

University of Wales Trinity Saint David

Doctor of Business Administration

HKBM 7002

**Managing in Complex Environments Strategies, Insights and
Solutions**

Assignment:

A business Report concerning the Merger & Acquisition of

Tiffany and LVMH

Professor in charge: Dr. Leo Ho

Name of student: Ms. Vivian Chih

Student ID: 2031148

Words count: 7562 (exclusive of cover page and references)

Business management report

Merger & Acquisition of Tiffany and LVMH (from 2019 to 2021)

Environmental factors and motives for the acquisition of Tiffany by LVMH

Developmental need of LVMH

LVMH was formed after the merger of two iconic brands of Moët Hennessy and Louis Vuitton in 1987. It was acquired by Bernard Arnault (a Frenchman) in 1988. Bernard Arnault originated his business from his father's construction engineering firm, then branched into real estate development and extending into luxury goods.

Bernard Arnault was an extremely competitive businessman, in that he had acquired many luxury brands since 1988 through LVMH. By 2019, he was already operating 75 brands in six different business segments: Wines and Spirits (e.g. Moët & Chandon, Hennessy and Dom Pérignon from 1987), Perfumes and Cosmetics (e.g. Givenchy from 1988, Guerlain from 1994, Sephora from 1997, Benefit cosmetics from 1999), Fashion and Leather goods (e.g. Loewe, and Celine from 1996, Marc Jacobs from 1997, Fendi from 2001, majority shareholder of Christian Dior from 2017), Watches (e.g. TAG Heuer from 1999, Hublot, Fred, Zenith, Chaumet), Jewelry (e.g. Bvlgari from 2011), Luggage & other retailing (e.g. Rimowa from 2016) (Khoo N. 2019).

By 2019, LVMH had recorded revenue of Euro 53.65 billion (with Euro 7.17 billion net income) outbeating the Richemont group (which held iconic brands such as Cartier and Versace). However, LVMH had its weakest business arm in the jewelry market, with only the Bvlgari brand, which

was no match for Cartier under Richemont. Bernard Arnault had therefore turned his eyes to look for a compatible partner to beef up his competition in the jewelry sector.

Developmental match of Tiffany

Tiffany was established by Charles Lewis Tiffany and his friend John B. Young in 1837. Its first store, the headquarter, was set up in New York. Charles Lewis Tiffany, who was known as the “Kind of Diamonds”, purchased a lot of jewels from the French aristocrats who fled from France after the 1848 abdication of King Louis-Philippe. Tiffany opened a buying office in Paris in 1850. In 1887, Tiffany had purchased about one-third of all the French crown jewels for sale to the Americans. From 1956 to 1987 (for almost 30 years), Tiffany had engaged a French iconic designer, Jean Schlumberger, to design the jewelry of Tiffany (The wall Street Journal, 2021). Although Tiffany had strong historical ties with the French culture, it had nevertheless remained largely very American in icon and spirit. As of 2019, 43 % of its sales was from America. Tiffany’s product image was known to be friendly and approachable, liken to the American spirit. Tiffany’s rich heritage in America was sealed by the classic movie “*Breakfast at Tiffany’s*” starred by Audrey Hepburn in around 1961 (The Wall Street Journal, 2021).

By 2019, Tiffany had a global market share in jewelry of 25.4 %, followed by Richemont SA with 21.2 % only. Tiffany was operating 300 stores in over 20 countries, recording \$ 4.44 billion in annual revenue and \$586.4 million in net income (Harvard Business School, 2021). Tiffany had also developed a strong presence in China, opening up many flagship stores in key cities in China, together with a robust digital sale platform.

Yet, Tiffany had been struggling with its growth since 2015, with its sales and profit on a decline from 2018 despite a temporary turnaround in 2017 (Harvard Business school, 2021). By the end of the first quarter in 2019, just three weeks after its confirmation of intention to expand into India, its revenue and sale had dropped 3 % and 4 % respectively (Jeweller, 2020).

Seemingly heavenly match

The strong company reputation and iconic product image of Tiffany, together with its established market in USA and among the young millennials in China, finally caught the attention and appetite of Bernard Arnault, who ultimately submitted a staggering unsolicited takeover offer of

Euro 16.2 billion (i.e. Euro 135 per share , representing 37 % premium of Tiffany's unaffected share price) to acquire the total shares of Tiffany, with the merger agreement signed on 25th Nov 2019 (LVMH & Tiffany & Co.2019) which was expected to be completed by around July 2020, pending international regulatory approval.

This merger and acquisition seemed to be a perfect match made in heaven from the beginning. Both companies had a common interest to grow in the Chinese market. Tiffany needed the strong financial support to expand its footprint in Asia, and LVMH needed Tiffany to strengthen its business muscle in the jewelry market to compete with Richemont.

Pre-acquisition rift and legal battle

However, the heavenly match ran into trouble very soon, by reason of the Covid -19 pandemic which had grounded down the operation of 70 % of Tiffany's international stores since April 2020, followed by the US social unrest and protests which caused only half of its US stores partially open by June, 2020 (Jeweller, 2021). .

During the annual meeting on 1st June 2020, Tiffany mentioned nothing about the impact of the Covid -19 pandemic or the social unrest, but only concentrated on the board's re-election and choice of accounting firms and executive compensation.

On 2nd June 2020, LVMH held its executive meeting exhibiting intention not to purchase Tiffany's shares. On 9th June, 2020, in its quarterly report, Tiffany confirmed that its sales had fallen by 45 % due to Covid-19, including a 85% fall in mainland China in February. At around the same time, LVMH also recorded a 15 % drop in sales for the 1st quarter of 2020 .

On 9th September, 2020, LVMH further made an announcement via press release that it would not be able to complete the acquisition of Tiffany before the deadline of 24th November, 2020 , citing the delay in approval by the Australian regulators and the request by the French foreign ministry to delay the takeover, by reason of the trade war waged by Donald Trump against French luxury products (Jeweller Research, 2021).

Tiffany executives responded immediately by commencing a legal action against LVMH in the Court of Delaware, USA (a forum agreed by the parties in the M&A agreement) alleging that LVMH had deliberately delayed to obtain regulatory approval. Tiffany tried to seek a fast trial on

5th January, 2021 and pressed for an order forcing LVMH to abide by its contractual obligation under the M & A agreement. Roger Farah , the then chairman of Tiffany, accused LVMH of having “unclean hands”.

