Analysis Of Organizational Culture Aspects Post-Acquisition Of XY Mall (Case Study At Pt. X)

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ArticleInfo	ABSTRACT
Keywords: Organizational Culture, Acquisition	Acquisition is a term originating from English, which means taking over ownership of another party. In this case, PT. X acquires Mal XY from PT. Y. An organization or company certainly has its own organizational culture. Where organizational culture is a shared system of meaning embraced by its members that distinguishes it from other organizations. When an organization or company undergoes an acquisition, there will be adjustments to its organizational culture. This research is qualitative in nature with data collection techniques through literature review, field research, interview method approach, and the use of questionnaires in the form of the Organizational Culture Assessment Instrument (OCAI), with a case study at PT.X. The informants for this research are employees with positions ranging from Mal Manager, Supervisor, and Staff, all of whom are directly related to the acquisition of Mal XY. The results of this study indicate that PT. X has implemented a new organizational culture with a centralized structure. The current organizational culture tends towards the Market type, while the type of culture expected by employees tends towards the Clan type. However, the current and expected cultural types are not significantly different. Thus, it can be concluded that after the acquisition, there is no significant shift in the organizational culture at PT. X.
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INTRODUCTION

A company's primary objective is to achieve effective, high and sustainable growth (Rashid & Naeem, 2017; Mai, et. Al, 2020). Various methods are applied to achieve this goal, one of which is by making acquisitions. Moin (2013) means that acquisition is taking over ownership or control of shares or assets of a company by another company and in this situation both the acquiring company and the one being taken over continue to exist as separate legal entities. Growth for the company is one of the fundamental motives for acquisitions. Companies looking to grow are faced with a choice between internal or organic growth and growth through acquisition. Internal growth may be a slow and uncertain process. By making an acquisition it is possible that the company will grow faster, although it brings its own uncertainties (Gaughan, 2018).

The term acquisition originates from English word "acquisition", which means taking over ownership of another party (Manurung et. al, 2021). By making an acquisition, the

organization will certainly get benefits, including if shareholders are not satisfied with a company offer without a meeting or voting, they can reject the offer and choose to keep their shares, not sell them to the company that made the offer. Then, when carrying out an asset acquisition, it requires a shareholder vote but does not require a majority of shareholder votes. Although there are several advantages to acquisitions, there are also disadvantages to this acquisition, namely large expenses in terms of legal proceedings and the acquisition can fail if many minority shareholders do not agree. Therefore, it is important to have effective supervision and systems so that the acquired company can be in line with the vision and mission of the acquiring company (Moin, 2003).

In recent years, research on acquisition success and failure has moved away from the traditional focus on financial, socio-cultural and HR factors in post-acquisition integration (Björkman and Lu 2001; Tarba, et al. 2017). Culture clashes and failure to create a new corporate culture after an acquisition are often cited as the main reasons for the failure of domestic and international acquisition deals (eg Teeikangas and Véry 2006; Tarba, et al. 2017). This occurs because cultural mismatch undermines the development of trust and commitment, alignment of strategic goals, and sharing/transfer of knowledge (eg Drori et al. 2011: Tarba, et al. 2017). In an unequal acquisition, the dominant culture can be considered threatening and therefore rejected by the less dominant culture, so that when the organizational culture of one company is dominant it can lead to conflict between the two companies (Drori et al. 2011: 628; Tarba, et al. 2017).

One of the companies that made the acquisition was PT. X which is a retail shopping center platform in Indonesia. PT. X acquired one of the malls owned by PT. Y. PT. X has 3 main pillars which are the focus areas that stakeholders are expected to address and manage. These pillars are the cultural values of PT. X is implemented by balancing the needs of various key markets. 3 Pillars of PT. X, namely Human Centric, Property Portfolio, and Corporate Performance. The main focus of this research is the human centric pillar, this pillar was formed with the aim of creating a positive and supportive environment for employees, customers, suppliers and society. Human Centric is an inseparable part of PT. X's business. The pillar has several focus areas including health-safety-welfare, diversity and inclusion, community investment, talent attraction-retention-training, and stakeholder engagement.

There are factors that influence success and failure in acquisitions proposed by Tarigan, et al (2016), one of which is the organizational culture aspect. According to Hofstede (in Tarigan, et al, 2016) culture is a thought that differentiates members of one group from another group. Organizational culture is a system of values, beliefs, assumptions or applicable norms, agreed upon and followed by members of the organization and used as a guide for behavior and for solving problems that arise (Sutrisno, 2018). With an acquisition, there are differences in the organizational culture of each company that need to be integrated as stated by Pablo (1994; Tarba, et al, 2017) adding that post-acquisition integration refers to changes made to structures, practices, systems and culture to creating acquisition synergies. Lewicki and Bunker (1995) show that conflict will occur more often if members in the organization do not respect the values and trust between members is not well established. So by carrying out this acquisition it is certainly vulnerable to causing a transformation of organizational culture.

