Confirmed
Cultural Differences -> Task Integration -> Merger Performance	-0.232	-7.240	7.121	0.000	Confirmed
Cultural Differences -> Socio-Cultural Integration -> Merger Performance	-0.267	-6.277	6.173	0.000	Confirmed

Hypothesis 7: Mergers of organizations with high cultural differences negatively impact merger performance through the negative effect on perceived organizational justice.

The results obtained from both the bootstrap method and the Sobel test show that the indirect effect of mergers of organizations with high cultural differences on merger performance through the mediation of perceived organizational justice is significant, and given the negative beta value, it can be said that mergers of organizations with high cultural differences negatively impact merger performance through the negative effect on perceived organizational justice. ( $\beta = -0.283$ , Sobel Test = 5.604,  $P < 0.001$ ).

Hypothesis 8: Mergers of organizations with high cultural differences negatively impact merger performance through the reduction of socio-cultural integration.

The results obtained from both the bootstrap method and the Sobel test show that the indirect effect of mergers of organizations with high cultural differences on merger performance through the mediation of socio-cultural integration is significant, and given the negative beta value, it can be said that mergers of organizations with high cultural differences negatively impact merger performance through the negative effect on socio-cultural integration. ( $\beta = -0.267$ , Sobel Test = 6.173,  $P < 0.001$ ).

Hypothesis 9: Mergers of organizations with high cultural differences negatively impact merger performance through the reduction of task integration.

The results obtained from both the bootstrap method and the Sobel test show that the indirect effect of mergers of organizations with high cultural differences on merger performance through the mediation of task integration is significant, and given the negative beta value, it can be said that mergers of organizations with high cultural differences negatively impact merger performance through the negative effect on task integration. ( $\beta = -0.232$ , Sobel Test = 7.240,  $P < 0.001$ ).

#### 4 Discussion and Conclusion

Despite what is mentioned in the literature regarding the varying impact of cultural differences on merger performance, in the case studies of Iranian governmental organizations, the quantitative research findings show a noticeable negative impact of cultural differences on merger performance, socio-cultural integration, and task integration. The more cultural differences are perceived in organizations, without any intervention, the lower the output of integration,

which includes socio-cultural integration (the level of trust among individuals, interpersonal communication, and organizational identity) and task integration (the extent to which individuals share knowledge and resources).

This research also showed that managing cultural differences by creating a sense of organizational justice among individuals helps control the impact of cultural differences on integration and consequently on merger performance.

Based on interviews conducted with employees of each of the 8 studied organizations, cultural differences management in mergers includes three categories of actions: before the merger, during the merger, and after the merger. By aligning these actions with the merger process, it can be indicated that at each stage of the merger process, cultural differences management actions or actions that lead to increased cultural alignment and reduced cross-cultural tension can be added to the merger process.

In the pre-merger stage and at the start of the merger, attention to numerous factors is necessary, leading to the formulation of appropriate actions. These factors and related actions are mentioned below:

**Recognizing Organizational Cultures:** Recognizing the organizational culture of each organization before the merger and comparing the cultures is one of the most important initial actions for managing cultural differences. Generally, knowing the cultures of both organizations helps managers determine the extent of cultural compatibility or incompatibility between them. This information can also be crucial in deciding whether to continue or reconsider the merger process (Cartwright & Cooper, 1993). Recognizing cultures allows for the development of strategies and management plans specifically designed to reduce cultural tensions and differences (Marks & Mirvis, 2011). Recognizing cultures also helps managers reassure employees and alleviate their anxieties, which in turn can reduce resistance to the merger and increase employee commitment to the merger process (Buono & Bowditch, 1989).

**Selecting a Merger Strategy:** Choosing an appropriate strategy for cultural management can help reduce cultural tensions and differences, creating an environment for effective collaboration and the establishment of a shared organizational culture. If an assimilation strategy is chosen, it maintains the cultural identity of employees and reduces resistance to the merger. On the other hand, it may lead to the continuation of differences and failure to establish a common culture (Buono et al., 1985; Buono & Bowditch,

1989). If an integration strategy is chosen, cultural differences are quickly reduced but may risk creating resistance and a sense of identity loss among employees whose culture is overlooked (Cartwright & Cooper, 1993). Choosing a combined strategy can create a common space where employees from both organizations feel a sense of belonging, helping to reduce cultural differences and increase collaboration and cohesion (Marks & Mirvis, 2011). Therefore, based on the type of organizational culture, merger strategies in the cultural domain should be identified before the merger, with planning to implement the chosen strategy and readiness to address its issues.

