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Comparative Analysis of International Experiences of Mergers and Acquisitions in the Banking System and Large Economic Enterprises

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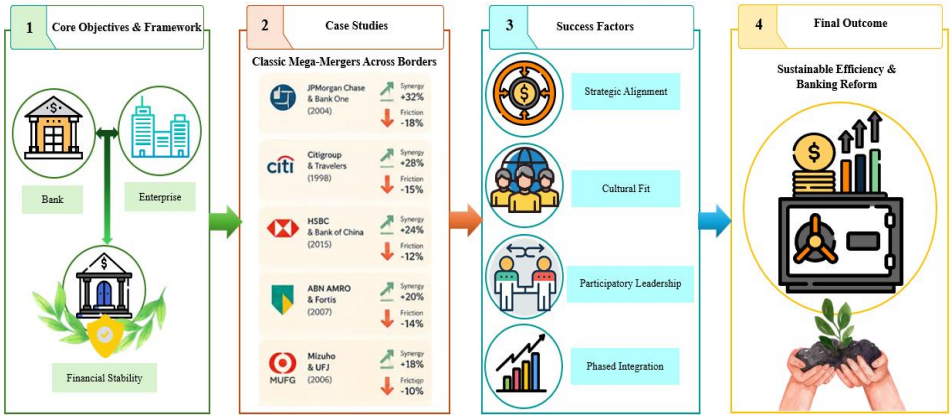
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ABSTRACT

Mergers and acquisitions (M&A) in the banking system and large economic enterprises have long been used as instruments for reorganizing organizational structures, strengthening financial stability, and enhancing efficiency; however, they have produced mixed outcomes. The central question addressed in this study is why some international M&A experiences have resulted in success and synergies, whereas others have led to failure, cultural conflict, and declining performance. This article aims to conduct a comparative analysis of selected international experiences and draw practical implications for restructuring Iran's banking system. In terms of its purpose, the study is applied, while methodologically it adopts a qualitative comparative-case-study approach. data were collected from library-based and documentary sources and analyzed through cross-case comparison of experiences such as JPMorgan Chase, Bank One, Deutsche Bank–Bankers Trust, ExxonMobil, Disney Pixar, and Daimler Chrysler. The findings indicate that the success of mergers and acquisitions depends primarily on strategic alignment, cultural fit, participatory leadership, gradual integration, and transparent stakeholder management. By contrast, the imposition of one organizational culture, ambiguity in the distribution of power, inadequate technological integration, and hasty implementation constitute the most important factors contributing to failure. Overall, these experiences demonstrate that mergers and acquisitions lead to greater stability and efficiency only when accompanied by phased planning and effective change management.



1. Introduction

Mergers and acquisitions (M&A) in the banking and financial sector constitute one of the most important mechanisms for restructuring financial institutions. In many countries, they are employed to manage banking crises, prevent the failure of financial institutions, and enhance the efficiency of the financial system. In competitive economies, where numerous banks and credit institutions operate, the risk of financial instability and institutional inefficiency is ever present. Under such circumstances, M&A emerges as a key financial policy instrument that can contribute to improving the stability and efficiency of the banking system through resource consolidation, capital strengthening, improved managerial structures, and expanded operational scale [1]. Globally, numerous M&A experiences have occurred among banks and large economic enterprises. Some have been successful, resulting in the establishment of stronger and more efficient financial institutions, whereas others have produced unfavorable outcomes due to challenges such as cultural incompatibility, weak

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leadership, difficulties in technology integration, and the absence of a coherent implementation plan. These experiences demonstrate that M&A is not merely a financial or legal transaction; rather, it is a complex and multidimensional process encompassing managerial, organizational, cultural, and technological dimensions. Accordingly, many recent studies have emphasized the importance of phased planning, organizational change management, and attention to non-financial factors throughout the merger process [2]. In this context, Iran's banking system has faced a range of challenges in recent years, including balance-sheet imbalances, declining productivity, regulatory pressures, and the need for structural reform. Consequently, the merger of banks and financial institutions has been proposed as one policy option for reorganizing the structure of the banking system. However, the successful implementation of such a policy requires a precise understanding of international experiences and of the factors that have contributed to the success or failure of M&A processes. Accordingly, this study aims to analyze and compare selected international experiences of mergers and acquisitions involving banks and large economic enterprises and to identify the factors influencing the success or failure of these processes. The main research question is: What patterns and factors do international M&A experiences reveal regarding the success or failure of such processes, and what implications do these experiences have for restructuring Iran's banking system? This study is applied in purpose and qualitative in methodology, employing a comparative case-study approach. The data were collected from library-based and documentary sources. Selected M&A cases involving banks and large economic enterprises were compared and analyzed according to such indicators as the objectives of the merger, the manner in which the process was implemented, managerial and organizational challenges, and the resulting outcomes.

Zarghami et al. [3], in an article entitled "A Bi-Objective Model for the Merger of Armed Forces Banks with an Efficiency and Equity Approach," examined the merger and relocation of bank branches. They employed Data Envelopment Analysis (DEA) and an input-oriented CCR model to measure branch efficiency, along with fuzzy constraints and an enhanced epsilon-constraint method. Their findings indicated that the objectives of efficiency and equity are conflicting; consequently, solving the model resulted in a set of Pareto-optimal solutions.

