THE IMPACT OF TRUST ON LEADERSHIP DURING MERGERS AND ACQUISITIONS: CASE STUDIES FROM THE INDIAN TELECOM SECTOR

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Abstract

Managing employees' trust on the organization, during mergers and acquisitions is definitely a critical leadership challenge in today's global environment. Prior leadership research has been an evidence of how a leader communicates during a downsizing event with the employees who would be expected to feel more vulnerable can create the foundation for future trust in the leader. (Kasper-Feuhre and Ashkanasy, 2001). This paper explores the dynamics of trust during post-merger and acquisition integration planning in the Indian Telecom Sector. This study is purely doctrinal in nature, focusing on secondary sources which helps in examining major mergers in the telecom Industry in India namely Vodafone-Hutchison Essar Merger in 2007, Idea and Spice Telecom merger in 2008, Reliance Industries and Infotel merger in 2010, Vodafone and Idea Merger, Bharti Airtel and Telenor Merger, Tata Teleservices and Bharti Airtel merger. The objective behind the study of these mergers is to understand the cultural disparity in the organizations and the leadership role in

the cultural amalgamation of the participating companies for retaining the employees. Further this paper attempts to understand the role of trust in the organization as well as on the leader, post the merger when the employees are already experiencing a level of estrangement. The significance of analysing these perspectives in the above mentioned specific cases is to bring out the factors responsible for successful mergers and the consequences of failed mergers from a human resource perspective.

1. Introduction

Over the last two decades, the growing number of mergers and acquisitions (M&A) stories, has compelled researchers to explore the less tangible socio-cultural variables in economic relationships between firms. To meet the demands of the competitive market forces, M&A are crucial growth catalysts to sustain in the business world. (King et.al.2004) cited that "despite decades of research, what impacts the performance of firms engaging in M&A activities remains largely unexplained"

Variables such as "Cultural Fit", 'Role of Leadership during M&A" and "employee's perceptions relating to Trust" still remains unexplored. While adapting to the transition phase of the organization from the initial security to uncertainty, the vulnerabilities and psychological ownership of the employees still remain pristine. Although, a large body of research has emphasized on the financialand operational aspects of the M &A, it has also been observed that research pertaining to employee's psychological outcomes during the process of integration and post the merger has been side-lined. A probable limitation about the disturbing silence, possibly could be that the strategic partners of the merging firms themselves are unsure about the effects of the different variables. Moreover, a smooth economically benefitting transition is of the foremost priority of the merging firms and hence the chosen silence.

In the recent years, there has been a paradigm shift in understanding the success and failure of M&A. The centrality of trust in economic relationships (Kroeger, 2011) are some of the critical issues in the post-acquisition integration process.

Drawing from the inferences of the above cited literature, the objective of this research paper is to understand the cultural disparity in the organizations and the disparity in the organizations and the leadership role in the cultural amalgamation of the emerging firms. To add further, this study attempts to develop an integration model based on the individual and organizational dynamics of trust from the existing literature.

1.1 Theoretical Frameworks of Leadership

Organizations, globally have successfully used M&A strategies for achieving their developmental agenda. Globally, organizations are stressing upon improving the leadership pipeline to enhance employee's performance under a M&A strategy. The role of leadership in reshaping merging organizations and retaining both individual and institutional trust is paramount, yet remains unexplored. Sitkin and Pablo (2005) argue that there is an incomplete understanding of how M&A leadership influences M&A outcomes. In the context of M&A, where there is uncertainty and turbulence, scholars have obviously linked it to an escalation and collapse of trust. The unpredictable situation of M&A becomes a breeding ground for distrust, easy to misinterpret, and people feel vulnerable.

This change in perspective of leadership is obvious as in the recent year's organizations have gone through dramatic changes; by adopting flatter and loser structures, downsizing/right sizing the manpower and horizontal approaches to information flow. Of course, these changes are due to rapid technological developments, global competition and the changing nature of the workforce, which demand for organizational transformations and innovations, total quality management and business process re-engineering. Leadership is regarded as a critical factor in the initiation and implementation of these transformations in the organizations.

