Cultural Code Switching in a Post-Merger Organization

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Abstract: What explains differences in how individual employees culturally adapt following an organizational merger? While prior research on post-merger integration has largely focused on organizational characteristics that foreshadow post-merger cultural dynamics and performance, this paper explores individual-level variation in cultural adaptation following mergers. I propose that individuals’ post-merger cultural adaptation—specifically, the tendency to switch cultural codes—can be explained by the combination of their pre-merger conformity, which reflects their dexterity with perceiving and enacting multiple cultural codes, and their social status, which determines the rewards to code switching. I test these ideas by applying the tools of computational linguistics to a unique dataset of 1.5 million employee emails and personnel records from an organizational merger of two U.S. regional banks. I develop a novel approach to measuring cultural code switching by exploiting a machine learning classifier to categorize the linguistic styles of messages as either breaching or conforming to existing cultural codes. Consistent with predictions, across five theoretically distinct sources of status, I find that lower status individuals are more likely to culturally code switch than higher status individuals. Moreover, greater pre-merger conformity is associated with higher rates of cultural code switching for low status individuals, but lower rates of code switching for high status individuals. I discuss implications for status-based theories of cultural boundary work, socialization processes in polycultural contexts, and post-merger cultural dynamics.