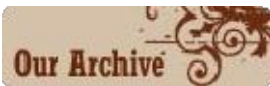


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## Understanding Culture: Unlocking Value in a Corporate Transaction

By SHEILA L. MARGOLIS AND  
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Sheila L. Margolis & Ava S. Wilensky

A merger or acquisition has the power to shake up an organization and ignite feelings of loss and uncertainty that can be devastating to a company. It is not just a financial deal—it is a people deal, as well. Employees with years of knowledge and a depth of commitment to a company don't just turn off the switch and feel dedication to something new. And although any transaction can cause anxiety, even a hint of cultural integration can trigger fears and stress. Competitors take advantage of the instability, leaders leave, dissatisfaction mounts, and productivity falls.

So what is the remedy? How can you ensure that a smart transaction considers the human aspect as well? The solution begins with understanding corporate culture and using that knowledge to predict and guide integration success. To understand culture, you must look inside the organization. You must decode the heart and soul of the company because that is what loyal employees are connected to.

Three elements constitute the core of the company's culture: the vital Purpose that inspires employees, the distinctive Philosophy that sets a tone for what's most important, and the valued Priorities that guide daily activities. As a unit, they embody a portrait of the company personality that has contributed to its success.

So before you decide to toss out a company's foundation and framework, consider what you will be changing and if the change will contribute to a successful future. This process involves a few key steps.

Begin by understanding the core culture of your company. Conduct interviews of key leadership and survey employees. Ask questions that will illuminate the

central Purpose, distinctive Philosophy and valued Priorities of your organization.

Next, investigate the existing culture of the prospective company. Similar information must be collected, but if access is limited, interviews with top leadership coupled with a review of company documents and public information will shed light on the nature of the company. Seek to understand the company's few, most essential and valued principles.

Then, compare your culture audit results and realistically discuss compatibility. With this cultural knowledge, you can make an informed decision about the cultural roadblocks that may destroy value if integration is required. Also, understanding both cultures will help you decide the complexion of the integrated organization. Sometimes leadership will decide that a "new" culture should emerge.

Once the transaction is completed, leaders must take an active role in communicating the culture to everyone.

Use a variety of channels and media. If the principles are real and valued starting at the top, then there is a better likelihood that these core beliefs will spread throughout the organization.

Always remember that a workplace is not the right place for everyone. If the culture of a workplace radically shifts, employees must evaluate their fit with it. By having the right employees who feel a sense of community, connection, and contribution through their work, you will be positioned to realize your change objectives.

## Sheila L. Margolis and Ava S. Wilensky

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Dr. Sheila L. Margolis and Dr. Ava S. Wilensky are the authors of the practical and innovative business book *There Is No Place Like Work: Seven Leadership Insights for Creating a Workplace to Call Home* (Gibbs Smith, 2006). Based on research that earned the 1998 Award for Distinguished Contribution to Human Resource Development Research, this book shows leaders how to use workplace culture to achieve organizational success and find personal meaning through work.

Margolis and Wilensky hold doctoral degrees in Human Resource Development.

They are the founding partners of CORE InSites® Inc., an Atlanta based management consulting firm. Margolis and Wilensky provide workplace culture assessments, leadership development and strategy and performance services. They have worked with a diverse corporate, nonprofit and association client base including Cingular Wireless, Acuity Brands, Shaw Industries, Lotus Cars USA, Georgia State University, American College of Rheumatology, and St. Jude's Recovery Center.

Drs. Margolis and Wilensky teach at Georgia State University and have been published widely in the professional and academic press including *Human Resource Development Quarterly*, *Human Resource Development Review*, *Performance Improvement Quarterly* and *Association Management* magazine. Their quarterly column, *Housecalls at Work*, appears in *Connections* magazine. They can be contacted at <http://www.coreinsites.com> or 404-255-4007.