Burns (1978) discussed leadership as transforming and on occasion, as transformational. Both the leader and the led are transformed – sharply changed in performance and outlook, but transforming others is, one of the effects of the leadership. We also need to examine the behaviour of transformational leadership and the attribution given to transformational leadership on a moral basis that, the process of vision articulation and choice are matters of moral concern, not just the consequences Burns (1978), Bass (1985) and Howell and Avolio (1993) among others have examined the morality of transformational leadership. According to Burns, to be transformational, the leader has to be morally uplifting. For Bass, in his early work, transformational leaders could be virtuous or villainous depending on their values. Howell and Avolio felt that only socialized leaders, concerned for the common good, can be transformational leaders. Personalized leader, primarily concerned with their own self –interest, could not be truly transformational leaders. Publically, however, and at a distance, they could act, truly transformational although privately they were more concerned about themselves. O'Connor, Mumford and colleagues (1995) showed how authenticity in world class transformational leaders could result in destructive outcomes.

Pillai (1999) indicated that leadership behaviour, affects employee trust in the organizational framework and its leaders. Thus, in the current state of economics globalization, trust has become an increasingly important key to industry core competitiveness. Subordinate's willingness to fulfil commitments and achieve organizational vision relies on trust in the leader. Establishing this trust, depends on originates from the abilities of leaders (Yukl 1998).

1.2 The Dynamics of Trust during Mergers and Acquisition

Central to most definitions of trust, notions of risks and vulnerability co-exist. Trust has been defined as a "psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another" (Rousseau et al 1998)

Despite Rousseau's (1985) emphatic demand to study trust from an individual as well as institutional point of view, multilevel research is nascent at best. For the success of the organization, exploring the critically important aspects of organizational trust is essential. During M & A, where the two organizations are unified as one, it is relevant to study the concept of intra-organizational trust. This understanding of inter-organizational trust and has been understood relatively at different levels by different scholars. While some focus on the relationship between the co-workers and immediate supervisor, others look at the relationship between workers and those operating the organization at the strategic level. (Stranes, Truhnon & McCathy 2010)

It is a fact that trust acts as the adhesive which binds the leader and followers and is the factor for organizational and leadership success. Trust has been described as the 'social glue' (Fukuyama, 1995) or social lubricant (Spreitzer & Mishra, 1999), that is needed to hold diversified global organizations together and a lack of which could cause them to fail. In the context of a merger, trust fosters integration, cooperation and commitment to shared goals. A number of features of merger have been associated with lower levels of trust, namely mode of the takeover, cultural disparity, differences in leadership styles, uncertain economic context, poor quality communications, erosion of autonomy& etc. Moreover, factors like absence of reward and job security enhancement, lower levels of organizational justice also impact the trust levels of the employees. Developing and maintaining trust is especially important for managers as they are the primary designers of the organizational form and are the initiators of major changes that take place in the organization. (McAllister (1995); Daley & Vasu (1998); Davis et al(2000)

1.3 Psychological Ownership during Mergers and Acquisitions:

Building on the three recognized dimensions of psychological ownership (i.e., belonging, self-efficacy, and self-identify, Pierce et al., 2001), the concepts of territoriality and accountability are posited as additional aspects of psychological ownership.

If we are to explore the relation between institutional trust and identity in the context of mergers, we need to understand the nature of the organizational identity of the merging firms which have cultural disparity. Specifically, it has been noted that individuals establish, maintain, reproduce and transform their self-identity through interactions with tangible possessions (Dittmar, 1992) and intangibles such as an organization, mission or purpose (Rousseau, 1998). The individual identification to one of the merging firm and the adaptation to the new norms and cultural fit to the same are attributed to the prevailing and the new culture of the merging firm.

When people feel like owners in an organization, their need for belongingness is met by ''having a place'' in terms of their social and socio-emotional needs being met. The need to belong in a work place may be satisfied by a particular job, work team, work unit, division, organization or industry as a whole. This definitely is in jeopardy in case of M&A.

