



**RESEARCH ON THE CULTURAL INTEGRATION IN MERGER AND
ACQUISITIONS : A CASE STUDY OF SHANGHAI ELECTRIC MERGER
AND ACQUISITIONS TIANWO TECHNOLOGY**



XIE YUNXIU

ID: 6217195037

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XIE YUNXIU**

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Advisor: 
(Associate Professor Dr. Qiu Chao)

Date: 17 / 12 / 2020


(Associate Professor Dr. Jomphong Mongkhonvanit)
Acting Dean, Graduate School of Business Administration

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Siam University, Bangkok, Thailand

Abstract

Title: Research on the Cultural Integration in Merger and Acquisitions
A Case Study of Shanghai Electric M and A of Tianwo Technology

By: Xie Yunxiu

Degree: Master of Business Administration

Major: Business Administration

Advisor:

Chao Qiu

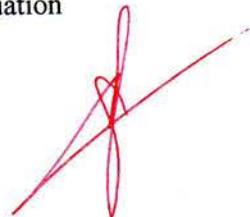
(Associate Professor Dr. Qiu Chao)

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Urban economies continue to expand, and M and A has become an essential means for the survival and development of enterprises and has continued to grow since the end of the last century. In China's economic field, this trend has become an irresistible trend; however, overall performance is not ideal in practice. The integration of corporate culture revealed its importance, which has shown to be the cause of its failure.

The purpose of this study was to evaluate how cultural integration affected the M and A process through a comprehensive interpretation of the existing main factors within the cultural integration of MandA enterprises and analyzed the restricting factors of cultural reform. The processes for this research included: 1) To analyze the process of Shanghai Electric MandA of Tianwo Technology; 2) To highlight the necessity of cultural integration in MandA and processes. This paper analyzed the existing problems of cultural integration of Shanghai Electric and Tianwo Technology and found: 1) the future development goals of the enterprises were not clear; 2) misaligned values of the enterprises; 3) the integration of corporate culture lacked institutional norms and a single mode of cultural integration led to poor results. In conclusion, this paper presented a strategy of integration of corporate culture in Shanghai Electric MandA: 1) To clarify the objectives of post-MandA development; 2) the objective orientation of post-MandA cultural integration should be defined; 3) the model and plan of cultural integration and the steps of cultural integration and the overall analysis of cultural integration synergy factors; 4) the organization should create an excellent corporate culture and resolve organizational barriers through cross-cultural learning, establish a platform for good communication and strengthen literature and training; 5) strengthen the construction of institutional culture, a cultural integration system that can supervise and control the situation of cultural integration; 6) establish a scientific and reasonable performance appraisal culture that would strengthen the evaluation of corporate incorporation, improve the evaluation system of corporate culture and strengthen the evaluation of new culture.

Keywords: Merger and Acquisition, Cultural Integration, Fuzzy Evaluation



摘 要

题目: 企业并购中的企业文化整合——以上海电气并购天和科技为例
作者: 解云秀
学位: 工商管理硕士
专业: 工商管理
导师: Chao Qin

(副教授.邱超)

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随着城市经济的不断发展,并购已经成为企业生存发展的重要手段,自上世纪末期开始,世界各国掀起了一股并购浪潮。进入新世纪以来,企业并购以锐不可挡的趋势走进中国的经济领域。但在企业并购的具体实践中,并购的整体绩效并不理想,尤其是企业文化的有效整合问题比较突出,并成为企业并购失败的关键性因素。

本研究通过对并购企业文化整合过程中存在的主要因素的全面解读,通过具体的案例分析,在企业并购过程中文化整合的具体效果进行评价,并分析了制约文化改革效果的主要因素,提出意见和建议,对提高文化改革的有效性,持续改进企业并购绩效具有重要的借鉴价值。

本文首先分析上海电气并购天沃科技的进程,从具体实践过程中凸显了并购中企业文化整合的必要性。在此基础上,分析了当前上海电气并购天沃科技电器的文化整合存在的问题,包括:企业未来发展目标不明确、企业价值观不统一、企业文化整合缺乏制度性规范和单一的文化整合模式导致效果不佳。并从企业文化的自身特点、企业的内部原因和企业的外部原因三方面深入分析了问题的原因。最后,提出了上海电气并购天沃科技的企业文化整合策略。明确并购后企业的发展目标方面,应明确并购后企业文化整合的目标定位、明确企业文化整合的模式和方案、明确企业文化整合的步骤和统筹分析文化融合协同因素;营造良好的企业风气方面,应通过加强跨文化学习化解组织壁垒、建立良好沟通的平台和加大宣传培训力度;加强制度文化建设方面,应建立文化整合制度和 对文化整合情况进行监督和调控;建立科学合理的绩效考核文化方面,应加强企业文化匹配度评估、健全企业文化考核体系和强化对新文化的评测。

关键词: 企业并购 文化整合 模糊评价

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Chapter 1 Introduction

1.1 Research background

With the development of economic globalization, enterprises are facing more fierce market competition, Merger and Acquisitions (M and A) has become an important way for enterprises to deal with the pressure of market competition. As the saying goes, buying is always easier than building, M and A as an important way of direct investment, so the unique nature has been sought after by enterprises and social status. At present, M and A activities have become an important way for enterprises to quickly open up the market and build strong market competitiveness. However, in the face of the surging wave of M and A, it also brings many problems while promoting the optimization and integration of market resources. Not all M and A is successful, and a large number of failure cases exist, one of the important reasons is that the managers of M and A enterprises pay less attention to culture and lack of attention. It can be seen that changing the cultural management concept of M and A enterprises and effectively dealing with the cultural integration in the process of M and A have become an urgent problem to be solved in the process of M and A.

Corporate culture is a specific organizational culture, which belongs to the complex system formed by different cultural characteristics. Because of the uniqueness and difference of corporate culture, in the process of M and A, it will inevitably lead to the intersection and integration of corporate culture between the two sides. Thus, in the process of M and A, cultural integration has a prominent and important position. Literally, the cultural reform in the process of M and A is the effective integration of the culture of both enterprises by taking reasonable and effective measures in the process of M and A. Finally, a new organizational culture that can be recognized by both members of the enterprise is constructed. Therefore, Chinese foreign scholars in this field of research change form, how to solve the conflict between the two cultures in the process of M and A, and then form a common cultural recognition, so as to build a strong core competitiveness of enterprises. M and A plays an important role in expanding capital operation space, optimizing the distribution of limited and intangible assets, realizing diversified competition, and thus building a strong market competitiveness. However, according to relevant information, the proportion of successful M and A is not more than 50%, the most important reason is the problem of

cultural integration. For an enterprise, its survival and development mainly depend on two factors, resources and culture. Therefore, in M and A activities, we should not only pay attention to the physical reorganization at the resource level, but also pay attention to the harmony of heterogeneous cultures from different enterprises. Only in this way can we give full play to the advantages of M and A in the field of resource allocation.

Based on this, this paper takes the concrete case as the starting point, carries on the deep research to the cultural integration in the enterprise M and A process, guides the enterprise to attach importance to the cultural construction after the M and A, and provides the lasting competitive advantage for the long-term development of the enterprise.

1.2 Research problem

This paper selects the cultural integration in the process of M and A of Tianwo Technology Company of Shanghai Electric Company of China as a typical case of cultural integration in Chinese state-owned enterprises.

1. Through the international research on cultural integration.
2. Determine the research methods and index system, through the expert scoring method to find out the problems of cultural integration in the M and A process, and put forward some suggestions for improvement.

1.3 Significance of research

1.3.1 Theoretical significance

Although the western theory of cultural integration after M and A has been put forward for a long time, the theory of cultural integration in M and A mainly focuses on post-M and A integration, mostly on financial or personnel integration. This study selects the recent representative cases of M and A of leading enterprises, further verifies and consummates the theory of cultural integration, and analyzes the choice of integration mode in the process of integration, hoping to enlighten the later research.

1.3.2 Practical significance

In the transition period of enterprises, M and A fairs between enterprises become more and more frequent, especially the reshuffle in a single industry becomes more and more intense. This study takes the leading enterprise M and A domestic representative

high quality enterprise as an example, hopes through the Shanghai Electric M and A Tianwo science and technology example research, analyzes each kind of question in the enterprise culture conformity, adopts the corresponding solution, To provide valuable practical significance for domestic ongoing or upcoming industry integration.