Taghizadeh et al. [4], in an article entitled "The Bank Merger Policymaking System in Iran with an Emphasis on Networked Policymaking," sought to develop an optimal framework for bank-merger policymaking in Iran. The study adopted a mixed-methods approach and employed thematic analysis, interpretive structural modeling (ISM), and partial least squares (PLS) analysis. The findings showed that environmental assessment, internal organizational assessment, evaluation of banking stakeholders, and upstream policy documents influence networked and merger-related policymaking. These policies, in turn, affect bank mergers and ultimately the financial and non-financial performance of banks. Barkhordari et al. [5], in an article entitled "Profitability Analysis Before and After Mergers and Acquisitions in Iranian Banks," investigated the effects of M&A on the profitability and financial performance of Iranian banks over the period 2005–2020. Using stochastic frontier analysis (SFA), a Markov-switching Markov Chain Monte Carlo (MCMC) approach, and stress testing, they evaluated banks' conditions before and after M&A. The results showed that M&A improved profit efficiency under certain scenarios and that, overall, the profitability indicator improved after the merger. However, M&A did not have a significant effect on maintaining the stability of banks' profitability in the face of financial shocks. Jallad et al. [6], in an article entitled "The Moderating Effect of Mergers and Acquisitions on the Relationship between Credit Risk and Bank Value: A Quantile Regression Approach," examined the effect of horizontal mergers and acquisitions on the relationship between credit risk and bank value. The findings showed that credit risk reduces bank value and that this adverse effect becomes more pronounced when a bank engages in M&A. Conversely, M&A itself was found to have a direct positive effect on bank value.

Festiwa and Shoheluddin [7], in an article entitled "Analysis of Islamic Banking Financial Performance Before and After Merger," investigated the financial performance of three Islamic banks BNI Syariah, BRI Syariah, and Bank Syariah Mandiri before and after their merger and the establishment of Bank Syariah Indonesia. Using a quantitative approach, the study examined financial ratios related to profitability and risk over the 2019–2023 period. The findings revealed differences in the financial performance of Islamic banks before and after the merger. Therefore, the merger was found to have brought about significant changes in the financial condition of these banks.

Dani et al. [2], in an article entitled "Examining the Future of the National Banking Management System Resulting from Bank Mergers," assessed the principal managerial factors and challenges arising from bank mergers. The study used a researcher-developed questionnaire and analyzed the data with SPSS software. The results indicated that the most significant future challenges associated with bank mergers include managing organizational culture and employee stress, restructuring human resources, resistance to change, job insecurity, talent attrition, and declining employee motivation.

A review of the literature indicates that a substantial proportion of domestic studies have focused primarily on the financial and competitive consequences of bank mergers. By contrast, comparatively few studies have undertaken a comparative analysis of international experiences to identify patterns of success and failure. Likewise, although many international studies have examined individual large-scale mergers, fewer have systematically compared these experiences to identify common determinants of success or failure. Accordingly, there remains a need for comparative research that analyzes diverse M&A experiences in order to derive generalizable lessons and patterns.

1.1. Research Questions

Main Research Question

What implications do international experiences of mergers and acquisitions have for reforming Iran's banking system?

Sub-questions

1. What are the most important factors contributing to the success of mergers?
2. What are the most important factors contributing to merger failure?
3. What common patterns can be identified among successful merger experiences?

1.2. The Concept of Mergers and Acquisitions

M&A refer to the process through which two or more companies are combined into a new entity, or through which parts of different companies are integrated to form a single business. This strategy has been widely used by organizations to achieve growth, reduce costs, eliminate competition, and increase market share. It has consistently remained one of the most favored strategies among firms seeking expansion, diversification, and competitive advantage [8]. One of the fundamental theories in the field of M&A is the synergy hypothesis, which posits that the combined value of two firms exceeds the sum of their values as separate entities [9]. Such synergy may arise from economies of scale, enhanced market power, or complementary resources. M&A strategies play a vital role in firm-level strategy and economic development. They function as key drivers of resource integration, operational efficiency, and the sustainable growth of firms. Other major objectives of M&A strategies include market expansion and the enhancement of shareholder value.

1.3. Reasons for Implementing Mergers of Banks and Financial Institutions

Banks and financial institutions are among the principal pillars of the economic system, and any disruption in their operations may give rise to extensive financial, social, and even security-related crises. For this reason, when a bank approaches insolvency, supervisory authorities, particularly central banks, often resort to a necessity-driven merger strategy in order to contain the crisis and preserve stability. Under this approach, the assets and liabilities of the troubled institution are transferred to other entities, while the viable part of the institution continues its operations within a newly structured framework. This measure can lead to cost reduction, improved efficiency, and a stronger financial position. At the same time, however, it may also create challenges such as legal complications, customer concerns, and workforce downsizing. With careful management and transparent policymaking, forced mergers can be transformed from a threat into an opportunity for structural reform and the strengthening of public confidence [10].

