

# Thesis Defense

Institute for Software Research

Computation, Organizations and Society

## **A Behavioral Theory of the Merger**

*Dynamics of the Post-Merger Integration Process*



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Countless organizational mergers fail because the post-merger integration process fails: this research responds by exploring the effects of known, pre-merger organizational characteristics on the uncertain, post-merger integration dynamics. Various structural and behavioral features of merging organizations are studied to measure their association with two fundamental post-merger outcomes: the integration of the cultures, and the combined organization's performance.

This study utilizes computational organization theory and computer simulation to manipulate these organizational features in controlled, virtual experiments. Quantitative models, derived from the simulated data, are methodically constructed by experimenting with and manipulating organizational characteristics, such as: (a) organization- and team-level complexity, (b) individuals' predisposition for seeking and sharing information, (c) individual's task focus, (d) the structure of work teams, (e) task-specialization of the workforce, and (f) the level of infrastructure support provided by the organization.

Broadly, it is found that there is a propensity towards a higher consequence arising from pre-existing *structural* characteristics, over those that are *cultural*. Results support the expectation that organizational complexity is an influential characteristic; herein, there is clear evidence that of those features evaluated, complexity is actually the most predominate pre-existing feature associated with the organization's performance and cultural integration--it is correlated negatively. Many more meticulous findings of this sort are reported and analyzed, leading to a cohesive "A Behavioral Theory of the Merger".

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