1.4 Research objective

Corporate culture is a specific organizational culture, which belongs to the compound system formed by different cultural characteristics.

1. Due to the uniqueness and diversity of corporate culture, in the process of M and A, it is inevitable that the corporate cultures of two companies will have to contact and integrate.

2. Thus it can be seen that cultural integration plays an important role in the process of M and A.

3. Based on it, this article takes the real case as the starting point, conducts in-depth research on the cultural integration during the process of enterprise M and A, with the purpose of guiding enterprises to attach importance to the cultural construction after M and A and providing lasting competitive advantage for enterprises' long-term development.

Chapter 2. Literature review

2.1 Research on cultural integration

Basic theoretical research on cultural integration. Edgar.H.Schein (2005) points out that corporate culture is formed through social practice under certain social and economic conditions and is the sum of consciousness, values, professional ethics, codes of conduct and norms that all members follow together.

Research on the method and process of cultural integration. Experts and scholars focus on how to choose the integration mode of cultural integration in specific operations. Kogut, B.H.Singh.(2008) study, it is concluded that the choice of cultural integration mode is closely related to the goal of M and A or the choice of strategic type of M and A. Ben De Haldevang.(2009), Ahuja G.andKatila R.(2001) and David R, Catherine M & Jeffrey G.(2004) through the study of the integration process put forward the relevant requirements, Need to focus on the process in post-merger integration planning and management, Should be clear solutions to cultural integration, efficient, communication, innovative.

On the study of cultural integration model and selection, Luo Haitao (2015) regards four models, such as cultural substitution, cultural promotion, cultural integration and cultural isolation, as the main models of cultural integration. Wang Ailin (2015) believes that cultural integration only includes three modes, namely, complete integration, forced absorption and independence. Chaohua (2016) holds that the results of corporate culture integration include assimilation, integration, isolation and reference through case studies. Different cultural integration results are produced by various factors in each stage after the completion of M and A. Zhang Jiexuan (2018) analyzed the influence of corporate culture on M and A from the perspective of corporate culture, including recessive culture, explicit culture and spiritual culture, then discussed the process of cultural integration in M and A process, and improved and summarized four fusion methods on the basis of existing research.

Study on the importance of cultural integration. On the importance of cultural integration, Zollo M. and Singh H(2004) point out that cultural integration strongly affects the performance of M and A, and strengthens the positive impact of cultural integration, which can increase the level of integration after M and A. Grant Jones(2008) pointing out the factors of organizational culture theory will help managers to make a

correct judgment on the potential goal of cultural integration after M and A. It shows that cultural integration is an important part of post-merger integration.

Corporate culture integration strategy. The study of foreign experts and scholars shows that based on the basic theoretical research of cultural integration and grasping its characteristics, Kode, Ford, Sutherland (2008) think that the motivation of M and A lies in the coordination effect, so it is particularly important to choose the appropriate cultural integration model. According to Nancy Pekala(2009) how to better avoid the collision of cultural conflicts and Robert J.Borghese and Paul F.Borghese(2001) the analysis of problems in specific cases of cultural integration requires the selection of cultural integration model to ensure the smooth implementation of the integration process, Through the complex process of cultural integration, we can see that it is very important in post-merger integration.

2.2 Research on Cultural Integration of M and A Enterprises

Kang, Liu (2019) on the influence of corporate culture on M and A. Kang Ping, Liu Xuxuan (2019) take the data of cross-border M and A of listed companies in China from 2010 to 2016 as a research sample to explore the impact of institutional and cultural differences on the innovation performance of cross-border M and A enterprises under the background of "Belt and Road ". The results show that institutional and cultural differences have a negative impact on the innovation performance of the main merger and acquisition parties. Wu Haoqiang (2019) used the data of 259 listed Chinese manufacturing companies in 2007-2016 to investigate the relationship between their cultural intensity and the efficiency of technological innovation after M and A. The research shows that the higher the corporate culture intensity of state-owned enterprises, the lower the efficiency of technological innovation after M and A, and the negative effect is caused by the significant negative effect of sub-index social relationship. The corporate culture intensity of private enterprises has a significant positive effect on the efficiency of technological innovation after M and A. Wang Chenhao, Wang Yi, Li Hongbo (2020) represented clan culture intensity by surname concentration. This paper studies the influence of clan culture difference on M and A income, and finds that the greater the clan culture difference, the higher the M and A income. Chen Yuhan (2020)¹³ thinks that the influence of cultural differences on overseas M and A of construction

enterprises is manifested in: conflict of values, conflict of management style, conflict of behavior and habits, etc.

Huang (2019) on the integration of corporate culture after M and A based on a specific case. Huang Li (2019) analyzed the cultural integration of cross-border M and A through the previous research results, and took the acquisition of Alcatel by a household appliance enterprise as a case study and put forward corresponding solutions. The aim is to provide some useful ideas or lessons for avoiding the risk of cultural integration in overseas M and A. Chen, Xu (2019) combined with the background of Volvo M and A case, this paper discusses the root causes of corporate culture differences from national cultural differences and corporate culture differences. Taking the cultural conflict and advantage of M and A as the content, this paper analyzes the influence of cultural integration on the cooperative value of M and A enterprises, and puts forward the strategy of cultural integration from respecting and strengthening corporate cultural identity, reducing the difficulty of integration and establishing common development strategy.

Research on the problems and countermeasures of corporate culture after M and A. Huo Shunsheng, Li Xin (2020) is guided by the connotation of corporate culture. M and A enterprises should focus on speeding up the integration and reshaping of values, organizational system, system system, management mode, psychological identity and so on, establishing a corporate culture adapted to the sustainable development of M and A enterprises, and realizing the vision goal of M and A enterprises. Hu Zhuyin (2018) combined with the enterprise reorganization practice of Taurus Energy M and A Canghua shares, this paper tries to make an empirical analysis of the cultural integration in the reorganization process, summarizes the experience of promoting the integration of corporate culture, and reveals the internal law of corporate culture integration. In order to provide reference for cultural integration in M and A process. Diao Aihua (2018) put forward the strategy of cultural integration of retail M and A from the aspects of defining the strategic objectives of M and A, formulating cultural integration plans, adjusting employee values, encouraging all staff to participate in the integration of corporate culture and evaluating the cultural differences of M and A enterprises. Li Sanwei (2019) mainly focuses on the conflict and integration of corporate culture in M and A. Combined with the current cultural conflicts in M and A, this paper explores and studies the integration of mixed culture, symbiotic culture, absorption culture, transform culture and fusion culture in order to realize the goal of good integration of

culture in M and A. Zhang Hui and Liu Shumei (2020) discussed in detail the cultural integration measures made by the Chinese Group in M and A Italy Group from a cross-cultural perspective, and put forward cultural integration measures from the aspects of respecting national culture, attaching importance to seeking common ground while reserving differences, using managers to spread corporate culture and enrich communication models, and promoting cultural integration.

To sum up, scholars study the choice of cultural integration model and the concrete implementation of cultural integration through the study of basic theory, so as to highlight its importance, and give the problem solving strategy by summing up the experience. This paper will also take this as the train of thought, through the concept theory and the actual case carries on the analysis, manifests the cultural integration in the M and A related work the important position this main thought.

2.3 Definition of relevant concepts

2.3.1 M and A

M and A is a combination of mergers and acquisitions. In general, we call M and A the change and reorganization of business rights. M and A enterprises and M and A enterprises reach an agreed restructuring conditions, and re-establish corporate culture, policy system, management standards and so on. It can be said that in M and A activities, M and A enterprises are in the transfer and merger of rights, as a more special transaction process, accompanied by the transfer of rights.

An overview of the meaning of mergers, as defined in the Encyclopedia Britannica, is that many businesses merge

Together, form a new enterprise; the United States related scholars through research, the so-called merger, in essence refers to: two or more enterprises to merge, reorganize, form a new enterprise, the relevant merged enterprises traditional policies and regulations will disappear. On the merger of enterprises, relevant scholars believe that the so-called merger is the transition and transfer of enterprise property rights, that is, the transfer of the property rights of the merged enterprises to the merged enterprises, and the merger enterprises to take over the management rights of the merged enterprises.