Accountability can be considered to be a component of psychological ownership primarily through two mechanisms: (1) the expected right to hold others accountable and (2) the expectation for one's self to be held accountable. This still remains an area that is still unexplored in relation to employee's accountability during M&A.

Self-efficacy relates to people's belief that, they can successfully implement action and be successful with a specific task (Bandura, 1997). White's (1959) early conceptualization of ownership and possession argued that one's feelings of ownership may be inextricably linked to the individual's need for reflectance. Despite its demonstrated importance, negligible research has been undertaken that aims at understanding it in the context of M&A.

2. Methodology

An overview of the past literature focussing on the socio-cultural interventions during mergers and acquisitions reveals methodological limitation in the collection of empirical evidences. Most of the literature is focused on case studies based on secondary sources or a meta-analysis of case surveys (King, Dalton and Daily & Covin 2004); (Stahl, Larson, Kemershof & Sitkin 2011). This study entails to add to the existing body of literature, in relation to mergers and acquisitions. This study is an attempt to understand the dynamics of trust and the role of leadership during the integration process. This study is a combination of

doctrinal and empirical evidences, based on case studies of six major mergers in the telecom sector in India from the year 2007 to 2017. The entailed case studies reflect the individual and the organizational trust dynamics along with the cultural synthesis attributed to the merger. The case studies include the merger between Idea Cellular& Spice Communications, Vodafone & Hutchinson Essar, Reliance Jio - Infotel Broadband, Bharti Airtel & Telenor, Bharti Airtel & Tata Teleservices, and Vodafone - Idea Cellular.
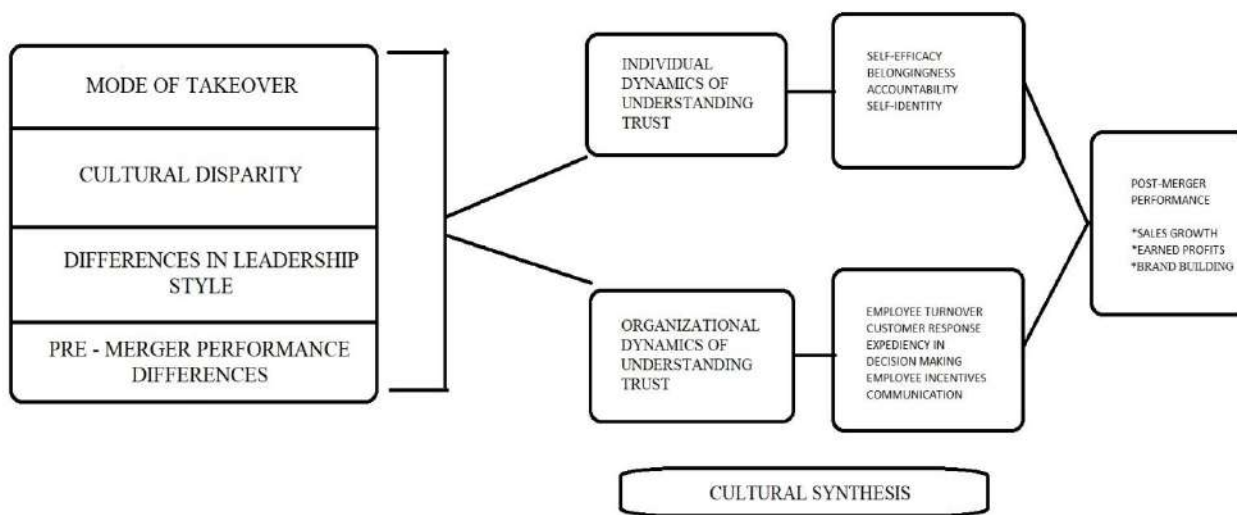
INTEGRATION MODEL OF TRUST DYNAMICS

Figure 1: *The integration model of trust dynamics*

3. Case Studies

3.1 Idea Cellular – Spice Communications (2008)

Idea Cellular Ltd, a subsidiary of the Aditya Birla Group, announced its acquisition to a regional mobile operator, Spice Communications for an estimated value of INR 2700 crores in June 2008. Mr Birla, stated that it was one of the steps towards the fastest growing telecom company of India to ensure operational benefits. His inclusivity policy included welcoming the "fellow colleagues" from Spice into the Idea family, aiming to nurture a top class organization for the beneficiary of its subscribers.