The next day, on 10th September 2020, LVMH promptly responded by exclaiming surprise at Tiffany’s lawsuit and refuted Tiffany’s allegations as totally “unfounded”, which were communicated in a “misleading way to the shareholders” and were constituting defamation , demonstrating “dishonesty” of Tiffany. LVMH also accused Tiffany to have mis-managed its business , causing significant fall in its sale, in comparison with the better performance of other comparable brands in the LVMH group.

On 28th Sep, 2020, LVMH filed a countersuit against Tiffany in the US court, alleging Tiffany had committed a blatant breach of its contractual obligation by failing to operate in the ordinary course of business, and had mismanaged Tiffany by slashing capital and marketing investments and had taken on additional debt by improperly paying dividends to its shareholders.

LVMH claimed that despite 8 out of 10 requisite regulatory approvals had been obtained, the absence of approval by the European Union and by Taiwan before the official closing date should have legitimately allowed LVMH to exit from the M & A agreement.

Tiffany defended by saying that the claim of improper debt was misleading, as Tiffany had never delayed in its repayment of dividend to its shareholder since 1987, not even after the 911 incident in 2001 or after the global financial crisis in 2008.

Despite all odds, LVMH did manage to obtain all the international regulatory approval by 26th October, 2020. LVMH and Tiffany re-negotiated the takeover deal immediately thereafter, and Tiffany finally agreed to lower the overall value to US\$131.5 per share on 29th October, 2020 (i.e. with a reduction of US\$425 million from the original deal of US \$ 16.2 billion) . On 30th December, 2020, 99 % of Tiffany’s shareholders approved the new deal and the official acquisition was officially completed on 7th January, 2021 (Jeweller, 2021). .

Pre-acquisition people management strategy

After the agreement to take over Tiffany on 25th Nov 2019, the original plan of LVMH was to engage Alessandro Bogliolo, the then CEO of Tiffany, to continue his term after the acquisition. It was reported that Bogliolo would be free to run his own creative branding and diamond finishing, whereas LVMH would only contribute capital for marketing and investor relation (Inc.,2019).

Change in people management after the rift

Disruptive major change in leadership

However, after the legal battle from 9th September, 2020, despite the ratification of the merger agreement on 30th December, 2020, there was a major overhaul in the leadership of Tiffany. It was aptly described in Jeweller on 26th December, 2021 that ***“Tiffany wasn’t just getting a takeover, but a makeover.”***

Existing CEO Alexandre Bogliolo (who had been leading Tiffany for 3 years and successfully expanding Tiffany in the Chinese market) was replaced by Anthony Ledru (aged 48) with effect from 22nd Jan, 2021(Jeweller, 2021). Bernard Arnault’s second son, Alexandre Arnault (aged 29) who had no prior experience in jewelry business , was appointed as the new Executive Vice President of Product and Communication. Michael Burke, the Chairman and CEO of Louis Vuitton, was assigned to be the new Chairman of the Board of directors of Tiffany. (Tiffany & Co. 2021).

At the same time, Reed Krakoff, Tiffany’s Chief Artistic officer responsible for the design of Tiffany’s jewelry and accessory products departed Tiffany after 4 years in the role. Daniella Vitale, Executive Vice President and Chief Brand Officer of Tiffany also left Tiffany after a short transition of responsibility for about a year. Mark Erceg, the Chief Financial officer and Executive Vice-president of Tiffany similarly left Tiffany (Jeweller,2021).

There was no immediate replacement for Krakoff and Vitale, the artistic design head and the chief brand officer (Surface, 2021). As it was rightly commented by April Dumas on 29th 2021 that there were dozens of key positions of leaders, managers and employees in Tiffany that had faced an uncertain future. *“There are simply too many unknown and too many differences in*

operating models, cultures, work processes and systems to let this valuable cohort attrit or atrophy when needed most.” (M & A Leadership council, 2021).

It must be noted that the change in CEO of Tiffany was the fifth time within a short span of less than 6 years, after Michael Kowalski, who had served the company for 16 years, followed by a Frenchman Frederic Cumenal who had served only shortly for 2 years from 2015, and was then replaced by Bogliolo in Oct, 2017 due to disappointing sale performance (Jeweller,2021).

The post-acquisition change of CEO in early 2021 could be negatively disruptive for Tiffany, but for the fortunate strong affiliation of the new CEO Anthony Ledru to Tiffany and to French culture. Anthony Ledru had a dual French and American citizenship. He was the former Executive Vice President of global commercial activities at Louis Vuitton since 2017. He had worked in New York for 16 years and had acted as Tiffany’s Senior Vice President in 2013 to 2014 (The Wall Street Journal, 2021). In addition, he had served as the Global Vice President of Sales for Harry Winston International and had worked for Cartier in 1999 and 2011 in US and Latin America as the Vice President of Retail (LVMH & Tiffany & Co., 2021).

Nevertheless, with such a major overhaul of the senior leadership of Tiffany after the acquisition, especially in the artistic design and marketing/ branding area, it certainly left lots of room for people to doubt if Tiffany could continue to thrive in its design and sale.

Pauline Brown, who was the chairman of LVMH in North America from 2013 to 2015 and who was a Columbia Business School professor, believed that LVMH had **underestimated the cultural challenges** in the new management team (Jeweller, 2021). She commented that : *“They assume that because they speak fluent English and , in some cases, have worked in America, that they understand the American mindset”...But they are trying to impose a strategy that won’t necessarily gel for the brand’s core customers or employees”.*

Culture clash in communication

It was indeed a waiting flashpoint when the two proud-yet-incompatible cultures from France and USA met and tried to amalgamate (Jing Daily. 2020). When so many senior leading posts in Tiffany were replaced by French executives , the way how business was run and the protocol of communication and the culture within the company understandably would change. Some

remaining employees in Tiffany had jokingly commented that “*French lessons were a prerequisite for job security*” (Jeweller, 2021).

In April, 2021, a group of Tiffany staffers circulated an unsanctioned memo offering tips on the “*Franco-American cultural nuances and etiquette*” which advised against discussing weekend plans while waiting for a meeting to start, and also warned that “*French people share more negative feedback, ... Expect less warm and fuzzy: ‘amazing’, ‘fabulous’ and excessively positive comments are not the norm.*” CEO Anthony Ledru cavalanchly denounced and brushed off the memo, just saying people had to assimilate to succeed at their jobs (Jeweller.2021).