2.3.2 Corporate culture

The research on corporate culture originated in the 1970s and 1980s, and the definition of corporate culture has not yet formed a unified conclusion. Several scholars'

writings became classics in the initial study of corporate culture, such as Allan A. Kenndy's "corporate culture — etiquette and ceremony of business life ", William Ouchi's " Z theory ", Thomas J. Peters' s "pursuit of excellence" and the art of management in Japan. In these scholars' works, although the authors' understanding of the concept of corporate culture is different, there is a basic consensus on the core issue, that is, corporate culture is a set of meaning systems shared by its members that can distinguish the organization from other organizations.

Although Chinese scholars have different definitions of corporate culture, Peng Jianfeng (2014) points out that corporate culture is an important psychological contract, and puts forward a series of core values in all enterprises. The existence of internal psychological contract promotes the unity of vision among all employees, which is beneficial to the improvement of independent management efficiency.

The characteristics of corporate culture include: first of all, the corporate culture is difficult to be fully aware of, in the process of competition with other enterprises, this culture will be fully displayed, including common M and A integration and so on. Secondly, corporate culture has significant stability, which includes self-protection related forces in all corporate culture, that is, the aspects that need to be paid attention to in the process of corporate culture integration (Cheng Zhaoqian, Xu Jinfa 2001).

The same culture as other industries, corporate culture also has rich characteristics, in the process of M and A,

Corporate culture is characterized by:

First, the integration of corporate culture.

Second, the exclusivity of corporate culture.

Third, the innovation of corporate culture.

2.3.3 Corporate Culture Integration

This paper holds that the meaning of cultural integration is: different corporate culture through mutual contact, communication, absorption, infiltration into the process of integration, is to coordinate the differences and conflicts between different corporate cultures to promote mutual identity, integration, unity process. Cultural integration is not a simple change to the original cultures, nor is it a deliberate effort to eliminate cultural differences and blindly pursue cultural consistency and unity, but to correctly view and deal with cultural differences on the basis of a full understanding of their respective cultures. And according to various specific requirements to choose the

appropriate cultural integration model, so as to achieve the best allocation and arrangement of cultural elements, effectively promote the success of corporate restructuring.

2.4 Theoretical Basis

2.4.1 Enterprise Early Warning Management Theory

The theory of enterprise early warning management is an applied theory based on system cybernetics, which puts forward the theory of prevention and advance Police as the basic mechanism of risk management. The theory of enterprise early warning management subverts the traditional enterprise risk management mode based on ex post control, and measures the implementation of risk plan according to the pre-set risk standard. It can find the deviation in the process of plan realization and urge the relevant managers to correct the deviation, so as to ensure that the risk plan goal can be achieved.

The theory of enterprise early warning management analyzes the source of risk in the process of enterprise management, and analyzes its influence, In the event of management errors or loss of risk events, this paper discusses the causes of the errors and further explores their occurrence laws, so as to develop the corresponding early warning management methods and set up an early warning management system matching with the enterprise. To predict future management risks and prevent them in advance.

2.4.2 Comprehensive Risk Management Theory

The theory of comprehensive risk management, also known as crisis management theory, is one of the branches and masters of risk management theory. If the possibility of risk occurrence is reduced by using various risk aversion methods in advance, or the process of reducing loss to the risk events that have occurred. The theory describes a wide range of management processes affected by various departments and levels of the enterprise, which form a complete risk management system, including internal environment, risk assessment, risk prevention and control, these links are not linear, one-time processes, but repeated, multi-directional impact processes, this process is involved by all members of the enterprise, and implemented in the enterprise strategy.

The theory of comprehensive risk management mainly emphasizes that in the process of risk management, we should take into account the internal risk management. The risk that may occur in various departments and aspects, not only in a certain department or in a certain business process, and the comprehensive risk management theory also requires the systematic study of the carriers that may produce these risks, including various assets, business units, etc., in order to deal with all kinds of risks in a corresponding way. Comprehensive risk management can carry out the risk management objectives in an orderly manner according to the level. The research includes three stages before, during and after the occurrence of the risk event, and takes the way of prevention, reduction and compensation.



Chapter 3 Methodology

3.1 Research content

The main problems studied in this paper include:

First, the integration theory of M and A culture is summarized, the relevant theories and characteristics of M and A are introduced in detail, and the significance of corporate culture integration is analyzed, which lays a theoretical foundation for the research of this paper.

Second, the risk identification of M and A corporate culture integration is studied. The risk measurement model of M and A corporate culture integration is constructed from many aspects, which lays a foundation for the later analysis.

Third, the main measure of M and A corporate culture integration risk. On the basis of discussing the measure method, we use the hierarchical analysis method to measure the concrete measure, and combine the concrete case, analyze the case in detail and Purchase enterprise culture integration risk situation.

Fourth, put forward the merger and acquisition enterprise culture integration plan. Analysis of the impact of M and A corporate culture
The main factors of integration put forward targeted control measures.

3.2 Research subjects

Shanghai Electric is one of the largest enterprises in China's equipment manufacturing industry with annual operating income of 80 billion yuan. The main business of the enterprise includes new energy and environmental protection equipment, including new energy and environmental protection equipment, industrial equipment and modern service industry. According to different business areas, Shanghai Electric has many industrial groups. Tianwo Technology listed on the Shenzhen Stock Exchange in March 2011, its predecessor is Zhangjiagang Chemical Machinery Co., Ltd., renamed Suzhou Tianwo Technology Co., Ltd in 2014. The company is a professional technical service enterprise. Its main business includes energy engineering services, high-end equipment manufacturing and military and civilian integration. Through this merger and acquisition transaction, Shanghai Electric Appliance and Tianwo Technology will establish a comprehensive business cooperative relationship, which will help to give full play to the capabilities and resource advantages of the two

enterprises, at the same time, strengthen the exchange of business information and continuously expand the Chinese international market. To achieve the overall strength of both sides.

3.3 Research methodology

The research methods use the quantitative methods as follows:

First, literature research. In the course of the research, the literature on cultural integration in the process of M and A is widely collected, and the literature is deeply analyzed, which provides the necessary literature and theoretical basis for the smooth progress of the research.

Second, case analysis. This study takes Shanghai Electric M and A Tianwo Technology as a specific case, comprehensively evaluates the performance of M and A corporate culture and corporate culture integration, and obtains the main problems in corporate culture integration in the case. And put forward the relevant opinions and suggestions.

Third, analytic hierarchy process. Analyse the collected data using AHP

3.4 Construction of Evaluation Index System of Corporate Culture Integration after M and A

In order to construct the effect of corporate culture integration in the process of Shanghai Electric M and A Tianwo Science and Technology, the corresponding evaluation index set should be constructed first. According to the specific requirements of quantitative and qualitative evaluation methods, the evaluation model is constructed according to the basic principles of integrity, independence and hierarchy. In order to make the research results have guidance and reference significance, it is necessary to sort out each management link according to the evaluation results, and determine the key links in the process of enterprise culture integration.

Because the market economy system of western developed countries is relatively perfect, it starts early in the research of M and A culture integration, and carries on the deep discussion from many angles. Davis(2004) studied the influence of management style in M and A earlier, and thought that the difference between management and management is an important factor affecting the success of M and A activities.

Therefore, before M and A, we must analyze the differences between the two enterprises in management. Nahavandi(2003) through the research, the degree of cultural integration will have a very obvious impact on M and A performance in the process of M and A. Ghoshal(2008) through the method of case study, it is pointed out that in the process of M and A, it is necessary to create a good internal working atmosphere in order to reduce the adverse effects caused by the differences in corporate culture and promote the smooth progress of M and A activities. Berry(2006) mainly studied the model of cultural reform in the process of M and A, and combined with the specific case analysis, put forward four specific models of cultural integration: assimilation, integration, isolation and destruction, and pointed out that enterprises in the process of M and A based on their own interests, in the choice of cultural integration model presents different preferences.