Idea Cellular Ltd was incorporated in 1995 under the name of Birla Communications Ltd. Over the next 5 years of its operations, the Pan-India network provider came into tie-ups with various MNCs such as AT&T Telecom, MTK (Malaysian Telecom). However, Idea still remained, an emerging urban telecom operator, and to capture the rural market it looked for new opportunities. In specific, with cheap mobile headsets and economic calling rates by Reliance Communications, the paradigm of telecommunication shifted from a luxury to a necessity.

Spice Communications commenced its operations in 1997 in two Indian states, Punjab and Karnataka. The National Telecom Policy of 1999 further propelled the growth of Spice. It hit the numerable benchmark of 1 million subscriber base in 2003, to which it obtained the ISP license to diverge into mobile internet services.

The telecom operator launched "Spice Mobiles", a range of mobile headsets based at an economical range of INR 500-1000 ($8-$15), which was a relief towards the agriculturists in the two states. Based on its growth pattern, it advanced in more than 20 states. Attributing to budgetary deficits for the expansion in urban regions, the plan collapsed.

Idea capitalized on this and acquired a stake of 40.8% stake of Spice Communications in the year 2008. In all, it gains entry in the contiguous wireless markets of Punjab and Karnataka, which account for 11% of India's total wireless subscribers.

Idea's inexperience in Punjab and Karnataka sector was a gain in disguise for the employees of Spice Communications as most of the employees were retained for the continuation of operations, both at strategic as well as operational level. In accordance to employees networking relations, they feared that several forces such as dichotomy of authoritative structure, gaps in interpersonal communication may hamper the development of trust in the superior-subordinate relationship. The overnight brand transition from Spice to Idea was a challenge for, but the idea was executed very well within the expected timelines.

Given that the average attrition rate in Indian Telecom sector has been 30%, Idea focused on retention strategies in the form of employee incentives to maintain its growth. From an independent survey ranging from 2007-2010, around 55% of the employees strongly agreed that their needs as well as their development in terms of work was encouraged. This fostered individual trust factors like self-identity and belongingness to more than half of the employee base. To focus on strong interpersonal trust, Idea began to work on new feedback processes, where the former Spices' employees were introduced to their COOs of their respective departments after a 12-week probation period. It worked in an accountable manner, where there was a clear line of communication between the superior and the subordinates. This was the instance of instilled, sound organizational trust dynamics, also attributed to the expediency in decision making.

The results of such leadership strategies on the factor of inter-personal trust proved to be reliable for the Pan-India organization, with positive post-merger factors. Within the next 5 years, Idea Cellular became one of the most customer-responsive brands in India, regardless of sectors.

3.2 Vodafone – Hutchission Essar (2008)

Vodafone Group LLC, a worldwide giant in the telecommunications market decided to expand their reach to the Indian Subcontinent by a mutual merger with Hutchission Essar (also known as Hutch) with the acquisition of 52% shares of HEL, the parent company of Hutch based in Hong Kong.

Vodafone Group was incorporated in 1984 as Racal Strategic Radio Limited. The telecom giant has expanded its operations from Great Britain to more than 31 nations and partner network in more than 40 nations.

Hutchission Essar commenced its operations in 1992 at Delhi, Mumbai and Kolkata telecom sector. In a market like India, where diversified needs of customers are to be attained at all material times, Hutch built a robust network in these metropolitan areas. By 2005, Hutch was running its operations in about 23 states, thereby being the 4th largest telecom service provider in India. It's popular rise among the urban customers was its clean and minimalist form of advertisements

Moving in 2006, officials of Vodafone had made statements on its expansion of operations, and of pursuing it to extend its footprint towards the emerging markets. India, second in line to China in the number of mobile users, was the obvious choice for Vodafone to place it as the centre-piece of the emerging market. However, the then market situations repelled any actions of that nature.