2. Materials and Methods

This research is applied in terms of its purpose, qualitative in terms of its approach, and a multiple-case comparative study in terms of its design. The aim of the research is to identify and explain the factors affecting the success or failure of M&A processes and to derive implications from these experiences for reforming the structure of Iran's banking system. In designing the comparative study, the methodological framework of Freiberger [11] has been employed, which emphasizes the selection of cases, their description within their respective contexts, comparison on a common basis, and the extraction of comparative patterns.

2.1. Unit of Analysis and Case Selection

The unit of analysis of the research is specific M&A experiences in banks and large economic enterprises. The cases were selected using purposive sampling and based on three criteria: the availability of sufficient documentation, the significance and prominence of the transaction, and the possibility of comparing it with other cases in terms of objectives, the manner of integration, managerial and organizational challenges, and the outcomes of the merger. Accordingly, six cases were selected JPMorgan–Chase, JPMorgan–Bank One, Deutsche Bank–Bankers Trust, Exxon–Mobil, Disney–Pixar, and Daimler–Chrysler so as to make it possible to compare successful, relatively successful, and unsuccessful experiences.

2.2. Sources and Data Collection Method

The research data were collected through library and documentary methods. The sources included scientific articles, official and annual reports of companies and banks, case studies, and credible analytical reports related to the transactions under examination. To enhance the reliability of the data, the information for each case was reviewed from multiple sources and cross-checked against one another.

2.3. The Comparative Analysis Process

In the analysis process, the documentary data related to each case were classified through content coding based on eight main categories: strategic

alignment, cultural fit, leadership and power structure, integration of operations and technology, change management and communication, human capital management, realization of synergy and objectives, and the final outcome of the merger. Then, the status of each category across the six studied cases was compared with one another in order to identify common patterns and differences affecting the success or failure of the merger.

2.4. Criterion for Evaluating Success or Failure

The success or failure of a merger was not determined based on a single indicator. Rather, it was assessed with reference to the achievement of intended objectives and synergies, organizational and operational performance, the effectiveness of integration, the management of culture and change, and the retention of human capital. Accordingly, the cases were classified into three categories: successful, relatively successful, and unsuccessful.

Table 1. Comparative coding matrix of selected merger and acquisition experiences

Code	Analytical Category	Daimler–Chrysler	Disney–Pixar	Exxon–Mobil	Deutsche Bank–Bankers Trust	J.P. Morgan–Bank One	J.P. Morgan–Chase
C1	Strategic Alignment	±*	✓	✓	±*	✓	✓
C2	Cultural Fit	X	±*	✓	X	✓	±*
C3	Leadership and Power Structure	X	✓	✓	X	✓	✓
C4	Operational and Technological Integration	X	±*	✓	X	✓	✓
C5	Change Management and Communication	X	✓	✓	X	✓	✓
C6	Human Capital Management	X	✓	±*	X	✓	✓
C7	Achievement of Synergies/Objectives	X	✓	✓	X	✓	✓
C8	The ultimate outcome of the merger	X	✓	✓	X	✓	✓

Source: Research Findings
Note: ±* indicates a relative or mixed outcome.

2.5. Case Studies

2.5.1. The Merger of J.P. Morgan and Chase Manhattan (2000)

- ***Background and Objectives of the Merger***

The merger between J.P. Morgan and Chase Manhattan in 2000 took place amid the expansion of financial globalization and intensifying competition among major U.S. banks. The implementation process involved the integration of management structures, information systems, and branch networks, as well as the development of a new brand identity. Ultimately, JPMorgan Chase was established as the unified brand. The merger process included strategic planning, negotiation and formal agreement, organizational and technological integration, change management and communication, and post-merger evaluation. The principal objective of the merger was to create a universal bank capable of competing globally with institutions such as Citigroup and Bank of America. Other objectives included diversifying revenue sources, reducing risk, enhancing operational and financial synergies, increasing shareholder value, and consolidating market position. The complementary nature of the two banks' activities in investment banking and commercial banking strengthened the prospects for achieving these objectives.

- ***Challenges***

The most significant challenges involved differences in organizational culture and the difficulty of integrating the two banks' technology systems. To address these issues, joint cultural workshops and cross-organizational teams were established. Through investment and a gradual implementation program, banking and data systems were integrated. Employee concerns regarding job security and regulatory sensitivity toward market concentration constituted additional major challenges. Job-related concerns were mitigated through incentive programs and talent-retention measures. In addition, the bank sought to build public confidence through transparent reporting and cooperation with regulatory authorities. A broad marketing campaign was also launched to introduce the new brand to customers.

- ***Success Factors***

One of the main factors underlying the merger's success was the complementary nature of the two banks' operations, which reduced internal competition and strengthened collaboration. Effective leadership by William Harrison, characterized by a pragmatic approach, contributed to managerial stability. Moreover, the emphasis on coordinating digital infrastructure helped prevent disruptions in service delivery, while transparent communication with capital-market participants and employees helped sustain confidence and limit share-price volatility.

Finally, the favorable economic environment and legal reforms in the United States during the late 1990s created conditions conducive to the successful implementation of the merger [12].