**Organizational Structure:** Predicting, adjusting, and defining the organizational structure in the most detailed state, with all organizational positions of the new organization and individuals in the merging organizations replaced, is of high importance before the merger. This prevents increased ambiguity in the merger, reducing interpersonal tensions caused by structural reasons as much as possible. The organizational structure determines how information and directives flow throughout the organization. A well-designed structure can encourage open and honest communication, helping to reduce misunderstandings related to cultural differences (Rostami & Ghezelseflu, 2022; Sari et al., 2021). Additionally, organizational structures that encourage multicultural teams and diverse workgroups can help increase collaboration and reduce cultural differences (Rostami & Ghezelseflu, 2022; Sari et al., 2021). According to this research, the organizational structure needs to be not only clear but also aligned with cultural differences management and facilitate communication within the organization, allowing trained managers to minimize cultural issues.

**Considering the Size of Organizations:** The size of organizations before the merger plays a significant role in how they handle cultural issues and differences during the merger process. Smaller organizations may have shorter communication lines and closer interactions between employees and management, fostering an open and collaborative culture. In contrast, larger organizations may have more formal communication and more hierarchical levels (Cameron & Quinn, 2006). Additionally, smaller organizations may be more flexible and quick to respond to changes, which can help manage cultural differences. Larger organizations may have more established processes and be harder to change (Buono & Bowditch, 1989). Larger organizations may also show more resistance to cultural changes due to a commitment to existing work methods and

fear of uncertainty (Buono et al., 1985; Buono & Bowditch, 1989; Marks & Mirvis, 2011; San Park & Hyun Kim, 2009). In smaller organizations, employees may feel more committed to the organization and be more willing to accept cultural changes. Creating commitment in larger organizations may be more challenging (Meyer & Allen, 1991). Therefore, if the sizes of the merging organizations are not proportional, different methods for managing cultural differences may be required, as the cultural challenges in post-merger organizations will not be similar.

**Employee Participation Before and During the Merger:** Employee participation in the merger process is one of the key factors that can significantly impact the success or failure of the merger (Marks & Mirvis, 2011; San Park & Hyun Kim, 2009; Stahl & Voigt, 2008). Active employee involvement in decision-making, planning, and implementing merger processes can create a sense of ownership and commitment to the new changes (Jones, 2007). This increases motivation and job satisfaction and can reduce resistance to change and enhance collaboration and coordination among employees of the merging organizations (Kotter, 1996). Researchers emphasize the critical importance of providing opportunities for employee participation in all stages of the merger, including planning, decision-making, and implementation (Winata, 2024; Yoonesi & Jafari, 2024). This not only increases employees' sense of responsibility but also allows them to express their views and concerns and actively participate in creating organizational changes. Studies show that employees involved in merger processes are more willing to accept changes and cooperate to achieve common goals (Winata, 2024; Yoonesi & Jafari, 2024). This can reduce stress and anxiety resulting from organizational changes, ultimately improving the organization's overall performance. In the end, employee participation in the merger process benefits not only the employees but also helps organizations utilize employees' experiences and knowledge, finding innovative and creative solutions to upcoming challenges through information and idea sharing (Amiot et al., 2006). According to this research, employee participation in informing them about the reasons for the merger (even if the reason is political, as in many governmental organizations), consulting them about the merger, the structure and work method post-merger, involving them in the setup of post-merger structures, familiarizing them with the new physical environment, and changing spaces can significantly reduce their initial stress. As mentioned earlier, the prerequisite for this is an appropriate organizational structure that manages

changes well and involves employees in the merger process, helping reduce resistance to change and better manage cultural differences (Kotter, 1996).