Vodafone faced multiple agreement obstructions at the initial stages of the merger with the partners of Hutch and Essar. Later, it allowed HEL to enter into the European Telecom Market as a means to overcome the same.

He also elucidated on the leadership developments that were undertaken by Vodafone – Hutch to accommodate the employees which were satisfied with the former brand. Some of the strategies were such as, leading the Vodafone Way: This program was designed to build awareness, operationalize and internalize the Vodafone Way value system and imbibing the desired values for the future leaders of Vodafone. Senior Leadership Acceleration Series, Embedding a Coaching Culture Plan, Harvard Manage Mentor: It is an online learning and performance support resource that delivers high-impact enterprise learning for critical management and leadership needs. A single destination for comprehensive set of learning resources from Harvard Business School, it incorporates proven practices that reinforce learning and build skills.

As on the part of internal and external communication for employee morale and trust, Vodafone has an open environment which promotes easy accessibility of information.

Transparent availability of information induces employee accountability prima facie and this strengthens the trust of the strategic level managers on the employee. Hence, individual trust level escalated owing to increased accountability and increased self-identity along with the interplay of balanced organizational trust dynamics attributed to enhanced customer response and employee turnover.

3.3 Reliance Jio – Infotel Broadband (2010-11)

Reliance Industries, led by Mukesh Ambani finally decided to venture into the lucrative dream of the telecom sector after the lapse of non – competition agreement in 2010. In its pursuit, it was decided to acquire Infotel Broadband, which earned the right towards 22 regions at the 4G Spectrum Auction in June 2010. This move was appreciated by the business experts as it turned out to be one of most successful ventures in Indian History.

Infotel Broadband Services Limited is an unlisted IT firm, which created a market roar when it was awarded the 4G Broadband Spectrum in all 22 zones in India in June 2010. Before the situation could have been analysed properly, Reliance Industries bought in 96% of the stake of Infotel at around INR 4800 Crores. Analysts recorded on this deal as a market capitalization by Reliance in the Broadband Wireless Access (BWA) sector which was then a golden opportunity.

Reliance Industries was working hard to break into new markets and expand its horizon of operations in other sectors, namely refining, gas and oil exploration, petrochemicals, as well as mark its presence outside India. After the acquisition of Infotel Broadband in 2010, the strategic merger was renamed as Reliance Jio Infocomm Limited in 2013. During its initial stage, the acquisition rendered around revenues of INR 10000 crores, with achieving an EBITDA of INR 78 crores.

On September 1 2016, Reliance Jio Infocomm commenced its commercial rollout of services. The initiation plan was unconventional, with choosing to offer freebies to its customers instead of competitive tariff rates.

Unlike the other mergers and acquisitions which look for market capitalization and growth, the intent behind this acquisition by Reliance was to create an innovative platform. To elucidate, Reliance through its earlier ventures, gained experience in voice-calling services. However, mobile data services in the millennium were seemed to be perceived as luxury services, which could only have been afforded by the urban customers.

With the acquisition of wireless broadband services over all India, Jio Infocomm commenced its operations by installing various optical fibre networks in the urban and rural areas. The idea here was to connect the villages and small towns of India with the

globalization flow. Thereby, most of the Infotel employees had a smooth transition in the restructuring of the organizational flow thus indicating the increased organizational trust factor of increased employee turnover.

Reliance Industries, for its new ventures, also focused on various HRM policies for employee retention, as well as submission of communication gaps at all management levels. The parent organization conceived a program known as Reliance Accelerated Leadership Program (RALP) in 2010 to groom in the new leaders, and imbibe the company's values in their own personalities. The employees at the decision- making strata as well as the strategic level were given a relief, after announcing a 5 – day week to optimize the potential of the workforce. The recreational time was afforded as such for the self - efficacy model to be prevalent among the employees. Accountability and self-identity amongst the employees were equivocally ambiguous and was curtailed by the sales boom which followed the roll-out plan. However, at the organizational level, the trust factor remained pivotal as strategic planning and executive actions were smoothly executed without substantial and expected hurdles.