- ***Final Outcomes and Lessons Learned***

The long-term outcomes of the JPMorgan Chase merger demonstrate the institution's success. By 2005, the bank's assets had exceeded USD 1.1 trillion, while its net profit had increased by 30 percent. By expanding its activities in retail banking, investment banking, and asset management, the institution became one of the world's most reputable financial organizations. It also played a key role in maintaining market stability during the 2008 financial crisis, thereby becoming a successful model of universal banking at the global level.

This experience demonstrates that successful mergers depend on more than financial calculations. They require effective human-resource management, cultural synergy, and strategic vision. Furthermore, technology integration, as the operational backbone of the merged institution; meticulous pre-merger planning; a shared vision supported by unified leadership; and transparent communication with stakeholders to sustain trust and organizational legitimacy are critical factors in achieving lasting success.

2.5.2. Deutsche Bank's Acquisition of Bankers Trust (1999)

- ***Background and Objectives***

In 1999, Deutsche Bank of Germany acquired Bankers Trust, a vulnerable yet highly specialized U.S. financial institution, for USD 93 per share in cash. The acquisition was intended to consolidate Deutsche Bank's position on Wall Street, enable it to compete with major U.S. financial institutions, and expand its investment-banking operations. Despite pursuing objectives such as cost reduction, revenue growth, and the integration of specialized financial services, the transaction encountered major challenges. These included profound cultural differences between the two banks, a perceived threat among Deutsche Bank employees, and the substantial cost of USD 400 million associated with retaining Bankers Trust's key personnel.

- ***Main Challenges***

The most significant challenge was the profound cultural and managerial divergence between the two organizations. Deutsche Bank's organizational culture was characterized by formal structures, hierarchical authority, and conservative decision-making, whereas Bankers Trust had a competitive, individualistic, and highly risk-oriented culture. Moreover, incompatibilities between the banks' information technology systems, difficulties in achieving operational coordination, and concerns over retaining key employees seriously complicated the integration process.

The departure of a substantial number of Bankers Trust's managers and specialists further weakened the combined institution's human capital and resulted in the loss of several important clients.

- ***Factors Contributing to Failure***

One of the principal criticisms of the acquisition was its excessive emphasis on short-term growth and competition in capital markets, which contributed to weaknesses in risk control, particularly in derivatives trading and other complex banking transactions. The integration of information technology systems was also delayed and accompanied by additional costs and operational disruptions. Furthermore, Deutsche Bank's focus on international expansion diverted managerial attention away from core banking operations and effective risk management. The principal problems appear to have arisen during the implementation and integration stage. Deutsche Bank's acquisition of Bankers Trust, initiated in 1998 and completed in 1999, was presented as a takeover by a dominant acquirer. This approach generated dissatisfaction among Bankers Trust employees and intensified the cultural divide between the two institutions. Deutsche Bank's group-oriented, conservative, and hierarchical German culture was incompatible with Bankers Trust's individualistic, performance-driven, and risk-oriented American culture. This conflict resulted in distrust and internal tensions. Within 18 to 24 months, many of Bankers Trust's key employees, who represented a major source of the institution's value, left the organization. In addition, incompatible information technology systems and Deutsche Bank's remote-management approach, under which it attempted to control complex New York operations through rigid directives,

impaired decision-making. Ultimately, Deutsche Bank failed to generate an adequate return on its USD 10 billion investment. After years of unsuccessful efforts, it withdrew from parts of its U.S. investment-banking operations. For a considerable period, this outcome remained emblematic of the bank's difficulties in managing international operations [13].

- ***Final Outcomes and Lessons Learned***

The acquisition failed to achieve Deutsche Bank's expected strategic objectives and ultimately became a widely recognized example of failure in international banking M&A. After several years, Deutsche Bank scaled back parts of its investment-banking activities in the United States and incurred substantial financial and managerial costs.

This case demonstrates that the success of cross-border M&A does not depend solely on financial capacity or organizational size. Effective management of cultural differences, retention of human capital, the establishment of shared communication structures, and careful planning for operational integration play decisive roles in determining the success or failure of such transactions.

2.5.3. JPMorgan Chase's Acquisition of Bank One (2004)

- ***Background* and Objectives**

J.P. Morgan Chase's acquisition of Bank One in 2004 occurred amid a broader wave of consolidation in the U.S. banking industry. At the time, JPMorgan Chase held a strong position in investment banking and corporate financial services, yet had a comparatively limited footprint in retail banking and credit cards. Bank One, by contrast, was among the largest U.S. retail banks, with an extensive branch network and a substantial share of the credit-card market.

Against this backdrop, JPMorgan Chase decided in 2004 to acquire Bank One in a transaction valued at approximately USD 58 billion—widely cited as one of the largest and most successful bank acquisitions in modern financial history. The central strategic objective was to build a more balanced universal bank by combining volatile, market-dependent investment-banking revenues with more stable retail-banking cash flows. Additional objectives included diversifying income streams, expanding geographic coverage, achieving greater operating scale, strengthening national competitiveness, and positioning the combined entity among the top three U.S. banks in terms of assets and profitability.