In March, 2021, CEO Anthony Ledru brought in architect Peter Marino (who had designed many Louis Vuitton shops) to re-renovate the flagship store of Tiffany at the Fifth Avenue, N.Y. Many Tiffany employees were reportedly upset by the late change in this process. (The Wall Street Journal, 2021). Anthony Ledru reported to have a tough discussion with his employees over this conflict. His explanation was simply , “*This is the way it works at LVMH. We challenge ourselves...*”.

Culture clash in strategy and value

The new leading CEO of Tiffany was eager to revigorate the sleepy brand of Tiffany and its turquoise pantone 1837 blue (MarketingWeek, 2021). He made a shocking decision to change the iconic blue color to a Acqua DiParma (fresh lemon) yellow color on Instagram, citing that the choice of yellow was to remind people of the historic 130 -carat Tiffany Yellow Diamond purchased by its founder Charles Lewis Tiffany in 1878. A month later, he opened a yellow-themed popup in Beverly Hills without any sign of the reminiscent Tiffany blue (Jing Daily, 2021). He also planned to revamp its 320 Tiffany boutiques worldwide.

While this new yellow color might look ‘cool’ and ‘fancy’ among the Gen Z generation , it was widely believed by many loyalists as disruptively offensive to Tiffany’s heritage. Sally Maier Yip, the managing director for the Chinese PR & Marketing Agency 11K Consulting pointed that ,“*it is not wise to dilute the iconic heritage image of Tiffany , as this is what Tiffany is known*

for, and that is why people are buying it.” Further, she commented that “If there is a departure from the old , it must balance modernity and heritage”.(Jing Daily , 2021).

A complete transformation of the logo color was highly risky for any iconic brand, since many loyal customers or even young millennials may still be nostalgic for the past glory of the product and hold a deep respect for its traditions, culture and heritage. This major change in the iconic color of Tiffany was no doubt a result of the culture clash after the acquisition.

Another even more shocking strategic change was Alexandre Arnault’s new advertising campaign 6 months after taking over Tiffany. He engaged celebrities Beyoncé and Jay-Z to pose for the ‘About love’ campaign which featured the famous yellow Tiffany Diamond. The iconic diamond was nevertheless criticized as reminiscent of the colonial past and was a ‘blood diamond’ (meaning a conflict diamond mined in areas to fund rebel forces) (Jeweller, 2021).

Alexandre Arnault further offensively provoked the anger and anxiety of the loyal friends of Tiffany by unveiling an advertising campaign in July, 2021 with the tagline “*Not your mother’s Tiffany*” - which was considered by many as insulting and disrespectful. As commented by a young lady aged 22 in Logan , Utah, “ *I look up to my mom for her elegance and class...Why would I want to shop at a brand that is degrading her style?*”(The Wall Street Journal, 2021)

Apart from design strategies, the new executives of Tiffany also headed for different sale strategies by firstly raising the price of the silvery products up from 7 % to 13 % from 2020 and shifted the emphasis to high- end expensive jewelry, away from the more affordable and friendly silvery products which were considered by the new leadership to have weakened the company brand (Jeweller, 2021).

Company performance in 2021

Despite all the major disruption to leadership and the culture clash in marketing and communication, Tiffany had fortunately scored positive growth in 2021, especially in China, after the negative impact of Covid- 19.

According to the consolidated financial statements of LVMH (dated 31st Dec, 2021) and the Annual report of LVMH released on 27th Jan, 2022 (LVMH, 2022), the revenue of LVMH from watches & jewelry was up for more than 200% in 2021, in comparison with its performance in 2020 , and was a substantial increase by 128 %, in comparison with its performance in 2019. The performance of sale in jewelry eclipsed the performance in other business sectors in the LVMH group (where there was double digit growth only). The majority revenue of Tiffany still came from Asia, (35 %) , as opposed to 26 % from US, 15 % from Europe , 7 % from Japan, 6% from France, and 11 % from other geographic areas.

Perhaps due to the new market in China (where there was a rapid growth of the middle class and the Gen Z / millennials sector, together with 70 % drastic growth in demand for luxury products in China (according to the analysis by Morgan Stanley, Financial Times, 2019), there was a pool of new generation who did not have much preconception or attachment to Tiffany's past image or heritage. Hence, upending Tiffany's past brand image did not necessarily cause too much a negative impact in the Asian sale market. The lack of fierce peer competition in Asia (except for that with Cartier) also worked to allow Tiffany to enjoy relatively free business growth in the Chinese market in 2021.

However, the rough path that LVMH and Tiffany had experienced in their pre-acquisition stage and in the early post-acquisition stage was something that all stakeholders in the M & A process should and could avoid, if only there was better management over the talent retention issue, over the communication process and generally over the integration management process right from the very beginning.

It is believed if without the unnecessary disruption of the key leadership position, Tiffany might have enjoyed even better business growth than the current performance. In any event, this is only the first year after the amalgamation, the medium and long-term effect of the rough and rowdy acquisition process is still subject to tests and challenges.

Feedback on executive performance in 2021

In a quest for ranking of the executive leadership of Tiffany in 2021, it is found online that despite its positive business growth, the ranking of the executive leadership of Tiffany by its employees was only C + , and was placed at the bottom 45 % of 531 nearby companies in New

York. It ranked 3rd in place in comparison with 5 other competitors: LVMH, Harry Winston, Signet Jewelers, Worthy and Chow Tai Fook (Source: internet information). From these internet ranking, it can be noticed that there are still lots of room for improvement by the executive leadership of Tiffany.

Challenges facing managers in M & A

Merger and acquisitions (M & A) generally involve integrational matters in three major aspects : (i) Procedural , (ii) Structure/Task and (iii) Human side. The procedural matters involve legal, financial and governmental procedures. The structure/task matters involve departmental restructuring, redefining of positions and powers, redesigning of internal policies and regulations, etc. The human side involve relational matters such as leadership, communication , decision -making, recruitment, motivation, management of culture clash and conflict, etc.