3.4 Bharti Airtel – Telenor

The Bharti Airtel and Telenor merger is a significant merger in the Telecom Sector. It is a merger of no outflow for future liability and current debt.

Telenor India is the Indian plank of the Telecom major, Telenor ASA with a subscriber base of 54.3 million as of December 2016. The onset of the Joint Venture with Unitech was alongside an 1800 MHz spectrum in Assam. Reference to the same, post-merger was made as Uninor. In February 2012, one hundred twenty-two licenses of twenty-two mobile operators including that of Uninor were cancelled by the Apex Court of India, The Supreme Court. The operations of Uninor, dipped down in four telecom circles, that of the State of Karnataka, Kerala, Orissa and Tamil Nadu, subsequently leading to the shutdown of operations in the above mentioned circles.

However, licenses and spectrum in six major telecom circles of India was won by Uninor in 2012. The trails and tribulation of a turbulent year called on the quits of the Joint Venture. After venturing with Lakshdeep Investments and Finances, Telenor with 49% stake called on to be Telewings which became a wholly owned subsidiary in 2014 and thus retained the Telenor banner.

Bharti Airtel, one of the Market leaders in India for providing mobile networking services with a 269 million subscriber base as of December 2016.

The merger leads to a staggering customer base for the giant in the densest telecom circles with Telenor's 44 million employees and customer base and 34.30% post acquisition market share. The 4G spectrum operations for Airtel witnessed boost to have acquired Telenor's 43.4 MHz spectrum in the 1800 MHz band.

With technical perks however, comes a change in the employee dynamics of the merged organization. As of December 2017, Airtel led the maximum shares of 24.85% (TRAI), which is indicative of the increased customer base and enhanced customer response and a Gross Revenue of 887.80 as of February 2018 (TRAI).

The post-merger impacts as identified earlier are on the account of Trust Factor which almost 39% of the Airtel employees claim is of utmost importance. The trust factor is linked to psychological ownership wherein 4.76% claim its absence, 38% acknowledge its presence and 26.7% claim uncertainty. More than 50% of the Employees of both remark the erosion of execution swiftness post-merger but remark the roll out of 4G technology and addition of spectrum by Telenor to be a landmark. Attributes of psychological ownership which include self-identity, belongingness, accountability and self-efficacy, oscillating in their perceptions are absorbed in the 38% claim for the presence of psychological ownership post-merger.

3.5 Bharti Airtel – Tata Teleservices

TATA Teleservices Ltd. is a telecommunications service provider in India; Headquartered in Mumbai, Maharashtra, which stands under the subsidiary of the Tata Sons, Group under the Leadership of Mr. N. Chandrasekaran. The company has enhanced Human Resource prerogatives, which involves employee engagement as is evident from the survey of annual employee engagement "Darpan" which establishes focus, responsibility, initiative, and innovation and performance appraisal with an ardent recognition policy. The Leadership scheme is axial to employee motivation and engagement. The official claim entails the mission as "To improve the quality of life of the communities we serve globally through long-term stakeholder value creation based on Leadership with Trust". The Tata Culture is based on diversity and inclusivity with employee safety.

Airtel Business is the pioneer Communication and Information Technology provider with a holistic; voice, data, network and media branches of portfolio. Airtel is under the Chairmanship of Mr. Sunil Bharti Mittal who lays impeccable importance on the life, inclusivity and respectfulness amongst employees with increased sense of productivity.

The merger between the two telecom conglomerates is labelled as a "debt-free, cash-free" merger with shared spectrum liability. Post the merger, Airtel is to absorb the services of nineteen telecom circles of India with a swift customer shift which has been witnessed

under an intra-circle roaming agreement to the same. TataTele customers however, could use the pre-existing SIMs under the respective tariff plans, which is the Competition Commission of India approved. Tata is to bring about its forty-five million customer base thus increasing Airtel's client base (captive) by 12-14%. This is the indicator of the Organizational Dynamics under Cultural Disparity via the customer turnover. Airtel is to absorb about two third of Tata's employees which is roughly about 4000 employees, with an increased customer base from 281 million to 321 million with an increase of almost 10% and 15% of the employee pool is to be posted in Africa for international posts. However, post-merger tribulations in consolidating all the employees i.e. employees without job roles was met with by absorbing them to a different outcomes of other branches by mapping exercises to make employee skill pool for further job allotments. The entailed transactions were susceptible to negative equity. However, the above-mentioned factors impact the psychological ownership of the employee by regulating the belongingness via accountability and self-efficacy and identity. The pre-merger cultures pertain to the mid-level psychological ownership for individual trust dynamics.