- ***Main* Challenges**

Despite a strong economic rationale, the acquisition faced several material challenges:

1. **Cultural differences:** JPMorgan Chase was characterized by a more formal, capital-markets-oriented culture, while Bank One's culture was more operational and retail-focused. These differences were managed through joint leadership sessions, structured convergence programs, and mixed management teams, which supported the formation of a shared organizational culture.
2. **IT and infrastructure integration:** The integration of complex and partially incompatible information systems posed a high operational risk. The banks addressed this through a multi-phase roadmap, gradual systems integration, and the establishment of shared support centers aiming to avoid service disruptions while controlling costs.
3. **Stakeholder communication and trust:** Maintaining confidence among customers, employees, investors, and regulators was essential. This was supported through transparent communication initiatives, regular reporting, and explicit commitments to service continuity.

Effective management of these three domains transformed a high-risk integration into a case often cited as a model of sustainable M&A execution.

- ***Key* Success *Factors (Overview)***

Unlike Deutsche Bank's "conquering" approach in the Bankers Trust acquisition, the JPMorgan–Bank One transaction was largely framed as a more "equal" combination, supported by a clear strategic vision shared across leadership teams. The success of this acquisition was not solely a function of financial capacity; rather, it was rooted in careful design, effective leadership, cultural alignment, and disciplined execution.

1. **Precise Leadership and Succession Planning:** A clear agreement on management succession and role division was established from the outset. Jamie Dimon (CEO of Bank One) was designated to succeed William Harrison (CEO of JPMorgan Chase) as Chief Executive Officer after a transitional period. This structured and gradual transfer of leadership maintained managerial stability and prevented internal power struggles.
2. **Active Management of Cultural Convergence:** Instead of unilaterally imposing one organizational culture over the other, leadership sought to integrate the strengths of both institutions. The result was a combined culture that blended JPMorgan Chase's financial discipline and performance orientation with Bank One's operational agility and customer-centric retail focus.
3. **Phased IT and Operational Integration:** The integration of information technology systems and operational platforms was executed in a gradual, highly controlled manner. Rather than rushing to merge infrastructure, systems were migrated systematically to minimize the risk of service disruptions for retail and corporate clients.
4. **Realization of Operational Synergies:** The bank achieved significant cost savings by consolidating redundant corporate overhead, streamlining overlapping branch networks, and leveraging economies of scale. This operational efficiency improved the return on equity (ROE) and strengthened the bank's market share.
5. **Transparent Communication Management:** Regular, transparent updates were provided to employees, customers, and capital market participants throughout the transition. This consistent communication mitigated uncertainty, maintained staff morale, and prevented adverse market reactions [14].

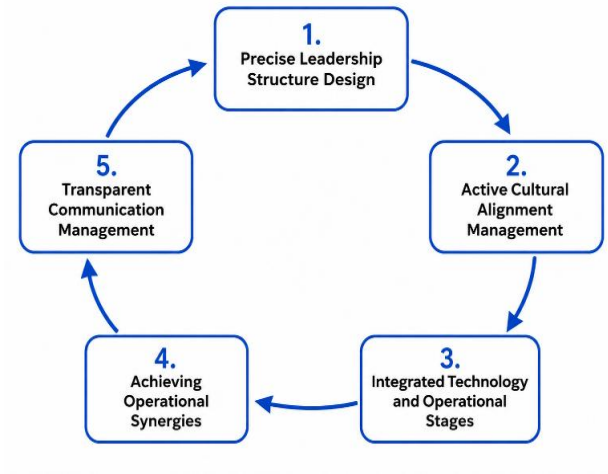


Figure1. Factors Behind Bank One's Success Under JPMorgan Chase

Source: Research Findings

- ***Final Outcomes and Lessons Learned***

The acquisition of Bank One stands as one of the most successful banking transactions of the 2000s. It transformed JPMorgan Chase from a predominantly wholesale and investment bank into a diversified financial powerhouse with stable, recurring retail revenue streams. The strengthening of its retail banking and credit-card operations (under the Chase brand) consolidated the institution's position among the largest banks in the United States, providing a resilient foundation that helped it weather the 2008 global financial crisis.

This experience demonstrates that successful large-scale banking acquisitions depend on strategic alignment, active management of organizational culture, clear leadership succession planning, and disciplined operational integration. While the Deutsche Bank-Bankers Trust transaction illustrates the risks of cultural friction and operational disconnect, the JPMorgan Chase–Bank One merger serves as a benchmark for purposeful restructuring and strategic diversification in global banking.

2.5.4. Exxon–Mobil Merger (USA, 1999)

- ***Background* and *Objectives of the Merger***

The merger between Exxon (which originated from the old Standard Oil of New Jersey) and Mobil (from the Standard Oil of New York branch) in 1999 was a strategic response to the difficult conditions of the oil industry in the 1990s; a period when the collapse of crude oil prices (from $25 to below 10$) severely reduced the profit margins of major companies. These two companies, both heirs to the "Standard Oil" structure, established their $81 billion merger plan through a stock swap with the aim of achieving economies of scale, operational synergies, and strengthening their competitive capacity against international rivals such as "Royal Dutch Shell" and "BP". The stages of the merger were carried out in three phases: Phase One: combining senior management and the legal structure, Phase Two: integrating refining, distribution, and marketing systems, and Phase Three: integrating technology and environmental policies. The ultimate goal was to create a cohesive structure to reduce operational costs in the value chain (refining, distribution, and marketing) and expand presence in emerging markets [15-17].