Management of the M & A process should start from the (i) pre-acquisition planning stage, stretching across the (ii) operational /implementational stage and maturing in the (iii) post acquisitional stage (Lodorfos & Boateng, p. 1415).

Leaders during M & A process generally face many challenges, such as cultural management, stress management, redundancies, restructuring, employee resistance to change , job insecurity, loss of talent, low motivation, etc. (Kansal & Chandani, 2014).

From the literature review which draw on statistical figures over many companies in different geographical areas, it was discovered that the **rate of failure for mergers and acquisition ranged between 55 % to 70 %** (Lodorfos & Boateng, 2006,p. 1406). In a poll conducted on LinkedIn, it was found that **80 % of mergers failed because of inability of the merged unit to generate synergies** (Kansal & Chandani, 2014, p.216). More than 66 % of the large merger deals failed to create value for the shareholders in the medium term (Ravenscraft & Scherer, 1989) . In some more recent researches, 83 % of M & A are said to fail to deliver shareholder value and 53% even destroy the value (Cartwright & McCarthy, 2005; Harding & Rouse 2007). Paulter (2003) found that **74 % of successful M & A experience were run by managers with deep M & A expertise** (Marks & Mirvis, 2011, p. 166) .

The reasons of M& A failure are multiple folds - including **culture clash, talent retention problems, dysfunctional communication ,inapt leadership , poor management of conflict, and/or poor management of the integration process.**

Looking at the example of LVMH, there were also a couple of unsuccessful acquisitions in its past history. LVMH had to sell Donna Karan in 2016 after failing to turn around the money – losing fashion label . Marc Jacobs also recorded loss in profit for many years, albeit making a turn only in 2020 after layoffs at the brand.

But above all, **incompatible cultures or culture clash are often cited in literature review as the major cause for M & A failure** (Fralix & Bolster,1997; Cartwright & Cooper, 1996; Daniel and Metcalf, 2001; Evans and Mendenhall, 2004; Nahavandi & Malekzadeh,1988; Very and Schweiger, 2001; Buckley & Casson ,1996; Lodorfos & Boateng, 2006, p. 1406, 1407).

In this report, two particular issues of M & A challenges experienced by Tiffany will be discussed – (i) **Talent retention** and (ii) **Culture clash in Communication** .

Discussion of the issue of Talent retention

Talent retention is generally considered rather important in influencing the effectiveness of the post- acquisition company performance (Zhang et.al, 2014, p.26). Access to talent is one of the principal reason for M & A activity, and global talent management has become one of the core issue in the post-M & A integration process (Schuler and Jackson , 2001). **Long-term instability of executive teams was identified as one of the major cause of merger failure** (Hambrick an Cannella, 1993; Lubatkin, Schweiger & Weber, 1999; Krug and Shill, 2008; Zhang et.al, 2014, p.10).

In the case of Tiffany, many of its key leaders had preemptively chosen to depart after the acquisition, not that they were sacked by the new leadership. Why?

There are of course many obvious or subtle reasons for an employee's departure, including financial, promotional, relational and environmental factors. The most common underlying cause

for unjustified departure is called the “**Merger syndrome**” This syndrome is described as a fusion of the uncertainty and the likelihood of change - which produce stress affecting perceptions , judgments, and interpersonal relationship(Marks & Mirvis, 2011, p.164) .

This kind of syndrome is manifested in intensive centralization, lessened communication, leaving people in the dark or uncertainty, fueling rumors and insecurities. All these warped reaction will correspondingly impair integration, reduce productivity and hamper relationship, ultimately leading to a high turnover rate.

Research has shown that employees who are given a **realistic merger preview** - whereby detailed information about the timeline of the acquisition and how positions and jobs may be affected will usually recover from the merger syndrome more quickly in terms of attitudes and performance (Schweiger and DeNisi 1991 ; Marks & Mirvis, 2011, p. 164) . Other interventional methods such as **merger sensitization workshops** , discussion and role plays are also shown to be effective in mediating the merger syndrome (Marks & Mirvis, 2011, p. 164) .

A second reason which cause people to depart than stay is **inequitable power display**. If the acquiring leadership shows air of superiority, arrogance or disrespect, the acquired personnel may perceive a sense of violation of their rights, pride and indignity or feel being taken advantage, seduced or abused. During research interviews, many executives of the acquired company have expressed their perception of the acquirer as an attacker, barbarian or invader (Marks & Mirvis, 2011, p. 164).

It is suggested that **open, honest , and respectful interaction** between the acquirer and the acquired personnel is very important for eliminating potential perception of unequal power play or sense of inferiority.

A third factor causing premature departure of acquired personnel is the **perceived unfairness or injustice** in the treatment of their peers, leaders or subordinates by the acquiring company. Very often, unfair treatment is an inevitable perception after a downsizing or a vigorous talent selection process. However, the new leadership should make its best endeavor to achieve **procedural justice, distributive justice and interactive justice** (Seo & Hill, 2005, p. 431). The criteria for new team member selection should be clear, transparent and fair. Non-selected personnel should be treated with extra respect, understanding and support. It has been suggested

that grieving meetings may be arranged for people to mourn for their losses and bury their past association (Marks & Mirvis, 2011, p. 164) .

A fourth factor underlying people's voluntary departure is the sense of **incompatibility** and/or **interpersonal conflict** in a new business team. To this problem, ***team building workshop/ exercise, training in conflict resolution and third party process facilitation*** can be provided to build up coherence in the new teams and reduce conflict in team dynamics.(Marks & Mirvis, 2011, p. 165) .

A fifth reason for early departure of acquired personnel is the sense of **loss of social identity** within the new corporation (Risberg, 2003, p. 19) according to the Social Identity Theory (Tajfel, 1982; Turner, 1982 ; Stahl and Voigt, 2008, p. 56) or a sense of **non-alignment** with the unclear or uncertain visions and value of the new entity. It is suggested that ***merger preparation workshop*** should be arranged whereby the acquiring leadership should ***explain clearly the visions and values*** of the new conglomerate to the acquired personnel. It has been found that concern for **social performance** of a company (i.e. **ESG performance**) are helpful in drawing support of the employees and indicating future coherence and better organizational commitment and performance (Peterson, 2004, p. 313).