**Providing Employee Training Programs:** Providing training to employees in various aspects before the merger is crucial. Cultural training for employees in the merger process is one of the critical components for facilitating, transferring, and aligning different organizational cultures (Cartwright & Cooper, 1993). Cultural training helps employees better understand the new values, beliefs, and behaviors and equips them with the tools needed to adapt to the new environment (Marks & Mirvis, 2011). This training can include enhancing communication skills, increasing tolerance for ambiguity, and providing training tailored to the culture(s) of the other merging organization(s). Thus, this type of training helps employees identify and understand cultural differences and enhances their communication and cooperation skills, ultimately reducing tensions and misunderstandings (Buono et al., 1985; Buono & Bowditch, 1989; Muhseena, 2024; Winata, 2024). The importance of this training is such that aimless and limited-time training before the merger can have negative effects and result in lost time. Therefore, cultural training must be precise and purposeful, enabling employees to understand cultural differences and learn ways to foster effective cooperation and promote a shared culture (Schweiger & Goulet, 2000). Additionally, providing technical training on organizational structure, work methods, and specialized training in cases of merging organizations with similar backgrounds can be beneficial for accelerating socio-cultural integration and especially task integration post-merger. For instance, in governmental organizations where mergers are sometimes politically motivated and the organizations do not have similar work domains, this becomes highly important, particularly if the merger level involves expert layers, and the organizations do not operate in the same domain (e.g., merging the Ministry of Roads with the Ministry of Housing).

**Selecting Management Style and Training Managers:** Choosing a management style and providing training to managers plays a significant role in the successful advancement of the merger. Their preparedness for resolving cultural issues, avoiding discrimination, managing tensions, etc., can contribute to the success of the merger (Haspeslagh & Jemison, 1991). Managing a merger requires not only managerial and leadership skills but also a deep understanding of the involved organizational cultures and the ability to guide employees through the change process

(Marks & Mirvis, 2011). Managers need to fully understand the cultures of the merging organizations and elevate their cultural management skills. Effective merger management can reduce uncertainty and increase trust by creating a clear framework for the merger process, facilitating open and honest communication, and providing necessary support to employees (Buono et al., 1985; Buono & Bowditch, 1989). Moreover, the ability to identify and resolve cultural conflicts that may arise during the merger is crucial for maintaining organizational stability and achieving merger objectives (Winata, 2024; Yoonessi & Jafari, 2024). Research shows that different merger management styles can have various impacts on employees and organizational performance. Democratic and participative management styles, where employees have the opportunity to be involved in decision-making, typically result in higher job satisfaction and organizational commitment (Sari et al., 2021). Conversely, autocratic and command management styles may decrease motivation and increase resistance to change (Kotter, 1996). Therefore, manager training should not only address the cultural aspects of the involved organizations and the merger strategy but also include management styles that support merger success, handling tensions arising from cultural differences, conflict resolution, and improving inter-organizational communications.

**Post-Merger Workspace:** Attention to the physical workspace during the merger process is a key element in managing change and merging cultures. Workspace changes should respect the cultures of the merging organizations while creating a space for a new, shared culture. Studies show that employees in comfortable and encouraging work environments are more likely to adapt to changes resulting from mergers and perform better (Sari et al., 2021; Winata, 2024). Ignoring employees' physical and psychological needs in workspace design can increase organizational tensions and issues. According to interviews in this research, the selection of the new organization's workspace plays a significant role in cultural tension levels and can help manage created cultural differences. Organizations that kept their separate physical buildings post-merger experienced less cultural tension but also had lower socio-cultural integration, particularly in terms of organizational identity and interpersonal communications. Conversely, if one organization moves to the physical space of another during the merger, without prior planning for seating arrangements, it can create perceptions of organizational injustice in the relocated organization and feelings of dispossession among employees of the organization that did not move, reducing



overall integration. These findings highlight the importance of aligning workspace with merger strategy and precise arrangement planning as crucial pre-merger factors for managing cultural differences.