As far as China is concerned, due to the late construction of the market economy system, Chinese scholars began to pay attention to the related theories of M and A in the early 1990s, so the research on cultural integration in the process of M and A not only started late. And most of the research is mainly to the western M and A cultural integration theory reference. Mainly interprets and explains the concept of cultural integration in the process of M and A, and thinks that in the process of M and A, the culture of different enterprises will be divided, strengthened and weakened, and a new corporate culture will be constructed. Cultural conflict is a problem that must be faced in the process of enterprise integration, and it is also a concentrated embodiment of various conflicts in the process of enterprise integration. In general, the research on cultural integration in M and A process in China is still in its infancy, and the cultural integration in M and A process has not yet formed a comprehensive analysis model.

In the study, we fully draw lessons from the existing model research experience, select four different dimensions, such as material culture, spiritual culture, control culture, comprehensive culture, and carry out in-depth analysis of the specific influencing factors and actual control points of each dimension, determine the secondary evaluation index, and construct the evaluation index system. The results are shown in Table 1. In the actual evaluation process, each specific index is divided into five different grades, I, II, III, IV and V, and given 1,2,3,4 and 5 points respectively. Invited experts to the M and A process of cultural integration of the specific situation of indicators to judge and score.

Table 3-1 Indicators system for evaluating the effect of cultural integration

Target layer	Level I indicators	Level II indicators
Corporate Culture Integration Effect U	Material culture U1	Enterprise environment U11
		Enterprise products U12
		Enterprise equipment U13
	Spiritual culture U2	Enterprise objectives U21
		Enterprise spirit U22
		Enterprise philosophy U23
		Corporate values U24
		Corporate ethos U25
		Corporate ethics U26
		Enterprise concept U27
	Control of culture U3	Enterprise organization U31
		Enterprise management U32
		Enterprise system U33
		Enterprise democracy U34
		Corporate performance U35
	Integrated culture U4	Enterprise style U41
		Corporate image U42
Enterprise quality U43		

Chapter 4. Data analysis

According to the results of the investigation, it is found that there are many problems in the process of cultural integration of Shanghai Electric Company. Then, according to the evaluation index system of corporate culture integration after M and A, this paper analyzes the effect of corporate culture integration of Shanghai Electric M and A.

4.1 Determination of weights of evaluation indicators

In order to improve the scientific and accurate evaluation, it is necessary to determine the weight of each evaluation index first. The weight of evaluation index is determined by expert scoring method. In the selection of experts, it is necessary to consider their good sense of responsibility and rich research and practical experience in this field^[15]. In accordance with the above requirements, the final selection of two companies and has been to the company for external audit of 24 professionals to form a panel of experts. The scoring results of each indicator are arithmetic averages, and finally rounded to retain integers. After the summary calculation of the scoring results, the weight calculation results of all indicators are shown in Table 4-1.

Table 4-1 Calculation of Index Weight

Target layer	Level I indicators	Weight	Level II indicators	Weight
Corporate Culture Integration Effect U	Material culture U1	0.1438	Enterprise environment U11	0.5000
			Enterprise products U12	0.2500
			Enterprise equipment U13	0.2500
	Spiritual culture U2	0.3823	Enterprise objectives U21	0.3740
			Enterprise spirit U22	0.1725
			Enterprise philosophy U23	0.1693

Target layer	Level I indicators	Weight	Level II indicators	Weight
			Corporate values U24	0.0607
			Corporate ethos U25	0.0584
			Corporate ethics U26	0.1044
			Enterprise concept U27	0.0607
	Control of culture U3	0.3475	Enterprise organization U31	0.0633
			Enterprise management U32	0.1135
			Enterprise system U33	0.2512
			Enterprise democracy U34	0.0783
			Corporate performance U35	0.4937
	Integrated culture U4	0.1274	Enterprise style U41	0.1085
			Corporate image U42	0.3114
			Enterprise quality U43	0.5801
			Level II indicators	0.5140
			Enterprise environment U11	0.1467
			Enterprise products U12	0.2810

In order to ensure the consistency of the judgment index, the consistency test must be carried out. In this example, the final calculation result of the CI value is 0.11, which indicates that the two are close and pass the consistency test.

4.2 Evaluation process and results analysis

In view of the fact that most of the evaluation indexes of corporate culture integration quality can not be quantitatively analyzed, the fuzzy comprehensive evaluation method is used to study the research based on the results of expert scoring. First of all, the results of expert scoring are converted according to the proportion of total number of people, and the fuzzy evaluation transformation is realized. The results are shown in Table 4-2.

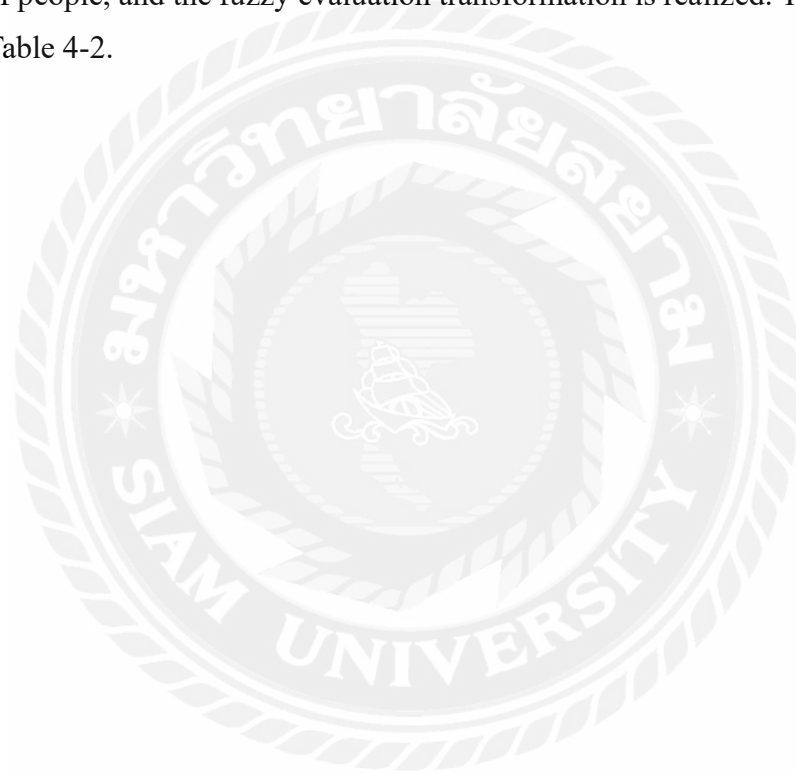


Table 4-2 Summary of expert scoring results

Target layer	Level I indicators	Weight	Level II indicators	Weight	Score score				
					5	4	3	2	1
Corporate Culture Integration Effect U	Material culture U1	0.1438	Enterprise environment U11	0.5000	0.0834	0.2502	0.5004	0.1251	0.0417
			Enterprise products U12	0.2500	0.0417	0.1251	0.3753	0.4587	0.0000
			Enterprise equipment U13	0.2500	0.0834	0.2502	0.4170	0.2502	0.0000
			Enterprise objectives U21	0.3740	0.0417	0.3336	0.3753	0.2502	0.0000
	Spiritual culture U2	0.3823	Enterprise spirit U22	0.1725	0.0000	0.2085	0.5838	0.2085	0.0000
			Enterprise philosophy U23	0.1693	0.0417	0.3753	0.1251	0.4587	0.0000
			Corporate values U24	0.0607	0.0834	0.2502	0.4587	0.2085	0.0000
			Corporate ethos U25	0.0584	0.1668	0.4587	0.2502	0.1251	0.0000
	Control of culture U3	0.3475	Corporate ethics U26	0.1044	0.0417	0.2502	0.4587	0.2919	0.0000
			Enterprise concept U27	0.0607	0.0000	0.2502	0.5004	0.2502	0.0000
			Enterprise organization U31	0.0633	0.0000	0.6255	0.3753	0.0417	0.0000
			Enterprise management U32	0.1135	0.0417	0.1668	0.6672	0.1668	0.0000
	Integrated culture U4	0.1274	Enterprise system U33	0.2512	0.0000	0.2502	0.4587	0.2919	0.0000
			Enterprise democracy U34	0.0783	0.2502	0.4587	0.2085	0.0834	0.0000
			Corporate performance U35	0.4937	0.0000	0.0417	0.0834	0.5004	0.3753
				Enterprise style U41	0.1085	0.0000	0.2085	0.6672	0.1251
			Corporate image U42	0.3114	0.0000	0.5004	0.4587	0.0417	0.0000
			Enterprise quality U43	0.5801	0.0834	0.5004	0.3753	0.0417	0.0000