Implementation plan for managing retention of talent

In order to mediate the merger syndrome or to remove the uncertainty and insecurity experienced by the employees of Tiffany, it is proposed that **post -merger review workshops** should be arranged to identify and evaluate the respective sentiments and psychological conditions of the employees of Tiffany, to check out their sense of alignment with LVMH, their organizational commitment, their worries and expectation towards their job duties and reward, and also their team work dynamics and subjective organizational experience.

Survey, interviews, open dialogue or one-on -one private talk can be arranged for the employees to express their concerns, criticism and suggestions. All remarks, suggestions and expression made by the employees should be treated with utmost respect, anonymity and confidentiality. It is important for LVMH to understand and address the root problems or the

underlying concerns of the employees before they can be motivated to perform at the top of their capacity.

Sense of belonging to the new LVMG conglomerate should be cultivated by the new leadership by explaining very clearly the visions and values cherished by LVMH, emphasizing particularly the **ESG values and achievement** of LVMH (e.g. in environmental protection and avoidance of blood diamond) while not trampling on the previous visions and values of Tiffany. The notion of synergy should be highlighted instead of absorption or domination.

In the workshop or private communication, the **unique values** of the employees and **appreciation** of their contribution to the joint conglomerate should be emphasized, with a view to ***win back the hearts and minds*** of these alienated employees.

The success of a high-end jewelry conglomerate lies in its incessant recruitment and retention of artistic talents, craftsmen and salespersons. Their belief in the visions, their passion in the work and their confidence in the merged entity will naturally trickle down to the subsidiaries within the company . It is the **alignment** by the top and middle tier executives that will set a winning threshold for all other subsidiaries. Without winning back the confidence and faith of these executives and managers, LVMH may easily experience undue loss of talent again, thus defeating its costly attempt for talent recruitment.

Last but not least, as a measure to ensure retention of talents, LVMH must **evaluate and revise its compensation packages** for its employees, to allow attractive , generous and attainable reward. Criteria for promotion or bonus should be defined with fairness and clarity. The ‘**no changes expected**’ **slogan** (whereby employees of the acquired company are told “nothing in their job positions / duties will be disturbed”) may work at the initial pre-acquisition phase (Risberg, 2003). However, given there was already one odd year since M& A of Tiffany, this no change tactic may not be applicable for Tiffany any more.

Commendation and positive feedback for desirable behavior of employees should be encouraged among the leaders of Tiffany and LVMH. Suggestions or complaints by employees should never be ignored but to be respected and taken seriously.

When confronted with the poor ranking of the executive leadership of Tiffany (C + only as aforesaid) , the root causes for such poor ranking should be investigated . **Appropriate measures** (including education or transferal/ removal of unpopular leader) may be considered at appropriate time to reduce the dissatisfaction or resentment of the employees. **Periodical survey** to gauge the leadership performance should be conducted to measure the effectiveness of the remedial measures.

Finally, more organizational **social activities** can be arranged to build up the rapport and interpersonal relationship between the executive leaders and the subsidiaries within Tiffany.

Motivational talks by CEO or another key leaders of Tiffany can be arranged from time to time to galvanize organizational and personal work spirit.

Career training and /or **career advancement opportunities** within Tiffany or LVMH should be provided to entrench the employees' organizational engagement and loyalty in Tiffany.

As for the executive leaders and managers, **developmental workshop** should be arranged to teach or enhance their managerial soft skills. These top and intermediate leaders should be especially trained on how to **identify, recruit and interact** with talents, how to **build rapport** with relationship with talent, how to **motivate and promote job satisfaction** of the talents, how to manage an uncommitted /leaving talent with respect, and how to manage conflict or cultural clash (as will be discussed hereinbelow) .

Discussion of the issue of culture clash in communication

Culture clash

Cultural differences exist at national, geographical , organizational or personal level. Culture is the unwritten and unspoken ways of seeing, understanding or doing things as shared by a group of people of the same attributes.

Culture clash often exists in communication style, planning, decision making, managerial authority, monitory or teamwork (Marks & Mirvis, 1992 ; Seo & Hill p. 429). Culture clash is heightened in situation of perceived threats or loss of accustomed way of doing things , and it is

capable of **causing low morale, absenteeism , impaired productivity and/or high turnover** (Seo & Hill p. 429).

Communication

Corporate activities can be largely defined in terms of communication processes.

Communication skill is manifested at organizational level, leadership level, and interpersonal level (Conrad & Newberry, p.10). Literature review (Conrad & Newberry, p.11) has identified **24 kinds of communication skill** which compose of : (i) **Organizational communication skill** – open discussion, conflict resolution, information network, skill teaching , informational technology , performance feedback, negotiation, business correspondence, business presentation, (ii) **Leadership communication skill** – arousing enthusiasm, catalyzing change, creating group synergy, building team bonds , building optimism, expressing encouragement , motivation, and persuasion, and (iii) **Interpersonal communication skill** – active listening, building rapport/relationship / trust , demonstrating respect/self-control, relating to people with diverse backgrounds.

It is also suggested that the **top ten soft skill** for business executives compose of :

Communication (whether oral , written, presenting, listening), Courtesy, Flexibility , Integrity , Interpersonal skill , positive attitude, Professionalism , Responsibility , Teamwork and work ethic (Robles, 2012, p. 455). Communication skill is ranked 2nd in terms of importance (just after Integrity) among all the other soft skills (Robles, 2012, p. 456).

Communication behavior is found to be **critical to organizational success** (Kapp and Barnett, 1983, Mohr and Nevin, 1990; Snyder and Morris, 1984; Mohr & Spekman,1994, p.138).

At organizational level, instruction, training, learning, understanding, decision- making , motivation, inspiration, appraisal, feedback, teamwork , sharing of information /technology /innovative ideas, discussion, investigation, presentation, business negotiation, interview, employment , termination , complaint or conflict resolution are all part of a big **communication network**.

It has been found that **persuasive communication** technique is generally more constructive than coercion, domination of confrontation (Deutsch, 1969; Mohr & Spekman, 1994, p.139). Further,

internal resolution rather than outward intervention such as arbitration or litigation is found to be more promising in long -term resolution of disputes. On the other hand, smoothing or avoiding tactics are found to be negative in undermining the partnership relationship within the newly merged entity (Mohr & Spekman , 1994, p.139).