One example of differences in aspects of organizational culture that emerged after the acquisition by PT. X against PT. Y is a difference in the name of the management leader of XY Mall, which was previously called Director, but after being acquired by PT. X's position has changed to "Mall Manager" even though it has the same role, but changing the term of the position can give the impression of demotion or demotion. Then the organizational culture implemented after the acquisition is one where employees are required to be more responsive, initiative and innovative. Where before the acquisition of PT. X organizational culture which is implemented by spreading to each site, in other words PT. X does not implement centralization, PT. Y tends to decentralize so that each department's work progress is less effectively controlled, including employee productivity. Another influence that occurs at PT. X after acquiring XY mall, namely a reduction or efficiency of employees, below is a table showing the number of employees before and after the acquisition:

Table 1.1 Table of Number of Employees before and after acquisition

Position Level	Number of Employees	
	Before Acquisition	After Acquisition
Senior Management Level	1	0
Medium Management Level	7	3
Junior Management Level & Staff	7	4
Engineering	13	10
Total	28	17

With changes in position designations, changes in organizational structure and reduction in the number of employees after the acquisition, of course there will be adjustments to the organizational culture starting from leadership, dominant characteristics, personnel management, strategies implemented, ways to bond the organization, to determining success. Because these things can affect employee productivity. Based on the description above, researchers want to analyze the organizational culture at PT. X after the acquisition by giving the title: "Analysis of Organizational Culture Aspects After Acquisition: Case Study at PT. X" by looking at changes in culture, value systems and identifying significant changes in PT's organizational culture. X after acquisition.
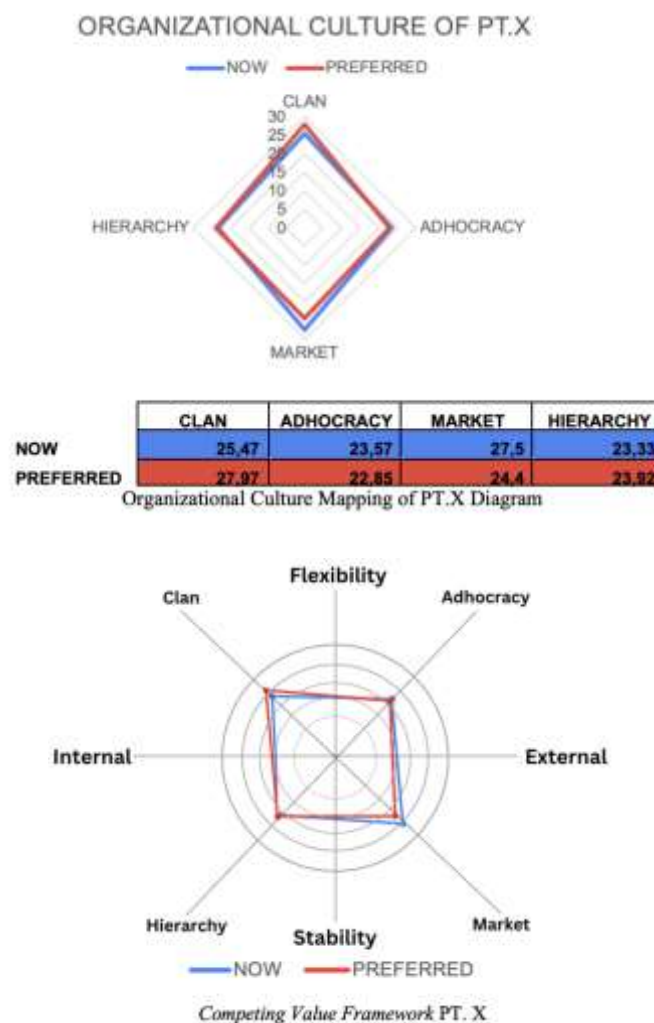
METHODS

The research method used in this research is a descriptive method with a qualitative approach. Cooper (2008) defines qualitative descriptive research as a composition of interpretive techniques to describe, code and translate phenomena that occur naturally in the social world. The aim of this descriptive research is to get an overview of the research object being studied through the data that has been collected and make generally accepted conclusions. Because this descriptive research is research related to the current situation that is ongoing. Qualitative research is a type of research that explores and understands the meaning of a number of individuals or groups of people originating from social problems (Creswell, 2016). In this study, researchers used several techniques to collect the data needed to answer the research questions. The techniques that will be used are interviews, literature

study and documentation. PT. X implementing the pillars or cultural values of human centric which is the main focus on this study, where this pillar has the aim of creating a positive and supportive environment for employees, customers, suppliers, and the community. To be able to get an idea of the cultural values implemented at PT. X, the instrument that can be used in this research is the OCAI (Organizational Culture Assessment Instrument).