Based on the results of the above table, the multi-level fuzzy evaluation matrix is constructed. Taking the first class index material culture U1 as an example, the ordinary matrix product algorithm is used. The calculation process and results are as follows:

$$U1 \circ R = (0.5000, 0.2500, 0.2500) \circ \begin{pmatrix} 0.0834 & 0.2502 & 0.5004 & 0.1251 & 0.0417 \\ 0.0417 & 0.1251 & 0.3753 & 0.4587 & 0.0000 \\ 0.0834 & 0.2502 & 0.4170 & 0.2502 & 0.0000 \end{pmatrix}$$

$$= (0.073, 0.219, 0.448, 0.240, 0.021)$$

According to the above method, the multi-level fuzzy evaluation results of other first-level indexes are calculated respectively, and the above results are synthesized to obtain the multi-level fuzzy total evaluation results of the effect of corporate culture integration in the process of merger and acquisition:

$$(0.016, 0.318, 0.459, 0.166, 0.041)$$

According to $0.459 > 0.318 > 0.166 > 0.041 > 0.016$, according to the principle of maximum membership of comprehensive fuzzy evaluation method, the evaluation results of the effect of corporate culture integration are grade III, which shows that the managers of enterprises have a preliminary sense of corporate culture integration. The importance of corporate culture integration in M and A process is also recognized.

The four-quadrant improvement method is used to sort each of them. Among them, one quadrant is the link of low grade and high weight, which is the priority improvement link; the second quadrant is the link of high grade and low weight, which is the maintenance link; the third quadrant is the link of low grade and low weight, and the fourth quadrant is the link of high grade and low weight, which belongs to the link of weakening advantage. Using the above section method, the maturity and weight of each evaluation index are calculated and determined. The results are shown in Table 4. Judging from the results in the table, among all four primary indicators, the control culture U3 falls in the first quadrant and belongs to the priority improvement link; the comprehensive cultural U4 falls in the second quadrant to maintain the link; the material and cultural U1 and spiritual U2 fall into the third quadrant. It can be seen that enterprises should increase investment in controlling culture, material culture and spiritual culture in the aspect of cultural integration after M and A.

From the three-level index, most of the evaluation results are grade III, which is basically consistent with the overall evaluation results. The evaluation result of enterprise democracy U34、 enterprise image U42、 enterprise quality U43 is grade IV, which belongs to advantage link and should be maintained in the process of enterprise operation and management in the future.

The evaluation result of four links of enterprise goal U21、 enterprise atmosphere U25、 enterprise system U33、 enterprise performance U35 is grade II, which is an important restriction factor in the improvement of cultural integration effect and belongs to the link that needs to be improved.

Table 4-3 Results of rating of evaluation indicators

Target layer	Level I indicators	Weight	Grade	Level II indicators	Weight	Grade
Corporate Culture Integration Effect U	Material culture U1	0.1438	2	Enterprise environment U11	0.5000	3
				Enterprise products U12	0.2500	3
				Enterprise equipment U13	0.2500	3
	Spiritual culture U2	0.3823	2	Enterprise objectives U21	0.3740	2
				Enterprise spirit U22	0.1725	3
				Enterprise philosophy U23	0.1693	3
				Corporate values U24	0.0607	3
				Corporate ethos U25	0.0584	2
				Corporate ethics U26	0.1044	3
				Enterprise concept U27	0.0607	3
	Control of culture U3	0.3475	2	Enterprise organization U31	0.0633	3
				Enterprise management U32	0.1135	3
				Enterprise system U33	0.2512	2

Target layer	Level I indicators	Weight	Grade	Level II indicators	Weight	Grade
				Enterprise democracy U34	0.0783	4
				Corporate performance U35	0.4937	2
	Integrated culture U4	0.1274	4	Enterprise style U41	0.1085	3
Corporate image U42				0.3114	4	
Enterprise quality U43				0.5801	4	

4.3 Problems

By constructing the evaluation model of the effect of cultural integration in the process of M and A, the effect of corporate culture integration is evaluated. According to the principle of maximum membership of comprehensive fuzzy evaluation method, the evaluation results of corporate culture integration are grade III. It shows that managers have a preliminary sense of corporate culture integration and a certain understanding of the importance of corporate culture integration in M and A process, but there is still room for improvement. In this study, the fuzzy comprehensive evaluation method is further used to analyze and study the factors that affect the effect of corporate culture integration. It is considered that the five links of enterprise goal, enterprise atmosphere, enterprise system and enterprise performance are important constraints in improving the effect of cultural integration.

4.3.1 future development goals of enterprises are unclear

Although there is a close relationship with the development of the company, it reflects to a certain extent that the quality of enterprise managers is not very good. In terms of "company leaders and managers can keep their promises" and "leaders have a long-term vision for development ", the vast number of enterprise employees have a very low degree of recognition. In the view of enterprise employees, the leadership lacks a certain strategic vision for long-term development. For "clear and consistent

values guide our management work" and "I agree with the development goals of the organization" two aspects of the problem, the enterprise staff do not agree with it very much, reflecting the development of Tianwo technology in the enterprise culture is still stagnant in the initial development period.

Table 4-4 Questionnaire on Enterprise Spiritual Culture

Contents of the survey	Total consent	General consent	Uncertainty	General disagreement
Leaders have a long-term vision	10.1%	14.7%	33.0%	13.7%
I agree with the organization's development goals	2.0%	30.4%	11.8%	5.9%
Company leaders and managers can keep their promises	10.5%	11.1%	13.7%	19.3%
Clear and consistent values guide our management	8.2%	25.2%	26.1%	11.4%

For excellent enterprises, there is something in common in their management thinking, that is, efficiency, mutual benefit, contingency, The idea of the market. In particular, the idea of mutual benefit, mainly "win-win" as the important guiding ideology, in the market It is necessary to consider the profit of the other side of the enterprise. The reason why some enterprises fall in market competition Failure is precisely because this idea is not used as a guide. Many businesses always expect to get the biggest Profits. After completing the merger, the conflict of ideas in this respect is obvious of. For decision-making, Tianwo Technology is generally carried out through personal responsibility and independent decision, but the interests of the majority of employees are on consideration. This is in different management systems, different ownership of companies. After the merger, there is a certain conflict in the way of decision-making. For a long time, from the surface see, Tianwo technology for long-term interests are very focused, but in fact more popular short-term behavior. Because The system. On the other hand, the management of Shanghai Electric Group is directly related to the interests of managers, The ownership of assets is very clear. Therefore, managers are very careful about the current market changes, in the changes Cheng Zhong seeks the survival and development of enterprises and the continuous appreciation of enterprises. This is a truly long-term development behavior, is some

merger enterprises do not exist in the idea.

In the view of Tianwo technology managers, it is of little significance to carry out five-year planning. Because of the rapid changes in the economic situation, it is good to understand the development of the year and make corresponding plans. In general, Tianwo Technology only formulates the plan for one year, and it is not carefully calculated by rigorous investigation in the process of formulation, and obtained after repeated verification. For Shanghai Electric Group, it requires the relevant departments to carry out a five-year plan every year from the month. In the second year, enterprises require the review and revision of the five-year plan according to the specific operation of the first half of the year, so as to improve the foresight and accuracy of the plan.

4.3.2 corporate values are not uniform

The enterprises after M and A have reflected many conflicts in values, specifically, in the following two levels: for management personnel, generally reflected in the conflict of risk concepts and differences. The long period of government behavior and the role of traditional culture make most of the company managers cautious in the process of operation, which will grasp the opportunities formed in the process of rapid change. On the other hand, because the responsibility is unclear and the property right is unclear, some operators do not have any self-restraint and risk consciousness, and blindly make decisions to invest. The two wrong risk concepts and the risk concepts of good companies in the merger process are difficult to integrate.