Post-merger innovation is enhanced by acquiring 178.5MHz airwaves of the 800, 1800, 2100 MHz of the 3G and 4G bands and 40% of which of the same was 4G ready, which highlights the expedient execution post-merger. The combined market share is expected to go upto 41.5% of the telecom sector revenues. The Tata Teleservices pertains to the consumer mobile business portfolio out of enterprise, fixed line and broadband business portfolios. The increased employee turnover and minimised employee fallout indicate an escalated level of organisational trust and thus confirm the post-merger traits of increased revenue due to balanced individual and organisational trust dynamics.

This merger displays the cultural disparity norms in a balanced manner pertaining to its dependence on the individual and organizational trust dynamics which have interrelated virtues in displaying trust and leadership.

3.6 Vodafone – Idea Cellular

Vodafone India is a wholly owned subsidiary of the Vodafone Group. The Brand, introduced in India in September 2007, began its operations after its acquired Hutchinson Telecom in 1994. Its customer base is around 210 million. Vodafone functions in a flexible work model and also has a ReConnect programme to help employees join leading corporations with reasonable decentralized leadership opportunities.

Idea cellular Limited is one of the leading, based in India, wireless telecom service provider which provides a host of Mobility Services like GSM (Global System for Mobile

Communication), ILD (International Long Distance), VAS (Value Added System). Under the leadership of Chairman Mr. K.M strived to establish transparency, learning, perfection and flexibility.

The Vodafone-Idea merger is to create India's biggest telecom network. In the start, Vodafone has reserved 45.1% stake and 26% stake is reserved by Idea Cellular. The merged organization is expected to have about 400 million subscribers.

Vodafone's corporate culture is that of holistic, employee oriented training. The company manifesto states the presence of regular feedback from freshly inducted managers to assess the efficiency of the training modus operandi and the outcomes. The premerger net profit dip in Idea's revenues of 4 billion rupees was a pre-cursor to the pertaining merger.

The evaluation criteria are multi-disciplinary and cohesive. An in-house study states 21% improvement in clarity of the training and enhancer models, 20% increase in understanding of skill and 8% increase in training effectiveness. The Trust factor, post-merger remains constant owing to the implication from the study with an enhanced view on psychological ownership wherein, the factors of self-identity, self-efficacy, belongingness and accountability. The impact on communication between the two company professionals post the merger is the only contention. This is attributed to the prevailing differences in the modus operandi of functioning and decision making of the two merging companies. Its effect is projected in a not so enhanced increase in organisational trust. Cultural fit and it's attributed differences are however, lined with the desired post-merger derivatives.

Idea Cellular, post-merger has maintained its innovation plank, having received the Voice and Data Telecom Leadership Awards 2017, ET Telecom Award and the Golden Peacock Award for Corporate Social Responsibility. The Trust factor post the merger is harmonious with the executive expediency of the corporation and with that of all the constituents of psychological ownership. Company culture of Idea is in line with innovation and that of increase in revenues. The above mentioned factors show the impacts of the dynamics of employee as well as organizational trust on leadership. The results however show a compatible harmony between the merged organizations.

4. Conclusion

This study firmly concludes that there are several alternative ways of conceptualising the role of leadership in the smooth integration of culturally diversified firms. However, the relativeness of different views makes it challenging to institutionalize the cultural synthesis of the merging cultures. Hence, constructions of frameworks through grounded theories and its applicability needs further research. Moreover, the quest for multiple methods which includes

both quantitative and qualitative data sources is an impending requisite for the holistic well-being of the cultural and leadership orientation of the merged entities.

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