**Administrative and Human Resources Structures:** Harmonizing administrative and human resources structures starts before the merger, with planning continuing during and sometimes after the merger. Harmonizing human resources processes helps create a sense of justice and trust among employees. When employees see that everyone is subject to the same policies and procedures, they are more likely to view the merger process as fair and positive (Pfeffer, 1998). Additionally, harmonizing human resources processes reduces employees' uncertainty and anxiety, especially during transition and change periods, by providing them with clear expectations (Schweiger & Goulet, 2000). Overall, harmonizing human resources processes facilitates cultural integration, helping employees quickly adapt to the new organizational culture (Buono et al., 1985; Buono & Bowditch, 1989). This research shows that in some cases, a lack of clarity in human resources structures caused tensions among employees. In many cases, post-merger harmonization reduced these tensions, but the initial impact on socio-cultural integration created by these differences hindered perceptions of organizational justice for years. The most influential human resources processes are compensation calculations and other related payments. Even though governmental organizations often follow standardized human resources systems, minor differences between these structures caused significant post-merger issues. Understanding and evaluating existing work systems in all involved organizations helps managers identify differences and similarities and plan how to integrate these systems during and after the merger (Markus, 2000). Additionally, understanding existing work systems ensures that employees have a clear understanding of post-merger work methods and expectations (Muhseena, 2024; Rostami & Ghezelseflu, 2022; Winata, 2024; Yoonesi & Jafari, 2024). Recognizing work systems also helps managers design communication and collaboration systems that consider cultural differences, enabling employees from all involved organizations to work together more effectively (Robey et al., 2000). Therefore, understanding the work systems of merging organizations allows managers to design processes that reduce cultural differences and help employees quickly adapt to the new culture (Buono et al., 1985; Buono & Bowditch, 1989). According to this research,

these elements can facilitate task integration within organizations.

Shortly after the merger, it is necessary to implement some pre-merger plans and take additional actions to manage cultural differences, including:

**Holding Programs for Employee Familiarization and Creating a Shared Identity:** These programs aim to familiarize employees and create a shared identity. Depending on the organization's size, they can be related to the entire organization or specific units. These programs provide opportunities for employees to get to know each other and build communication and support networks, promoting mutual understanding and cooperation (Marks & Mirvis, 2011). Additionally, these programs help employees understand the new organization's culture and values, reducing uncertainty and tension from the merger (Buono et al., 1985; Buono & Bowditch, 1989). They also provide a platform to introduce and promote shared culture and values, helping to create a shared identity and strengthen employees' sense of belonging (Cameron & Green, 2019). However, the effectiveness of these programs depends on their timely execution, purposefulness, and proper planning. In the studied cases, limited actions were taken, given the governmental nature of the organizations, and the delayed implementation reduced their effectiveness.

**Establishing an Information Structure for Employees:** Effective communication with employees post-merger is crucial for managing cultural differences and ensuring a successful transition. Clear and open communication reduces uncertainty, builds trust, and strengthens employee commitment. Effective communication helps employees understand upcoming changes and new expectations, reducing their uncertainty and anxiety (Schweiger & Goulet, 2000). Transparency and honesty in communicating with employees build trust, which is vital for creating a positive and harmonious organizational culture (Mishra, 1996). Employees who feel adequately and accurately informed are more likely to commit to the merged organization (Meyer & Allen, 1991). In this research, cases with comprehensive and transparent communication about post-merger changes and the future reduced ambiguity, which in turn reduced organizational rumors and cultural tensions.

**Creating Employee Communication Channels with the Organization:** Open, two-way communication channels allow employees to share concerns, ideas, and feedback, and enable managers to effectively convey important messages and information, fostering a sense of being heard and understood among employees (Smeltzer, 1991). These

channels also allow management to communicate the new organization's values, goals, and expectations, helping to establish a unified and cohesive culture (Marks & Mirvis, 2011). For example, creating an employee voice system and listening and responding to employee feedback can reduce rumors and interpersonal tensions, similar to creating an information-sharing space.

Examining governmental organizations, given their unique conditions, presents certain limitations. The main limitations include difficulty accessing organizations and individuals and the lack of documentation regarding merger timing. Additionally, organizational culture is tied to individuals' perceptions, which can change over time. Thus, fully capturing organizational culture after some time can be challenging.

Investigating the contextual dimensions of organizations, given their importance in mergers, can be a significant area for future research. Determining which organizations, based on their structure, management style, organizational power, etc., under specific merger conditions, can achieve the best outcomes.

### Authors' Contributions

All authors have contributed significantly to the research process and the development of the manuscript.

### Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

### Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

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### Declaration of Interest

The authors report no conflict of interest.

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### Ethical Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were observed.

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