These aspects, because Tianwo Technology in the previous period of time is not very ideal, employees must be
It hasn't yet formed very strict values, so this will become the focus of future integration Point.

4.3.3 lack of institutional norms for the integration of corporate culture

If the cultural integration of M and A enterprises wants to advance smoothly, they must rely on an effective carrier, which is the system. The integration of system and corporate culture is inseparable, system is the carrier of culture, and corporate culture plays a role through the carrier of system. In the cultural integration of M and A enterprises, the two are indispensable and integrated with each other. System refers to a series of management systems that can integrate corporate culture organically. Although this system is not set up separately for the integration of corporate culture, it also takes into account the important factor of whether corporate culture can be

effectively integrated from the beginning.

From the institutional culture, the two companies are quite different. Shanghai Electric has typical western values and implements institutionalized management. System is the essence of Shanghai Electric. No matter what you do, you must first establish the system and standardized working procedures. If there is a problem in this process, the enterprise will first consider whether the system is defective or not. If there is no problem with the system, then consider the human factors. For this problem, in general, there are: hope that enterprises can continue to become bigger and stronger, attach great importance to economies of scale; as far as possible to reduce the cost of enterprises; meticulous division of all business; supervision of quality control, Prepare financial statements carefully and carefully. Due to the lack of such planning, the company's immediate interests are considered too much in terms of the company's development priorities. In reality, this phenomenon is very common. For example, the boss feels that the project can create profits for the enterprise, and in order to seize this opportunity and bring himself management performance, the boss does not think too much about the relationship between the business and the long-term development of the enterprise, but orders the staff to proceed immediately. Such a long-term, Tianwo Technology under the leadership of managers, lost the core competitiveness. The majority of staff assessment and rewards and punishments, often in accordance with the personal wishes of the boss.

At the institutional level, the investigation found that employees have a lower degree of identity, which is related to the development of enterprises. Of these ,50% do not agree with the existing management system ,5.9% do not agree with it, and uncertain employees, which fully shows that there are some problems in the current management system of Tianwo Technology. This shows an asymmetry with the satisfactory material level recognition described above. For the issue of "I believe that as long as we do a good job of service, we will get the company's due attention and reward ", the recognition degree is relatively low, there are 56.2% of the employees who clearly express their disapproval. There is a total of 61.1% of uncertain employees. For the problem of "I know my job responsibilities ", there is a very good degree of recognition, which reflects the majority of employees feel that they are very hard, on the contrary, it also reflects the existence of certain problems in the enterprise system itself.

Table 4-5 Corporate Institutional Culture Questionnaire

Contents of the survey	Total consent	General consent	Uncertainty	General disagreement	Total disagreement
I recognize the company's management system	5.9%	18.0%	20.3%	50.0%	5.9%
I believe that as long as I do my job well, I will get the attention and reward that the company deserves	11.1%	27.8%	4.9%	38.6%	17.6%
I know my job responsibilities	12.1%	29.1%	13.7%	42.8%	2.3%

Looking at the practice of corporate culture integration after M and A, the interdependence between this system and cultural integration has not been paid attention to, and many corporate culture after M and A can not be carried out because of the lack of corresponding system guarantee.

4.3.4 a single model of cultural integration leads to poor results

There are three main modes of cultural integration of M and A enterprises: injection or absorption, integration and promotion. The mode of cultural integration adopted by an enterprise must be based on the characteristics of its own enterprise and the actual situation after M and A, and can not blindly copy the mode of cultural integration of other enterprises. In the process of M and A of some enterprises in our country, we can obviously see that the attitude towards each enterprise is different. Because Shanghai Electric is obviously a strong force in M and A, and Tianwo Technology is in a weak position, Shanghai Electric does not attach importance to the characteristics of the other party's corporate culture, but simply indoctrinate its own ideas completely without thinking, forming a "unified" situation of corporate culture in a short period of time. In the later stage of enterprise development and management, the employees of the company appeared serious "soil and water" phenomenon in the subsequent work, resulting in frequent work problems. In fact, there are many models of cultural integration, the corporate culture of weak enterprises is not useless. On the contrary, because Shanghai Electric has been on a fast track of development in recent

years, it is inevitable to produce lazy culture among employees, which is unfavorable to the development of enterprises. In addition, the corporate culture formed by imposing requirements is more likely to make the M and A enterprises produce reverse psychology, thus hindering the process and effect of M and A. Therefore, Shanghai Electric's single cultural integration model must be changed. To meet the market environment and competition requirements of diversified M and A needs.



Chapter 5 Conclusions and recommendations

5.1 Identify post-merger development objectives

In the process of M and A, enterprises must pay attention to the integration of the target level, the senior managers of the enterprises should formulate the strategic objectives and senior strategic objectives of the enterprises, and the middle managers of the enterprises should formulate the ultimate management objectives of the enterprises, and the primary objectives and specific tasks and programs of each position should be formulated by the grass-roots managers of the enterprises^[19]Through the combination of top-down goal decomposition and goal expectation, this year's plan is carried out on the basis of the enthusiasm and initiative of the staff and workers, thus attracting the vast number of workers to the business activities^[20].

5.1.1 Clarify the target orientation of corporate culture integration after M and A

Corporate culture integration is a systematic project, which must take into account the needs of all aspects of the enterprise, and these needs can be attributed to the following objectives:

First, based on the development of enterprises, the formation of a sound value system.

Second, create a harmonious interpersonal atmosphere to ensure the stable development of enterprises.

Third, establish a scientific management system to standardize employee behavior and ideas.

Fourth, form enterprise scale benefit, mold good enterprise image.

Fifth, establish a long-term mechanism to safeguard the interests of workers.

5.1.2 Clarify the model and scheme of corporate culture integration

(1) Clarifying the model of corporate culture integration

According to the results of most cases of merger and acquisition integration, there are four main modes of corporate culture integration: absorption, penetration, separation and extinction.

First, the mode of cultural integration. It refers to one party giving up the original value idea and behavior hypothesis completely and accepting the corporate culture of

one party, in which one party obtains the complete enterprise control right. Because the cultural differences between the two enterprise groups are obvious and no one is particularly excellent, this model is not suitable for the integration of Shanghai Electric corporate culture.

Second, permeate the integration mode of fusion culture. Refers to the reorganization of the parties in the cultural penetration, are adjusted to varying degrees. Most of this happens when the close enterprises merge together. In the process of cultural integration between the strong enterprises and the strong enterprises, each enterprise has a unique and excellent corporate culture. Absorb the advantages of each other's culture, assimilate each other culturally, and finally merge the two different cultures into a better new corporate culture.

Fourth, Separate cultural integration model. The premise of choosing this model is that the corporate culture of both parties is in a stronger position and more advanced. The employees of both enterprises think that there is no need or unwillingness to change the existing culture. Due to the lack of contact opportunities and cultural inconsistency, the two sides can still operate independently and maintain the autonomy and independence of subsidiaries. This cultural integration is mainly adapted to mergers and acquisitions between certain multinational companies.

Fifth, Cultural extinction integration model. That is, after the reorganization of the ownership of the enterprise neither accept the culture of other ownership enterprises, but also give up their original culture, thus in the cultural confusion of integration. M and A enterprises can reshape the culture of M and A enterprises with the opportunity of M and A, refine the core values and management concepts of enterprises around the strategic objectives and vision of enterprises, and condense and cultivate new corporate culture suitable for the development needs of enterprises.

According to the principle of Shanghai Electric Integration, the mode of cultural integration should be permeated and integrated

Close the pattern. That is, on the basis of the heavy culture of the ownership enterprises, extract and absorb the essence of each other, infiltrate each other, and shape a new corporate culture.

(2) Identification of specific programmes for cultural integration

At the beginning of cultural integration, we should prepare the corresponding plan for unexpected situation in the integration plan. Shanghai Electric M and A, is a strong combination, and the two companies in the past corporate culture intensity is high.

Therefore, from the beginning of M and A, the company has made it clear that the mode of cultural integration is osmotic, which should absorb the original good cultural content of both sides in the process, thus forming new cultural requirements.