Discussion

In the case of M & A of Tiffany, if its executive leaders had not resorted to external litigation to resolve the uncertainty or perceived non-commitment of LVMH in 2020, but had relied on internal communication and persuasion to resolve the crisis, the subsequent rift and grudges may be avoided , thus preventing massive departure of its executive leadership.

One may say the legal battle was a result of their **culture clash**, in that the American way of resolving conflict by overtly open manner of litigation had run into serious conflict with the French way of resolving conflict by more subtle private talk and negotiation.

LVMH was reportedly completely shocked by the litigation initiated by Tiffany in early September, 2020. This reactive surprise indicated that there was difference in expectation and in the conflict resolution approaches. If LVMH was an American company, it might have taken the legal claim by Tiffany as just another very normal way of communication or as an acceptable overture to sincere negotiation. The cultural difference in this communication process had left indelible scar over the rapport and trust of the two camps of people, leading to serious premature departure from organizational commitment by the executive leadership of Tiffany soon after the legal battle.

Knowledge sharing in terms business or technological information is considered very important in business corporations, since knowledge is growing exponentially nowadays. **Organizational barriers** to sharing of knowledge and information are identified under literature review (Riege, 2005, p. 26) as : Lack of clarity in goals and strategic approaches, lack of leadership and managerial direction to communicate values and benefits of sharing practices, inadequate spaces for sharing, lack of transparent reward systems to motivate people to share, lack of corporate

culture to share, lack of appropriate infrastructure for sharing, inadequate resources to support sharing, competitiveness between different departments or between employees, hierarchical rigidity limiting free communication channel, work environment /layout not supportive of sharing , business size being too big to allow manageable sharing contact. **Technological barriers** to knowledge sharing are also highlighted in literature review (Riege, 2005, p.29)

Discussion

In the case of M & A of Tiffany & LVMH, one of the major ground of objection by Tiffany was the perceived deliberate failure by LVMH to obtain the required international regulatory approval in time. On the other hand, the major point of accusation against Tiffany by LVMG was LVMH's perceived mismanagement of business by Tiffany in distributing dividend and bonuses despite the exceptionally difficult time under the covid -19 anathema.

The replies from both companies to the mutual allegations were in fact rather reasonable and understandable. LVMH's delay in obtaining the international approval was caused by the slowing down of business management by national governments during Covid- 19 period.

The defence of Tiffany that it had always persisted in punctual distribution of dividend despite 911 crisis and 2008 financial meltdown also seemingly sounded very reasonable.

Had the parties initiated more exchange and communication, getting to listen and understand the difficulties and reasons behind each respective organizational behavior, there might be no need to resort to legal battles to resolve the nuance in hesitation and delay. Such a legal saga would not have happened had the leadership of Tiffany and LVMH be run by Asians (who generally embrace a non-confrontational culture that rely more on internal and private negotiation through 'guanxi' instead of external legal proceedings which is often seen as an absolutely last resort after all possible means of communication have broken down.

In fact, LVMH had reportedly tried to inform Tiffany not to pay out dividend during the critical Covid 19 difficult time. However, Tiffany had not heeded and obviously had not given any sufficient nor satisfactory explanation to LVMH, with a view to gain back their trust and appreciation.

Similarly, when Tiffany overheard the lack of confidence of LVMH in the completion of the deal in time, Tiffany had not attempted to find out first the difficulties behind LVMH's delay. Reportedly when LVMH approached Tiffany to seek re-negotiation of the deal in light of the major adverse business situation (MAB) caused by the pandemic, Tiffany simply ignored LVMH's approach and stuck to its own interpretation of the merger agreement , presuming pandemic did not fall within the definition or anticipation of the MAB clauses .

There seemed to be some American arrogance in the old executive leadership of Tiffany, and LVMH , as the proud acquiring entity, naturally felt offended by Tiffany's impudence, hubris and unreasonableness.

Perhaps the two very different ways of interpreting the merger agreement and two very different perception of what was right and lawful in handling or exiting from the M & A was a classic example of culture clash.

Culture clashes at the post-acquisition phase has been shown, under literature review, to be capable of increasing instability within the top executive level of company , thus arousing negative bearing on the overall performance of the acquiring company. (Weber and Tarba, 2012; at Zhang et.al., p. 10) .

Hence, **anticipatory and timely management of culture clash in the communication process** is pertinent to M & A effectiveness in the long run.

Implementation plan to reduce culture clash in communication

Culture reflection and clarification workshop

It is submitted that the first step is to arrange all the executive leaders and managers (from both Tiffany and LVMH) to attend **M & A integration workshops** to learn from each other their respective cultural differences in terms of values, vision, beliefs, ways of communication , decision making, business interaction protocol, interpersonal protocol/culture , conflict or crisis management and resolution. Members should be empowered to express and question freely in the path of checking out the differences. This is what is known as the **culture clarification**

workshop (Marks & Mirvis, 2011 , p. 165). **Experts in organizational psychology and M & A integration** may also be engaged to facilitate the learning , acquaintance and adjustment process (Lodorfos & Boateng, 2006 , p. 1413) .

The second step is for the **subsidiary** employees of both company to go through the same exercise to **identify their culture** in thinking, seeing and doing things, and also the perceived culture of the other company. Any puzzles, unknown, challenges or difficulties they face in the course of their work or interpersonal relationship should be brought to the attention of the executives or team leaders. Job satisfaction, aspirations and expectation of the workers should also be learnt by the executives. These important information should then be exchanged with the executives of the other company.

Acculturation workshop

Armed with the understanding of the cultural differences between the two sides, the third step is for the executive leaders to attend **further workshops** to discuss and determine which cultural view or way of doing things should be retained or modified for the purpose of adopting or creating a **collectively consented common view or manner of communication and performance**. Then new mutually agreed method may be written into a Code of Collective Protocol. This selection, modification, creation and convergence process is known as the **Culture Integration strategy** (Lodorfos & Boateng, 2006 , p. 1413) or the **Acculturation process** according to the acculturation model in the ***Social Constructivist paradigm*** (Stahl & Vioigt, 2005 p. 56) whereby changes in two cultural systems are converged into a jointly determined culture as a result of a cooperative process (Larsson and Lubatkin, 2001; Stahl & Vioigt, 2005 p. 54).