- ***Main Challenges***

This merger faced two major challenges: First, the considerations of antitrust institutions in the United States and the European Union, which were concerned about market concentration and set the divestment of a portion of refining assets and the distribution network (about 2,400 gas stations) as a prerequisite for

issuing the license. Second, the social consequences resulting from restructuring, which led to the elimination of about 9,000 jobs. Managing these challenges required precise interaction with regulators and the implementation of compensatory programs (such as voluntary retirement and paying severance packages) to reduce human tensions.

- ***Success Factors***

ExxonMobil's success in this merger can be summarized in three key areas:

1. **Cultural and Structural Similarity:** Both companies had similar historical backgrounds, strict financial discipline, and comparable bureaucratic structures, which minimized cultural friction.
2. **Focus on Operational Synergies:** Unlike politically motivated mergers, this transaction was based on a precise economic rationale (the integration of refining and distribution systems). The implementation stages including the step-by-step consolidation of senior management, the integration of distribution systems, and ultimately the alignment of technological and environmental policies were managed carefully [18,19].
3. **Execution Discipline:** Giving priority to measurable technical and economic objectives enabled the elimination of overlapping activities with minimal disruption to business continuity [20-22].

2.5.5. Disney–Pixar Merger (USA, 2006)

- ***Background and Objectives of the Merger***

In the early 2000s, Walt Disney, as an icon of the entertainment industry, faced a crisis of declining creativity and reduced audience interest in traditional animations. In contrast, Pixar Animation Studios, by utilizing advanced 3D technology and innovative storytelling, had defined new standards in cinema. The acquisition of Pixar by Disney in 2006 for $7.4 billion was executed not merely for scale expansion, but with the goals of restoring the spirit of innovation, rebuilding Disney's brand reputation in the animation arena, accessing advanced 3D production technology, increasing market share in films, merchandise, and theme parks, and attracting creative talents and artistic elites. Recognizing this necessity, Bob Iger, CEO of Disney, chose the acquisition strategy instead of continuing competition in order to rebuild Disney's brand credibility by attracting creative talents and accessing modern production technologies.

- ***Main Challenges***

The fundamental challenge of this acquisition was a severe structural contrast: Disney was an institution relying on a hierarchical bureaucracy and traditional processes, whereas Pixar was built on a culture of "free creativity" and horizontal structures. There was a fear that imposing Disney's bureaucratic culture would disable Pixar's driving engine and lead to the departure of artistic talents. Managing this cultural gap was the greatest threat to achieving the transaction's objectives.

- ***Success Factors***

The success of this acquisition was due to the "non-destructive integration" approach, which was based on three key areas:

1. **Preservation of Operational Independence:** By maintaining Pixar's structure in California, Disney allowed them to continue their activities in an independent environment, far from the hierarchical pressures of Disney's headquarters.
2. **Mutual Trust and Shared Leadership:** The constructive interaction between Bob Iger and Steve Jobs (as the largest shareholder), along with handing over the leadership of the animation department to senior Pixar executives (Ed Catmull and John Lasseter), guaranteed the continuity of Pixar's creative identity.
3. **People-Centric Approach:** Instead of prioritizing cost savings, Disney focused on content quality and preserving the growth environment for artistic elites [23].

- ***Final Outcomes and Lessons Learned***

The acquisition of Pixar became a turning point in Disney's history, proving its success with the production of trend-setting works such as *Up*, *WALL-E*, *Toy Story 3*, and *Frozen*, and the growth of global animation sales from $4 billion in 2005 to over 12 billion in 2015. The key lesson of this case study for knowledge-based and creative industries is that in acquisitions of innovative companies, "management control" should not mean "cultural dominance." Success in such mergers requires prioritizing the preservation of the environment in which creativity thrives; in other words, in creative acquisitions, the main wealth of the company after the merger is the very human capital and organizational culture that must be protected.
This text clearly demonstrates that, unlike the Exxon–Mobil merger (where "eliminating redundancies" was the success factor), here, "preserving differences" was the primary factor for success.

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2.5.6. Daimler-Benz and Chrysler Merger (Germany-USA, 1998)

- ***Background and Objectives of the Merger***

The merger between Daimler-Benz and Chrysler in 1998 took place against the backdrop of increasing global competition in the automotive industry an industry where increasing production scale, cost reduction, and technological development had become decisive factors for survival and competitiveness. Daimler-Benz, as the producer of Mercedes-Benz luxury cars, sought to expand its presence in the North American market, while Chrysler aimed to strengthen its competitive position by leveraging advanced technology and European engineering standards. Consequently, the two companies embarked on forming "DaimlerChrysler" through a $36 billion transaction. Although initially presented as a "merger of equals," the decision-making structure and management orientation evolved in a way that the German side's superiority over the merger process gradually became apparent.

