

A culture clash can indeed undermine this merger. Witness Volvo and Renault's attempted 1993 merger, which was canceled in part because of doubts that the French and Swedes could get along. Sony's acquisition of Columbia Pictures in 1989 triggered a \$3.2 billion write-off in 1994, largely because the Japanese didn't succeed in understanding or managing the cultural aberrations of Hollywood. And in 1998, Daimler and Chrysler imposed waves of culture shock on each other, some of which are still resounding.

Despite Thomas Jefferson's declaration that "the spirit of commerce...knows no country," those who practice commerce are deeply shaped by their cultural roots. It's difficult enough for two domestic firms with markedly different cultures to combine. But in the cross-border context, opportunities for equals to misunderstand and disagree multiply like weeds. Differences in language, customs, values, and training shout that the two firms in this story are not equals, a reality confirmed by the dominance of Royal Biscuit's representatives on the management board and supervisory board.

Moreover, most so-called mergers of equals aren't equal at all. More often than not, the acquiring company cloaks the merger in a false amity designed to disguise painful organizational and economic realities from the target company's employees and shareholders. Ultimately, calling the deal a merger of equals simply worsens internal power struggles, because it defers the ultimate reckoning on who will rule.

Despite the difficulties inherent in a cross-border merger, there is a glimmer of hope for Royal Edeling, provided the chairman, John Callaghan, makes the vision for the new company clear and appealing to parties on both sides and gives his managers sufficient authority to implement it. One hallmark of a great merger is the creation of business approaches that neither company could have undertaken on its own. Callaghan should focus the executive team and board of both companies on developing a new vision, a clear set of expectations, a solid operating style, and a culture that draws upon and respects the Anglo and German traditions but rises above nationalism.

Callaghan needs the help of HR heads Michael Brighton and Dieter Wallach, but he can't force them onto the bandwagon simply by fiat. Temper tantrums, intimidation, and threats won't work to create a more unified culture; indeed, his fury has the effect of further dividing the middle managers and increasing their timidity. Brighton and Wallach are understandably confused, and they don't feel they have the authority to act on their own. Callaghan will get much further with them if he makes it clear that he understands their fears and if he challenges them to rise to the occasion. He should turn the tables by telling them he wants them to take a direct role in inventing the new way. He needs to express Royal Edeling's "cause" in compelling terms and enlist everyone in it.

For their part, Brighton and Wallach should realize that that they have taken the path of least resistance; they have merely pooled good ideas from each side without asking how the whole can be greater than the sum of the parts. They need to start fresh with a creative plan that surprises and delights Callaghan. It will require leading from the middle. Though they may not have buy-in from their superiors, peers, or subordinates, Brighton and Wallach need to reach beyond the immediate task to align, inspire, and lend direction to those around them.

The first step toward leadership is personal rapport. Brighton would be wise to follow the advice and model of his friend Anthony Miles. He should invite Wallach out for a beer and try to develop a personal, more affable relationship with him. A shoptalk-

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**Comment by Robert F. Bruner**

free evening during which Michael discovers more about who Dieter really is as a human being might go a long way toward melting away stereotypes.

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