This tedious, open and in-depth searching and discussion process offer opportunity for executives and workers at all levels to **reflect** on their old customary way of doing and seeing things, which may or may not be desirable in the new conglomerated situation.

The communication process will also allow representatives from both sides to **understand the reasons and values** behind different cultural perspectives, thus fostering empathy, respect, acceptance, support, conformity and unity within the new joint entity.

Creating new social /organizational identity

The intense learning and discussion process will likely foster a **new collective social & organizational identity** which will remove the ‘in-group bias’ and the ‘us-versus-them’ comparison (Martks & Mirvis, 2011, p. 165) which in turn lead to the cultivation of a sense of belonging, enhancement of organizational commitment and improved productivity.

Cultural learning and appreciation workshop

The fourth step is for the executives to go back to their respective company to hold workshops to **educate their subsidiaries** on the converged joint visions / value, and the new collective social organizational identity.

The workers should attend further workshops to learn from representatives of the other companies their **cultural difference and preference** , whether in terms of historical heritage, business development lor interaction protocol. This learning and communication process must be handled with mutual respect and appreciation to avoid creating the perception of arrogance or domination. The **commonly agreed new protocol** will also be informed of other workers.

Interpersonal skill workshop

Fifthly, further advanced workshops can be arranged for all workers and executives on **interpersonal skill** and **team building skill** in multicultural situation.

Conflict resolution workshop

Sixthly, all executives leaders should be encouraged to attend further advanced workshops on **conflict / crisis management** and receive training on conflict resolution methods such as mediation and counselling .

Conclusion

Talent retention and management of culture clashes have been the most prevalent challenges in the M & A process. Talents are often lost by reason of merger syndromes or culture clashes.

The **Cultural fit theory** (which advocates that success of M & A is dependent on cultural compatibility)(Cartwright & Cooper, 1996 ; Javidan & House, 2002 ; Stahl and Voigt , 2005 p. 53, 54) is impractical, as there are hardly any natural perfect match , especially in this era of globalization where cross -country or even cross- industry M & A are getting more and more common .

On the other hand, there are literature reviews which support the idea that cultural differences from culturally distant countries may in fact be sources of inspiration generating synergy and mutual growth benefiting both entities (Morosini et.al, 1998. P. 141 ; Stahl & Voigt , 2008, p. 165) .

However, no matter how nourishing cultural difference may be, if and when it is not handled carefully, culture clash may turn out like volcanic eruption, wrecking havoc at the future relationship of the executive leadership and prevent due harvesting of the potential synergy that may beautifully yield from a healthy cycle of interaction.

Given the high rate of failure in M & A processes, companies should pay a high degree of attention to carry out **cultural prudence check** before acquisition and **launch intensive culture clarification , learning and convergence workshops** for all executives at both the pre-and post acquisition stages, so as to timely identify and avoid all culture traps and clashes, and to foster a new joint identity, vision and mission, through a humble, respectful , open and authentic communication process after which all merger syndromes may be eliminated and job passion, job satisfaction, creativity and organizational commitment can be fostered to the betterment of the interests of the entities concerned.

.

References

[Online] Available at: <<https://www.statista.com/statistics/266503/value-of-the-personal-luxury-goods-market-worldwide/>> [Accessed 24 February 2022].

Agraval, A., & Jaffe, J. (2000). The post merger performance puzzle. In C. Cooper & A. Gregory (Eds.), *Advances in mergers and acquisitions* (Vol. 1). New York: Elsevier Science Inc.

Baron, R.A. and Markman, G.D., 2000. Beyond social capital: How social skills can enhance entrepreneurs' success. *Academy of Management Perspectives*, 14(1), pp.106-116.

BBC News. 2020. *LVMH and Tiffany kiss and make up over takeover dispute*. [Online] Available at: <<https://www.bbc.com/news/business-54732132>> [Accessed 23 February 2022].

BNN Bloomberg. 2021. *Louis Vuitton manager Ledru and Arnault son said to lead Tiffany*. [Online] Available at: <<https://www.bnnbloomberg.ca/louis-vuitton-manager-ledru-and-arnault-son-said-to-lead-tiffany-1.1544739>> [Accessed 22 February 2022].

BSCM. 2020. *LVMH's Tiffany acquisition : as golden opportunity (FactSet)*. [Online] Available at: <file:///C:/Users/Win7/Documents/DBA/7002/LVMH%E2%80%99s%20Tiffany%20acquisition_%20a%20golden%20opportunity.html> [Accessed 24 February 2022].

Buckley, P.J. and Casson, M. (1996), "An economic model of international joint venture strategy", *Journal of International Business Studies*, Vol. 22 No. 4, pp. 579-601

Cartwright, S., & Cooper, C. L. (1996). *Managing mergers, acquisitions, and strategic alliances: Integrating people and cultures* (2nd ed.) Oxford: Butterworth & Heinemann

Cartwright, S., & McCarthy, S. (2005). Developing a framework for cultural due diligence in mergers and acquisitions: Issues and ideas. In G. K. Stahl & M. E Mendenhall (Eds.) *Mergers and acquisitions* (pp. 253-267). Stanford, CA: Stanford University Press.

CFO. 2020. *LVMH, Riffany Reach new agreement on merger*. [Online] Available at: <<https://www.cfo.com/corporate-finance/2020/10/lvmh-tiffany-reach-new-agreement-on-merger/>> [Accessed 23 February 2022].

ClickZ. 2018. *The new luxury landscape: How Tiffany & Gucci and LVMH are embracing digital transformation*. [Online] Available at: <<https://www.clickz.com/new-luxury-landscape-tiffany-gucci-lvmh/214119/>> [Accessed 23 February 2022].

CNBC. 2020. *LVMH plans to sue Tiffany over troubled deal , alleges jeweler mismanaged coronavirus crisis*. [Online] Available at: <<https://www.cnbc.com/2020/09/10/lvmh-says-it-plans-to-sue-tiffany-over-troubled-merger.html>> > [Accessed 23 February 2022].

Comparably. *Ranking of Tiffany & Co. executive team.* [Online] Available at: <<https://www.comparably.com/companies/tiffany-co/executive-team>> [Accessed 23 February 2022].

Conrad, D. and Newberry, R., 2012. Identification and instruction of important business communication skills for graduate business education. *Journal of Education for Business*, 87(2), pp.112-120.