- ***Main Challenges***

The most significant challenge of this merger was the deep cultural and managerial gap between the two companies. Daimler-Benz had a formal, hierarchical organizational culture based on engineering discipline, whereas Chrysler operated with a more agile, flexible structure inclined towards rapid decision-making. Although a joint structure was designed to manage the new company, the actual decision-making focus in Stuttgart intensified feelings of inequality and exclusion among American managers and employees. Furthermore, differences in design standards, compensation systems, labor relations, and supply chains created serious difficulties in operational integration.

- ***Factors Contributing to Failure***

The failure of this merger can be attributed to several interconnected factors. First, the claim of a "merger of equals" was inconsistent with the reality of the organizational power structure; this gap between rhetoric and action undermined internal trust. Second, cultural differences were not managed; instead, they led to the unilateral dominance of Daimler's management model. Third, shared long-term goals and clear mechanisms for achieving synergies were not realistically defined. Fourth, the inability to effectively integrate technology, product design, and marketing strategies prevented the new company from realizing the expected benefits. Consequently, the departure of key Chrysler executives, a decline in organizational morale, and reduced managerial cohesion further weakened the merger process [25].

- ***Final Outcomes and Lessons Learned***

The Daimler-Benz and Chrysler merger ultimately became one of the most notorious examples of failed cross-border mergers. Not only were the promised synergies not realized, but the company faced declining performance, heavy financial losses, and failure in developing joint products. Some joint models also failed to achieve significant commercial success. The persistence of this situation eventually compelled Daimler to divest Chrysler in 2007 at a price significantly lower than the initial transaction value.

This experience demonstrates that in international mergers, a superficial alignment of economic interests is insufficient for success. Genuine alignment in corporate culture, power distribution, the definition of common goals, and trust management are essential conditions for achieving synergy. From this perspective, Daimler-Chrysler serves as a clear example that neglecting the

human and institutional dimensions of a merger can render even a seemingly strong economic logic ineffective.

In contrast to the Exxon–Mobil merger, which benefited from cultural similarity and clear operational objectives, the Daimler-Chrysler case saw the cultural gap and ambiguity in the power structure neutralize the economic logic of the merger.

3. Results and Discussion

To extract critical insights regarding the success and failure of M&A activities, six landmark global transactions were reviewed and compared. This analysis covers the strategic rationale, integration challenges, and ultimate performance of each case. Table 2 provides a comparative summary of these findings, which forms the basis for further discussion in the following sections.

Table2. Comparison and summary of international merger and acquisition experiences

Sample M&A Case	Year & Country	Primary Nature & Objective	Key Challenges in the Integration Process	Outcomes & Achievements	Analytical Assessment
Merger of J.P. Morgan and Chase Manhattan	2000 – USA	Strategic Rationale: Creation of a comprehensive financial bank by combining investment banking capabilities, commercial banking, and an international network.	Differences in organizational culture, information systems integration, and management structure coordination.	The formation of J.P. Morgan Chase as a major global banking player.	Successful; due to strategic alignment, management stability, and achievement of operational synergy.
Acquisition of Bank One by J.P. Morgan Chase	2004 – USA	Strategic Rationale: Strengthening retail banking and credit cards, and diversifying revenue streams.	Leadership alignment, gradual operational integration, and management of organizational differences.	Strengthening J.P. Morgan Chase's position in retail banking and consumer financial services.	Successful; due to clear leadership design, change management, and phased integration execution.
Merger of Deutsche Bank Germany with Bankers Trust USA	1999 – Germany and USA	Strategic Rationale: Expanding global presence and effectively entering the U.S. investment banking market. (Note: Year and country corrected to align with the historical timeline of this transaction).	Cultural gap, management style differences, regulatory misalignment, and departure of key personnel.	Deutsche Bank's expanded international presence, but accompanied by organizational tension and integration difficulties.	Relatively unsuccessful; due to weak cultural management and high human integration costs.
Merger of Exxon and Mobil	1999 – USA	Strategic Rationale: Increasing economies of scale, reducing costs, and strengthening global positioning in the energy market.	Antitrust requirements, divestiture of certain assets, workforce adjustments, and value chain coordination.	The formation of "ExxonMobil," as one of the world's largest oil companies, achieving extensive cost savings.	Successful; due to cultural compatibility, execution discipline, and focus on operational synergy.
Merger of Disney and Pixar	2006 – USA	Strategic Rationale: Revitalizing Disney's creative power, acquiring 3D animation technology, and strengthening the entertainment brand.	Discrepancy between Disney's bureaucratic culture and Pixar's creative culture, risk of losing innovative independence.	Revitalization of Disney's standing in animation, leading to highly successful commercial and artistic works.	Successful; due to preserving Pixar's cultural independence and trust-based leadership.
Merger of Daimler-Benz and Chrysler	1998 – Germany and USA	Strategic Rationale: Creating a global automaker by combining German engineering/technology with the American market. (Note: Year corrected to 1998/1999 alignment).	Severe cultural clash, lack of true power balance, managerial misalignment, and failure to achieve synergy.	Extensive financial losses, performance decline, and the divestiture of Chrysler in 2007.	Unsuccessful; due to cultural dominance, ambiguity in shared objectives, and failure in integration.