5.1.3 Clarify the steps of corporate culture integration

Corporate culture focuses on solving the problems existing in enterprises, and the process of building corporate culture is the process of enterprises finding their own problems and solving their own problems. Therefore, cultural integration is a series of purposeful and directional activities around the problems and cultural conflicts that occur in enterprises themselves. It is also the process from deconstruction to reconstruction, which is the essence of cultural integration.

Shanghai Electric should build a new enterprise culture system, first of all, establish a unified enterprise core values, under the guidance of values to carry out the construction of corporate culture, secondly, analyze the strategic needs and industry policies of enterprises, dig into the essence of corporate culture, and formulate a cultural system that conforms to the enterprise development plan and is easy to form consensus.

5.1.4 Co-ordination Analysis of Synergy in Cultural Integration

Under the overall promotion of the corporate culture construction committee, the strategic coordination, financial coordination, organizational coordination and human resources coordination involved in the integration of M and A are systematically analyzed and considered.

(1) Strategic synergy analysis

Led by the office of the board of directors (i.e. the administrative management department), the organization management department, the finance department according to the superior group carries on the rolling optimization and the revision to the enterprise development localization, to the annual strategic plan. In the development strategy, the operating condition of the enterprise and the possible market opportunities, potential threats and other factors are fully considered to maintain a good dynamic balance between the internal and external environment of the company.

(2) Analysis of financial synergies

Lead by the finance department of the company, analyze the financial resources of the enterprise after integration. M and A for both companies integration involves the inflow and outflow of a large amount of funds, which needs to be coordinated and directed by the financial department of the superior group, and scientific calculate the

time node of equity transfer, capital transfer, industry announcement. Through financial coordination, to ensure that the company can complete the income scale, profit and other business assessment indicators on schedule after integration. At the same time, through financial cooperation, we can realize the optimal allocation of internal resources, strengthen the effective control of the development of enterprises after integration, and ensure the realization of the company's strategic intention.

(3) Organizational synergy analysis

Led by the company's administrative management department, the organization of human resources, management of the integrated organization frame structure, personnel matching degree analysis. Although the original management mode has not changed greatly, but the leadership division of labor, department heads have been adjusted, the personnel of various departments have appeared redundant, staff posts have also changed accordingly. It is necessary to analyze the effectiveness of organizational coordination, design and issue a reasonable organizational structure as soon as possible, and set up posts and posts to ensure that all departments and teams can operate in an orderly manner.

(4) Human resources synergy analysis

The human resources department of the company takes the lead in the entry of the age, education, position and salary of the employees of both companies comprehensive comparison and analysis. This paper analyzes the reasons of the change of human capital value due to the change of incentive measures and organizational structure of enterprises. In this process, we should pay special attention to the differences of psychological demands and cultural perception among employees of different ages and different entry years, and study the countermeasures.

5.2 Creating a good business climate

In the process of M and A, we must pay attention to the integration and construction of enterprise ethos. In particular, we should do a good job in the following areas: first, enterprise leaders should take the lead in demonstrating, setting an example, and guiding the formation of a good atmosphere in enterprises; second, we should do a good job in guiding public opinion by all means, strengthen public opinion propaganda work within enterprises, advocate advanced behavior, and curb unhealthy styles; third, we should actively carry out ideological work to eliminate the rebellious mentality of a small number of employees, and learn from a small number of people to consciously

change their bad behavior and follow the crowd so as to create a good corporate atmosphere.

5.2.1 Addressing organizational barriers through enhanced intercultural learning

Take measures to eliminate barriers between each other, eliminate information asymmetry, enhance communication and understanding, enhance cohesion and synergy within the enterprise, and enhance the sense of participation and existence of employees in the organization.

(1) Enhanced intersectoral information-sharing and concept-sharing

Through departmental exchange meetings, sharing meetings and other forms, to promote the integration of departments, weakening the conflict caused by departmental style differences. As the head of the department, we should take the lead and take the appropriate way in the interactive exchange, which can not only take into account the feelings of the original group of the department, but also realize the cross-departmental information exchange and sharing. It is possible to try out the system of rotation and cross-appointment of heads of departments, so as to prevent someone from controlling a department or organization for a long time, and to break this "potential monopoly" pattern in the form of organizational appointment. Fully consider the "regional feelings" of employees in their work, and set up corresponding functional departments in both places. Company leaders and department heads should take turns regularly in both places. In order to reduce the long-term stay in one side of the formation of a separate state, shorten the psychological gap.

(2) Building multi-level channels of cultural exchange to enhance cultural cohesion.

In the process of spreading the value concept of the enterprise, we can use the way of "telling the story around us" and use it around us people, things around to educate and guide employees, to achieve cultural integration. Small stories can contain big stories, business stories.

Often in the process of cultural integration as the "founder, interpreter, communicator, educator" comprehensive angle color. Through the cultural story, the enterprise value idea is refined and sublimated, can fully reflect the authenticity and appeal of the story, can make the staff understand and recognize the connotation of the

enterprise value concept, spiritual concept and so on more truthfully, can also more effectively standardize and guide the daily behavior and ideology of the staff, and realize the goal of organizing and managing with culture. In contrast, simply instilling theoretical knowledge and management knowledge to employees is difficult to achieve this effect.

In addition to cultural stories, we can also promote mutual integration through thematic activities. For example, "a good cultural lesson" can be carried out, which can combine "cultural elements propaganda" with "doing knowledge workers and building learning organizations". For example, we can carry out a good cultural lesson. Carry out the construction of enterprise culture, guide the staff to correctly understand the orientation and development goal in the enterprise, and increase the pride of being the employee of the enterprise. To carry out the activities of "striving for excellence before creation", theme writing, learning advanced models, exchanging experiences and volunteer activities, etc., most of these positive and positive activities can get the response of employees, and also help to arouse the resonance of employees' values and mission vision in the activities, and then become an effective driving force to realize cultural integration.

(3) Strengthening staff relations management and enhancing the sense of equity

To strengthen employee relationship management, while promoting enterprise development, let employees share development results, is also to enhance an important means of team cohesion. The legal rights and interests of employees can be guaranteed through equal consultation between trade unions and the administration and the signing of collective contracts, wage equality consultation agreements and labor protection agreements with legal effect. Through holding staff meeting, staff Congress and other forms, organize front-line staff to understand the development of the enterprise, understand the strategic intention of the company's senior level. Through extensive consultation with employees, mastering the voice and information from the grass-roots level can not only help to enhance the participation of ordinary employees in enterprise management, but also meet the spiritual needs of employees to "realize their own price". More open, democratic, harmonious organizational atmosphere, to enhance corporate cohesion to increase weight.

5.2.2 establish a platform for good communication

Shanghai Electric can use QQ group, WeChat group and other ways to carry out informal communication, strive to achieve effective communication across departments, grasp the core staff and backbone of the company and effectively spread the communication network into branches and so on. The immediate communication of the members of the group improves the efficiency of problem feedback, and everyone can speak freely in the group. In addition, set up a group for the core staff, use their appeal to establish a number of subgroups, so that the communication network in all directions, more conducive to listening to the voice of grass-roots employees. At the same time, in order to improve the activity of QQ group and WeChat group, the content is separated, and chat communication group and notification group are established respectively. From the advice of employees on the management of the company to the solution of technical problems in business, it can be solved quickly and timely through the loose communication environment of QQ group and WeChat group.

5.2.3 Increase awareness-raising and training

To make the words that remain in the oral or paper form a real corporate culture, only continuous training and education of employees in the corporate culture, especially for those key employees who have influence among them, will have a multiplier effect by focusing on the change of their ideas through intensive educational culture training, which can be formally taught and systematically disseminated to employees with the connotation and extension of the new corporate culture; it can also be flexible and diverse other forms, such as seminars, thematic activities, viewing of promotional films, distribution of promotional materials, etc; The most intuitive and effective way is to transfer new values and codes of conduct to employees through their own words and deeds in their daily work. Give full play to the role of newspapers, television, network, actively spread the knowledge of corporate culture, propagate the typical corporate culture, create an atmosphere of corporate culture, so that the concept of corporate culture is rooted in the ideological consciousness of employees, and transformed into the working style and living habits of employees. Through the organization of full staff training, roving lectures, writing activities, speech competitions, evening shows and other forms, corporate culture from the level of consciousness to the level of action. The backbone of enterprise culture construction has been systematically trained. To establish a four-level training system of "group one ownership enterprise, one

production unit, one district team (team)", actively select and train internal trainers, and carry out enterprise culture training work within the group at different levels and in batches. External corporate culture experts and internal excellent managers are invited to conduct systematic training focusing on the contents of the outline of the construction of corporate culture, the concept system of corporate culture, the corporate culture behavior system, the corporate culture manual, and the employee manual of corporate culture.