RESULTS AND DISCUSSION
PT.X Organizational Culture Mapping Analysis
Based on OCAI research that has been carried out, it can be seen what organizational culture is currently felt by employees and what is expected based on the graph below:

	CLAN	ADHOCRACY	MARKET	HIERARCHY
NOW	25,47	23,57	27,5	23,33
PREFERRED	27,97	22,85	24,4	23,92

Organizational Culture Mapping of PT.X Diagram

Competing Value Framework PT. X

The picture above shows that the current organizational culture perceived by employees tends towards the Market culture type. According to Kusdi (2011), this type of culture is results oriented, where the values that are considered important are competitiveness and productivity. The long-term goal is to carry out competitive activities and achieve targets and measurable targets. In this type of culture, market share and market control are the benchmarks for success. Then employees of PT. X has hopes for the

organizational culture that he wants to implement, where based on the picture above it can be seen that the employees of PT. X expects an organizational culture that is more towards the Clan culture type.

According to Kusdi (2011), this culture places great emphasis on closeness and emotional ties to share, so that the organization is more like a large family than an economic entity. The main values in this culture are teamwork, participation and consensus. Organizational leaders are positioned as guides (mentors) or even parental figures. Organizations are bound by the power of loyalty or tradition. Sensitivity to consumers and attention to human aspects are the values of success in this organizational culture. The dominant culture type at the moment is the Market culture type with a value of 27.5 and the expected culture type is Clan with a value of 27.97 so the distance between the current and expected values is not that far. Changes in organizational culture at PT. X is not that significant. Because 4 out of 7 staff have been employees since before the acquisition, the change in organizational culture to centralization does not significantly change the culture that has been implemented.

Employee productivity continues to run well even though there are still some small adjustments such as coordination between teams. This is supported by Schein's (2009) statement which states that culture is a property of a group, if a group is judged to have had sufficient experience, then culture begins to form. Culture grows at every level from departments, functional groups and from other organizational units that have similar work and experience. Then, related to the context of acquisition, an organization or company that experiences an acquisition will automatically become a subculture of the larger culture of the acquiring company. This is in accordance with the results of this research where PT. X who acquired XY Mall from PT. Y implemented a new organizational culture with a centralized structure. Based on the four sources, there is harmony on several positive aspects of change, but there are still differences in views that emerge, especially those related to the complexity of decision making, process follow-up and individual adjustments to organizational cultural and structural changes, as in the following points:

1. Mall Manager observes the positives of structural changes and centralization as an effort to improve performance and adapt well to developing organizational dynamics. Emphasizes the importance of collaboration between divisions and implementation of work culture as the key to reach objective together .
2. Operations Supervisor takes notes that Centralization results in decision making that takes more time and is more complex due to coordination with the head office. Although productivity is enhanced by shared goals, challenges arise in the decision-making processes that require follow carry on periodically .
3. The General Admin Staff indicated that after the acquisition, the organizational structure became more flexible and less hierarchical, with faster decision making at the operational level. Although there are adjustments, these changes are considered to provide convenience and efficiency in coordination. The General Admin staff also sees the changes as a step towards simplicity and effectiveness, although stresses that adjustments are necessary, especially for new employees.

4. The TR/CS supervisor emphasized the importance of open communication and understanding the situation with employees as the key to dealing with the structural changes that are occurring.

CONCLUSIONS

PT. X emphasizes obedience to the direction of the head office as part of the centralization by ensuring the organizational structure and their respective roles with the guidelines set from the head office. This centralization has the advantage of being more controlled, but the disadvantage is that decision making is not very fast, considering that decisions from all sites are at the head office. Mall managers and a number of supervisors in various functions are efforts made by PT. X to ensure the implementation of organizational culture runs well. Overall, the results obtained from the Organizational Culture Assessment Instrument (OCAI) regarding organizational culture at PT. and productive. However, before and after the acquisition there was no visible change in organizational culture at PT. X. Collaboration is a value for PT. X made it an attempt to create Clan culture. Collaboration between teams and responsive to strategic changes and various challenges to achieve shared goals that have been set.

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