Source: Research Findings

3.1. Comparative Analysis of Experiences

In this section, we analyze patterns of success and failure in a comparative context, drawing on findings from case studies to answer the research sub-questions.

An examination of successful cases indicates that success in mergers is a product of "structural and cultural alignment."

- Comparison with the Exxon-Mobil Experience: The success of this merger was contingent on execution discipline. Unlike political mergers, Exxon-Mobil focused on "operational synergy" within the value chain.
- Comparison with the Disney-Pixar Experience: The key success factor in this experience was "trust management." Unlike other companies, Disney recognized Pixar's "innovative independence" rather than imposing its own bureaucratic culture.
- Comparison with the J.P. Morgan and Bank One Experience: This merger demonstrated that "management stability and a clear succession plan" minimize the risk of human talent outflow during critical transition phases.

A common factor in the investigated failures is the "illusion of synergy" versus the "cultural reality."

- Comparison with the Daimler-Chrysler Experience: Unlike the Exxon-Mobil merger, which benefited from clear operational objectives, Daimler-Chrysler failed due to "hidden cultural dominance" and power imbalance. In essence, the economic logic (combining technology and market) was crushed under the weight of conflicting management styles (German versus American).
- Comparison with the Deutsche Bank and Bankers Trust Experience: This failure is evident in "cultural resistance." Unlike the J.P. Morgan merger, which sought gradual cultural integration, Deutsche Bank's imposition of structure and regulatory misalignment led to the erosion of human capital and a reduction in the deal's true value.

The findings of this research can be identified in three common patterns:

4. The "Industry-Appropriate Integration" Pattern: In capital-intensive industries (oil/banking), the pattern is "structural integration and elimination of duplication" (e.g., Exxon). However, in knowledge-based industries (entertainment/modern banking), the pattern is "preserving the independence of the creative hub" (e.g., Pixar).
5. The "Collaborative Leadership" Pattern: In successful experiences (e.g., J.P. Morgan-Bank One), there was a "management agreement" from day one, which prevented the repetition of Daimler's error (ambiguity in power structure).
6. The "Gradual Change Management" Pattern: No successful merger has been "abrupt." All successful cases (Disney, Exxon, J.P. Morgan) implemented the integration process in a phased manner to avoid disrupting "operational systems" or shocking the "organizational culture.

4. Conclusions

The findings of this research indicate that mergers and acquisitions in the banking sector and large economic enterprises are not merely financial or legal actions, but rather multidimensional processes whose success depends on strategic alignment, cultural compatibility, effective leadership, gradual integration, and transparent stakeholder management. An examination of successful experiences such as J.P. Morgan-Chase, Bank One, Exxon-Mobil, and Disney-Pixar revealed that mergers lead to synergy and improved

performance when accompanied by meticulous planning, management stability, and attention to human and technological dimensions. Conversely, unsuccessful experiences like Deutsche Bank-Bankers Trust and Daimler-Chrysler demonstrate that cultural imposition, ambiguity in power structures, weak integration, and rushed execution are the primary reasons for failure in these processes.

The main implication of these findings for Iran's banking system is that bank mergers, particularly under conditions of imbalance, should not be merely directive, intermittent, or reactive measures. Instead, they should be undertaken as part of a transparent, phased process based on rigorous pre-merger evaluation. Genuine identification of assets and liabilities, segregation of toxic assets, resolution of hidden obligations, assessment of human capital, integration of information technology systems, and the design of a new bank's governance structure are fundamental prerequisites for successful mergers. Otherwise, mergers can, instead of solving crises, concentrate existing problems within a larger institution and increase systemic risk. Furthermore, the success of banking mergers depends on the intelligent management of organizational culture and human capital. Banks are not merely collections of branches and balance sheets; they also encompass organizational identity, management style, internal relationships, and customer trust. Therefore, neglecting employee concerns, career futures, managerial succession, and cultural differences can lead to organizational resistance, the departure of specialized personnel, and a decline in service quality. Consequently, successful mergers require a transparent communication plan, incentive mechanisms, a clear human resource management model, and a gradual integration process. Based on this, the most significant outcome of the research is that the success of a merger lies not in increasing organizational size, but in its ability to achieve genuine synergy, enhance efficiency, maintain stakeholder trust, and strengthen institutional stability. This issue is of particular importance for Iran's banking system, as in conditions of imbalance, bank mergers can only contribute to structural reform if based on a precise valuation of assets and liabilities, information transparency, resolution of problematic assets, clear design of the governance structure, and phased implementation planning.

Banking mergers in Iran should be viewed as part of the structural reform of the banking system, not as a short-term or directive solution. Their success is contingent upon strengthening supervision, governance, risk management, financial transparency, and attention to human capital; otherwise, problems will merely be transferred to a larger institution. Utilizing international experiences can transform mergers into tools for increasing efficiency and public trust.

Author Contributions

All authors contributed equally to the conception, preparation, and writing of this manuscript.

Conflict of Interest

The authors, while observing publication ethics in the referencing, declare the absence of interest of conflict.

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