

Original Research Article

Research on the post-merger integration strategies of Chinese enterprises under the background of anti-globalization: An integrated framework of institutional theory and resource dependence*Meichen Liu**University of Sanya, Sanya, Hainan, 572022, China*

Abstract: In the current context where the trend of deglobalization is remarkably evident, the global economic landscape is undergoing profound adjustments. Chinese enterprises face numerous challenges in their overseas expansion and mergers and acquisitions. The integration strategies after mergers and acquisitions have become crucial for Chinese enterprises to achieve their expected goals. Based on the institutional theory and resource dependence theory, this article conducts an in-depth analysis of the integration strategies of Chinese enterprises after overseas mergers and acquisitions. It not only clearly expounds on the key elements and internal logic of integration from a theoretical perspective but also provides practical suggestions for enterprises by combining real cases. The aim is to assist Chinese enterprises in successfully completing overseas merger and acquisition integration in the deglobalization environment, avoiding risks, optimizing resource allocation, and enhancing their international competitiveness and global influence.

Keywords: Anti-globalization; Overseas mergers and acquisitions; Institutional theory; Resource dependence

1. Introduction

At a time when the trend of anti globalization is significant, the global economic pattern is deeply adjusted, and Chinese enterprises face many challenges in overseas expansion and M&A. the integration strategy after M&A has become the key for Chinese enterprises to achieve the expected goals. Based on the system theory and resource dependence theory, this paper analyzes the integration strategies of Chinese enterprises after overseas M&A. it not only clearly explains the key elements and internal logic of integration from the theoretical level, but also provides practical suggestions for enterprises with practical cases^[1]. It aims to help Chinese enterprises successfully complete overseas mergers and acquisitions in the anti globalization environment, avoid risks, optimize resource allocation, and enhance international competitiveness and global influence.

2. Theoretical basis

2.1. Institutional theory

Institutional theory holds that organizations operate in a specific institutional environment, and the institutional environment mainly affects the structure and behavior of organizations through three types of pressures: coercive, normative, and cognitive^[2]. Coercive pressure mainly comes from laws, regulations, and policies issued by the government. Enterprises must strictly abide by them; otherwise, they will face legal sanctions or policy restrictions. For example, the tax policies and environmental protection regulations of the target enterprise's host country require enterprises to quickly adapt and operate in compliance after the merger and acquisition.

Normative pressure stems from industry norms, ethical standards, and socially recognized codes of conduct.

After the merger and acquisition, enterprises need to follow the common practices of the industry where the target enterprise is located to maintain their reputation and image within the industry. Cognitive pressure involves socially shared concepts, beliefs, and thinking patterns, which affect the cognition and judgment of enterprise members about things and thus influence the decision-making and behavior of enterprises^[3]. In the process of overseas mergers and acquisitions, due to the significant differences in the institutional environments of different countries and regions, Chinese enterprises often need to spend a lot of time and energy adapting to the new institutional environment, which poses a huge challenge to the post-merger integration work.

2.2. Resource dependence theory

Resource dependence theory points out that the survival and development of enterprises are inseparable from the support of external resources. In order to obtain key resources, enterprises need to establish close cooperative relationships with external organizations. Overseas mergers and acquisitions provide enterprises with valuable opportunities to obtain foreign advanced technologies, well-known brands, broad market channels, and rich management experience. However, after the merger and acquisition is completed, how to effectively integrate the resources of both parties, reduce the degree of the enterprise's dependence on external resources, and achieve the synergistic effect of resources has become a key issue to be solved in the integration process^[4].

For example, after obtaining the technical resources of the target enterprise, the enterprise needs to integrate them into its own R&D system through effective integration measures to improve the overall technological innovation ability. After obtaining brand resources, it is necessary to formulate a reasonable brand strategy to enhance the market value and influence of the brand^[5].

3. The current situation and challenges of overseas mergers and acquisitions of Chinese enterprises under the background of anti-globalization

3.1. Current situation

Despite the intensification of the anti globalization trend, overseas M&A of Chinese enterprises remains active and presents new characteristics: the field of M&A continues to expand from traditional manufacturing to high-tech fields such as artificial intelligence, new energy, biomedicine, and services such as finance and logistics; M&A destinations are becoming more diversified. In addition to the European and American markets, countries along the "belt and road" have become new hotspots by virtue of resource complementarity, regional advantages and market potential. This layout not only helps to break through technical barriers and obtain strategic resources, but also disperses risks through differentiated market selection, providing a new path for enterprises to build a global industrial chain and enhance their comprehensive competitiveness^[6].

3.2. Challenges

Anti globalization has aggravated the risk of overseas M&A of Chinese Enterprises: at the policy level, many countries have strengthened the review of foreign capital, especially in the key technology and infrastructure fields, which has led to the increase in the difficulty of M&A approval; Cultural differences are amplified, and transnational integration faces challenges such as management concept conflict, communication barriers and brain drain; Economic fluctuations exacerbate financial pressure, exchange rate shocks and economic downturn push up the cost of mergers and acquisitions, and the value of assets faces the risk of shrinking. These challenges require enterprises to build more flexible integration strategies in system adaptation, cultural

integration and financial risk management.

