

Abstract - In globalization and digitalization era, certainly the competition in every industry will be very competitive in the next several years. If a company wants to compete effectively and efficiently, they need to innovate something. One of the efforts to innovate is doing foreign direct investment particularly the merger & acquisition. In today's globalized economy, cross-border acquisitions are more common than ever as businesses want to grow and tap into new markets. But choosing to purchase another business is a difficult process affected by several variables, one of which is cultural distance. The term "cultural distance" describes the differences in cultural norms, attitudes, and practices between the target and acquiring organizations. Managers and politicians must understand how cultural distance affects organizations' acquisition choices in order to successfully navigate the difficulties of cross-border mergers and acquisitions. Through this research, the author will visualize the acquisition process of multinational Japanese company which involve many parties. The final objective enhances company ability to navigate and control the cultural differences and ultimately achieve the desired synergies and performance improvements associated with mergers and acquisitions by looking at the ways in which cultural factors affect integration efforts

Design/methodology/approach – Data is collected directly from the company by interviewing company representatives and observing the business activity as a whole

Findings - Overall, the corporate culture really has a significant influence during the integration process. As stated by the General Manager of Human Capital, there are many former ACI employees that were fired due to different perspectives and politeness during the integration process. To conclude, the cultural difference does exist during the integration process, particularly in the pre-phase (critical path). Several actions are required in order to maintain the stability after the acquisition. Those differences really influence the integration process and it gives positive & negative impacts for both companies.

Research Limitations – The collected data is only coming from one company which is Mandom Indonesia and the author only conducted interviews with Indonesian so it might show the “imbalance” argument.

Practical Implications - In globalization and digitalization era, certainly the competition in every industry will be very competitive in the next several years. If a company wants to compete effectively and efficiently, they need to innovate something. One of the efforts to innovate is doing foreign direct investment particularly the merger & acquisition. In this research, the author will visualize the acquisition process of multinational Japanese company which involve many parties. Moreover, this research is based on real practice, implication and condition. The result will also give how complicated the acquisition is (pre and post)

ABSTRACT

Title: “Cultural Differences in The Acquisition Process ”

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In globalization and digitalization era, certainly the competition in every industry will be very competitive in the next several years. If a company wants to compete effectively and efficiently, they need to innovate something. One of the efforts to innovate is doing foreign direct investment particularly the merger & acquisition. In today's globalized economy, cross-border acquisitions are more common than ever as businesses want to grow and tap into new markets. But choosing to purchase another business is a difficult process affected by several variables, one of which is cultural distance. The term "cultural distance" describes the differences in cultural norms, attitudes, and practices between the target and acquiring organizations. Managers and politicians must understand how cultural distance affects organizations' acquisition choices in order to successfully navigate the difficulties of cross-border mergers and acquisitions. Through this research, the author will visualize the acquisition process of multinational Japanese company which involve many parties. The final objective enhances company ability to navigate and control the cultural differences and ultimately achieve the desired synergies and performance improvements associated with mergers and acquisitions by looking at the ways in which cultural factors affect integration efforts

Keywords - International M&A, Cultural Differences, Multinational Company, Integration Process