

**Achieving Successful Cross-Cultural and Management
Integration: The Experience of Lenovo and IBM.**

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Abstract

With social structure and technology rapidly changing, business globalisation has been regarded as a worldwide trend. While there have been many cases and literature on management of culture integration for merger and acquisition from a Western perspective, few have discussed cultural integration in an Asian context.

This study provides a case study of cultural integration strategies Lenovo has undertaken to manage employees from both teams after the M&A. It adopts a semi-structure face-to-face interview research method, which 5 participants were selected from the culture integration committee for interview. During the interview, each participant answered the questions from their perspective of the job position they are currently in. The method would enhance the quality of the research as it looks into the problems and strategy that Lenovo has encountered and undertaken from various points of view. However, as no employees from IBM PC-D on the committee were available to participate in the research, it might place some limitations on the research simply because IBM team's opinions were not taken into account.

After analysing the results obtained from the participants, the researcher found that there were several motives for Lenovo to acquire IBM PC-D, including: - 1) internationalization, 2) acquiring technology and skills, 3) acquiring a brand, 4) obtaining access to new customers, 5) increase bargaining position to suppliers. Among these five motives, acquiring brand was considered to be the most important motive. As Chinese product has always been marketed at the lower end of the product line with low costs and poor quality, acquiring IBM's brand would enable Lenovo to boost its product image and to gain access to customers outside the Chinese market.

In managing two teams within the organisation, Lenovo has taken very few steps to integrate two teams into one. Instead, a separate management mode was encouraged by Lenovo to allow IBM PC-D to maintain its own management system and

procedures. In addition, a culture integration committee was voluntarily set up by employees from various departments to design initiatives to encourage communication between two teams.

When problems arise due to the difference between two teams, Lenovo has adopted an accommodation strategy by making adjustments to the work schedule of its employee in the Lenovo team in order to accommodate employees in IBM team. As a result, it has increased the workload for staff in Lenovo team and this may thus lead to stress and work-life imbalance to its employees.

Overall, the strategy that Lenovo has adopted to manage two teams seems to have worked well and the culture integration committee appears to have served well in encouraging the communication between two teams. On the other hand, as the participants in the interview were not directly involved with the designing and crafting the strategy of culture integration, that might have some limitation on the result. Therefore, it is suggested that further research can be done to capture the opinion from members that are directly involved in the design of culture integration strategy as well as teams from IBM PC-D in order to ensure a well provided empirical and consistent view.

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