4. Post-merger integration strategies under the integrated framework of institutional theory and resource dependence theory

4.1. Institutional integration strategies

In terms of coercive institutional integration, enterprises should conduct in-depth research on the laws, regulations, and policy systems of the target enterprise's host country before the merger and acquisition, and comprehensively understand the local market access rules, tax policies, labor laws, environmental protection requirements, etc. After the merger and acquisition, a sound compliance management system should be quickly established, and professional legal and compliance personnel should be equipped to ensure that the enterprise's operations strictly comply with local requirements. For example, Chinese enterprises that conduct mergers and acquisitions in Europe must strictly abide by the strict environmental protection laws and labor laws there, increase environmental protection investment in the production and operation process, and protect the legitimate rights and interests of employees to avoid huge fines and reputation losses due to illegal acts^[7].

In terms of normative institutional integration, enterprises need to fully respect local industry norms and business practices, actively participate in local industry associations, strengthen communication and cooperation with peer enterprises, and integrate into the local business network. In mergers and acquisitions in the financial field, strict compliance with international financial industry regulatory norms and industry self-discipline guidelines is required to enhance the enterprise's recognition and reputation within the industry. By participating in the activities organized by industry associations, enterprises can keep abreast of industry trends and the latest standards in a timely manner and adjust their business strategies to meet the requirements of industry development.

Cognitive institutional integration requires enterprises to promote in-depth understanding and recognition of each other's cultures among employees of both parties through various cross-cultural training and rich cultural exchange activities, and gradually shape common values and corporate culture. Cultural experience activities can be organized for employees of both parties to understand the history, culture, customs, etc., of the other country, enhancing mutual understanding and trust. Team building activities can be carried out to promote the cooperation among employees with different cultural backgrounds, cultivating team spirit and common corporate values.

4.2. Resource integration strategies

In terms of human resources integration, formulating scientific and reasonable policies for employee retention and motivation is of vital importance. By gaining an in-depth understanding of the needs and expectations of the employees of the target enterprise, providing competitive salary and benefits, good career development plans, and broad promotion opportunities, it is possible to attract and retain the key talents of the target enterprise. At the same time, it is necessary to strengthen the training and communication activities for employees of both sides to improve their comprehensive qualities and team cooperation abilities. For example, after Lenovo acquired IBM's personal computer business, through reasonable salary and benefits as well as career development plans, it successfully retained a large number of IBM's technical and management talents, laying a solid talent foundation for the integration and development after the acquisition.

When integrating technological resources, establishing an efficient collaborative mechanism for technological research and development is crucial. Enterprises should build a platform for technological

exchanges to achieve the sharing and integration of technological resources. They should increase investment in technological research and development, give full play to the technological advantages of both sides, and enhance the overall technological innovation capability of the enterprise. For instance, after Geely acquired Volvo, it achieved collaborative research and development between the two parties in aspects such as automotive safety technology and new energy technology. A series of innovative products were launched, which enhanced the market competitiveness of the enterprise.

In terms of brand resource integration, a differentiated brand strategy should be formulated according to the brand positioning and market situation of both parties. For brands with high market popularity and reputation, their independence should be maintained, and their brand value should be fully utilized to expand the market. For complementary brands, brand integration can be carried out to create a new brand image and enhance the market influence of the brand. For example, after Haier acquired General Electric Appliances, it maintained the independence of the General Electric Appliances brand in the local market and, at the same time, used Haier's global resources and marketing network to enhance the brand's popularity and influence in the global market.

5. Case analysis

Midea's acquisition of KUKA in Germany is a typical successful case of overseas mergers and acquisitions by Chinese enterprises. Its strategies in institutional integration and resource integration provide valuable experience for the post-merger integration of enterprises, effectively verifying the effectiveness of the post-merger integration strategies under the integration framework.

At the level of mandatory institutions, when formulating salary and welfare policies, Midea has fully taken into account the rights and interests demands of local employees as well as the cost of living, ensuring that the salary level is competitive and the welfare system is complete and compliant. In terms of the work system, Midea strictly abides by the regulations of German labor laws regarding working hours, vacations, etc., avoiding potential legal disputes and laying a foundation for the stable operation of the enterprise.

At the level of normative institutions, the advanced industry norms and management concepts in Germany are the key areas that Midea focuses on learning from. Midea has been bold in adjusting its own management model and introducing the rigorous and meticulous German management concepts and methods. Through this integration, Midea has not only improved its own management level but also better integrated into the local business environment.

In terms of resource integration, Midea has accurately grasped the advantages of KUKA's robot technology and R&D team, deeply integrated them with its own technological accumulation in the home appliance field, established a joint R&D center, and achieved collaborative innovation of technological resources. Regarding brand resources, Midea has maintained the high-end positioning of the KUKA brand while leveraging its own global marketing network to increase brand promotion efforts, achieving the joint enhancement of the market competitiveness of both brands. After Midea acquired KUKA, its technical level in the robot field has significantly improved, its market share has gradually expanded, and its global business layout has been further expanded, making it a successful model of overseas merger and acquisition integration.

6. Conclusions

Under the background of anti-globalization, the post-merger integration process of Chinese enterprises in overseas mergers and acquisitions has encountered unprecedented difficulties. In terms of policy risks, the

frequent changes in policies of various countries have increased the difficulty of compliance. Cultural differences have led to poor communication and collaboration within enterprises. Economic uncertainty has made resource integration and market expansion full of variables. The integration framework constructed based on institutional theory and resource dependence theory provides enterprises with a comprehensive and systematic integration strategy idea from the perspectives of adapting to the institutional environment and optimizing resource allocation. Through effective institutional integration and resource integration, enterprises can better cope with the risks brought by anti-globalization, achieve the strategic goals of overseas mergers and acquisitions, enhance their international competitiveness, and move forward steadily in the complex international market.

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