5.3 Strengthening Institutional Culture

5.3.1 Cultural Integration System

The integration of enterprise culture needs the system to carry on the comprehensive guarantee, Shanghai Electric management should pay attention to the system guarantee of the integration of enterprise culture while carrying on the integration of enterprise culture, and clarify the responsibility mechanism of the integration of enterprise culture through the rules and regulations of enterprise culture integration.

First of all, the construction of enterprise rules and regulations can improve the competitiveness of enterprises, improve the enthusiasm of entrepreneurship and innovation, so that enterprises can go further. Improve the transparency of the enterprise, so that employees in a good atmosphere to carry out work, truly reflect the happy work, Shanghai Electric company values. Secondly, through the establishment of compliance system, individuals and enterprises to avoid making mistakes. The long-term development of enterprises, technological progress, quality improvement, product research and development system is to lay the foundation, practice internal work, rules and regulations culture construction is also to lay the foundation, practice internal work. Third, regulation produces a source of confidence. Good rules and regulations can improve the transparency and self-confidence of enterprises, and the participation of business operators will also improve the moral level. More orderly development of enterprises needs the constraints of rules and regulations, thus promoting the construction of commercial civilization. The core of the rules and regulations is the spirit of contract, the essence of the spirit of contract is integrity, integrity can rally

people, gather strength, form team strength, form competitiveness. The management of the company should actively participate in the supervision system and cultural construction, first of all, to manage themselves well, finally to carry out the responsibilities of the leading group according to the management requirements of the company, to participate in the whole staff, and to carry out the action plan.

Shanghai Electric should make relevant regulations on the details of each management process of Tianwo Technology, and if there is a need for relevant documents, the corresponding templates are given, taking the functional procedures as an example, as shown in Table 5-1.



Table 5-1 List of functional departments

Functional documentation	Template/content
Human resources management protocols	Recruitment management, staffing management, R and D personnel job evaluation, technical service engineer job evaluation, staffing increase application, staffing requirements, job description
Contract management procedures	Project Contract Approval Form
Inventory management procedures	Purchase management system, logistics management system, financial approval authority form, loan application form, return receipt, receipt, inspection, exit
Procurement management procedures	Procurement Management System, Logistics Management System, Supplier Evaluation Form, Purchase Application, Receiving Inspection Form, Equipment Installation Inspection Form
Management Rules for Shipping	Logistics management system, financial approval authority form, delivery receipt form, carrier evaluation form
Customer Complaints and Satisfaction Management Procedures	Telephone return work instruction, customer complaint record form, satisfaction survey plan
Intellectual Property Management Procedures	Application Form for Patent Retrieval, Form for Technical Submission of Patent, Application Form for Trademark Registration, Application Form for Software Copyright Registration

5.3.2 Supervision and regulation of cultural integration

In the whole process of corporate culture integration, we should track the dynamic of cultural integration in real time, test the results of cultural integration, and compare with the expected integration goal, and adjust the work of cultural integration accordingly in progress and direction. The following needs to be done:

(1) To judge the progress and direction of cultural integration by comparing the status quo with the expected integration objectives, and to make real-time adjustments and corrections.

(2) Paying attention to the employees' ideological dynamics, the degree of integration of the new corporate culture is largely reflected by the employees' ideological dynamics, and requires full communication with the employees in order to grasp the employees' ideological dynamics in real time. Communication can be achieved through interviews, interactive exchanges, seminars, internal journals of the enterprise and so on.

(3) To track the status of cultural integration anytime and anywhere, to anticipate possible conflicts and possible consequences based on the information available, and to break them down and prevent the escalation of cultural conflicts. Many problems and conflicts may not appear until the run-in period.

(4) Adjust and revise the following steps of cultural integration in a timely manner according to the degree of cultural integration and the follow-up status of employees' thoughts.

In a word, corporate culture is not inflexible, and the continuous evolution and adjustment of new culture is also a supplement to the inherent corporate culture. In the work of centralized cultural integration and long-term business operation, the existing corporate culture is constantly revised and adjusted to form a better and more dynamic new corporate culture. The enterprise culture should be adjusted with the change of enterprise strategy, market environment and customer demand, and then innovated and developed, so that the enterprise culture can constantly adapt to the needs of the times and the development of the enterprise.

5.4 Establishment of a scientific and rational culture of performance appraisal

First of all, check the attention and propaganda of each department to the evaluation, understand the specific work plan of each department, such as whether to set up the enterprise culture construction group, whether to establish the department

how to promote the implementation of the enterprise culture construction. Whether has carried on the good propaganda work to the enterprise culture, enhances the propaganda effect. Secondly, the implementation of enterprise training is investigated and analyzed to understand the specific reality of corporate culture training, especially the employees of enterprises through training to enhance the understanding of corporate culture. Finally, pay attention to development and innovation, enterprises should actively encourage cultural innovation and build up their own characteristics of corporate culture. In order to encourage the enthusiasm and initiative of the staff, if the staff exceed the requirements of target management, they should be given bonus points.

5.5 Findings

As a potential ideology, corporate culture will indirectly affect the overall operation of the company's tangible assets through the psychology and behavior of employees, and finally affect the realization of the expected goal of M and A. Therefore, before M and A, it is very important to predict and analyze the compatibility between the corporate culture of both sides, to formulate the corresponding strategic integration plan and targeted solutions.

This paper studies the cultural conflict and integration of Shanghai Electric after the merger and acquisition of Shanghai Electric, and systematically develops from the aspects of problem definition, cause analysis, goal setting and strategy research. Although Shanghai Electric's corporate culture is stronger than Shanghai Electric's, Shanghai Electric's corporate culture itself has many advantages. Therefore, the two excellent cultures complement each other and run-in each other, and it will be the best choice to establish a permeable integration strategy of common values. This study evaluates the concrete effect of cultural integration in M and A process through a comprehensive interpretation of the main factors existing in the process of cultural integration of M and A enterprises, and analyzes the main factors restricting the effect of cultural reform. The following conclusions were drawn:

This paper first analyzes the process of Shanghai Electric M and A Tianwo Technology, and highlights the necessity of corporate culture integration in M and A from the concrete practice process. On this basis, this paper analyzes the problems existing in the cultural integration of Tianwo technology and electrical appliances in Shanghai Electric M and A, including: the future development goal of enterprises is not clear, the values of enterprises are not unified, the integration of corporate culture lacks

institutional norms and a single mode of cultural integration leads to poor results. And from the enterprise culture's own characteristics, the enterprise's internal reasons and the enterprise's external reasons in-depth analysis of the causes of the problem. Finally, this paper puts forward the corporate culture integration strategy of Shanghai Electric M and A Tianwo Technology. To define the development goal of the enterprise after M and A, we should define the target orientation of the enterprise culture integration after M and A, the mode and plan of the enterprise culture integration, the steps of the enterprise culture integration and the overall analysis of the cooperative factors of the culture integration; In order to establish a scientific and reasonable performance appraisal culture, we should strengthen the evaluation of corporate culture matching degree, perfect the evaluation system of corporate culture and strengthen the evaluation of new culture.

To sum up, Shanghai Electric should especially face up to the importance of cultural integration after M and A, and correctly realize that cultural integration is a long-term and complex integration process that can be realized quickly in a short period of time. And the integration process may continue with the development of M and A. At the same time, the cultural conflict is not terrible, the process of collision between the two sides is the process of maintaining the truth of culture, refining the essence, and realizing cultural diversity and enriching cultural connotation. Any enterprise, organization and individual should realize the renewal of this culture, the sublation of the original culture, the extraction of the foreign culture, and continuously realize the inheritance and development of the culture.

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