Daniel, T.A. and Metcalf, G.S. (2001), *The Management of People in Mergers and Acquisitions*, Quorum Books, Westport, CT.

DealRoom. Patel. *10 biggest challenges during M & A how to over come them.* [Online] Available at: <<https://dealroom.net/blog/challenges-during-m-a>> [Accessed 23 February 2022].

Deming, D.J., 2017. The growing importance of social skills in the labor market. *The Quarterly Journal of Economics*, 132(4), pp.1593-1640.

Deutsch, M.(1969). 'Conflicts: Productive and destructive', *Journal of Social Issues*, 25 (1), pp. 7-41.

EST. 2020. *What's ahead for Tiffany once LVMH takes over?* [Online] Available at: <<https://www.forbes.com/sites/pamdanziger/2020/11/15/whats-ahead-for-tiffany-once-lvmh-takes-over/?sh=454ec39f3c90>> [Accessed 23 February 2022].

European Commission. 2020. *Case M.99695-LVMH/Tiffany Regulation (EC) No 1430/2004 Merger procedure of LVMH/Tiffany.* [Online] Available at:<https://ec.europa.eu/competition/mergers/cases1/202123/m9695_518_3.pdf> [Accessed 22 February 2022].

Evans, P. and Mendenhall, M. (2004), in Stahl, K.G. and Mendenhall, M. (Eds), *Mergers and Acquisitions: Managing Culture and Human Resources*, Stanford University Press, Stanford, CA.

Financial Times.2019. *Art of a deal: how LVMH paid up for Tiffany.* [Online] Available at: <<https://www.ft.com/content/a233ea50-0f94-11ea-a7e6-62bf4f9e548a>>[Accessed 24 February 2022].

Fortune. 2020. *Tiffany & Co. launches war of words against LVMH following countersuit.* [Online] Available at: <<https://fortune.com/2020/09/29/tiffany-lvmh-lawsuit-merger-countersuit-jewelry/>> [Accessed 23 February 2022].

Fralicx, R.D. and Bolster, C.J. (1997), "Preventing culture shock", *Modern Healthcare*, Vol. 111, August, p. 50

GlobeNewswire.2022. *New records for LVMH in 2021*. [Online] Available at :
<https://www.google.com/search?sa=X&New%20records%20for%20LVMH%20in%202021%20Year%202021Wines%20&%20SpiritsFashion%20&%20Leather%20Goods%20Third%20quarter+%2010%20%+%2024%20%20First%20nine%20months+%2030%20%+%2057%20%20Fourth%20quarter+%2018%20%+%2028%20%20Total%202021+%2026%20%+%2047%20%xsrf=APq-WBsSWMfrZnKYkPmvGacGwXFf2aPdxQ%3A1645788888744&lei=2L4YYrfNLLKRr7wP7oqOwAI&q=lvmh%20market%20share%202021&ved=2ahUKEwi3mdqw4Zr2AhWyyIsBHW6FAygQsKwBKAN6BAhbEAQ&biw=1920&bih=880&dpr=1> [Accessed 24 February 2022].

Habbershon, T.G. and Williams, M.L., 1999. A resource-based framework for assessing the strategic advantages of family firms. *Family business review*, 12(1), pp.1-25.

Harding, D., & Rouse, T. (2007). Human due diligence. *Harvard Business Review*, 85(4), 124-131.

Hambrick, D.C. & Cannella, A.A. Jr. (1993) . Relative standing: A framework for understanding departures of acquired executives. *The Academy of Management Journal*, 36 (4) , 733-62.

Harvard Businss School. 2021. *LVMH's bid for Tiffany & Co*. [Online] Available at: <https://hls.harvard.edu/content/uploads/2021/04/LVMHs-Bid-for-Tiffany-Co.pdf> [Accessed 22 February 2022].

Inc. Cophan. 2019. *LVMH's acquisition of Tiffany shows how to pull off a successful merger*. [Online] Available at:<<https://www.inc.com/peter-cohan/lvmhs-acquisition-of-tiffany-shows-how-to-pull-off-a-successful-merger.html>> [Accessed 22 February 2022].

Javidan, M., & House, R. J. (2002). The impact of national culture on large cross-border mergers: Lessons from GLOBE. Paper presented at the Strategic Management Society conference, Paris, France, September 2002.

Jeweller. 2020 *Tiffany & Co. sales near pre-pandemic levels*. . [Online] Available at:<<https://www.jewellermagazine.com/Article/9317/Tiffany-Co-sales-near-pre-pandemic-levels>> [Accessed 23 February 2022].

Jeweller. 2020. *Tiffany & Co and LVMH revive deal, drop court case*. [Online] Available at:<<https://www.jewellermagazine.com/Article/9220/Tiffany-Co-and-LVMH-revive-deal-drop-court-case>> [Accessed 23 February 2022].

Jeweller. 2020. *Timeline: Inside the Tiffany & Co. and LVMH merger*. [Online] Available at:<<https://www.jewellermagazine.com/Article2/8937/TIMELINE-Inside-the-Tiffany-Co-and-LVMH-merger>> [Accessed 23 February 2022].

Jeweller. 2021. *Tiffany & Co, problems continue: French-US rivalry causes confusion*. [Online] Available at: <<https://www.jewellermagazine.com/Article/10288/Tiffany-Co-problems-continue-French-US-rivalry-causes-confusion>> [Accessed 23 February 2022].

Jeweller. 2021. *Tiffany & Co, share holders approve new LVMH deal*. [Online] Available at: <<https://www.jewellermagazine.com/Article/9340/Tiffany-Co-shareholders-approve-new-LVMH-deal>> [Accessed 23 February 2022].

Jeweller. 2021. *Tiffany & Co. CEO to step aside as LVMH names new executive team*. [Online] Available at: <[https://www.jewellermagazine.com/Article/9346/Tiffany-Co-CEO-to-step-aside-as-LVMH-names-new-executive-team#:~:text=Alessandro%20Bogliolo%2C%20CEO%20\(appointed%202017,brand%20officer%20\(appointed%20November%202019\)>](https://www.jewellermagazine.com/Article/9346/Tiffany-Co-CEO-to-step-aside-as-LVMH-names-new-executive-team#:~:text=Alessandro%20Bogliolo%2C%20CEO%20(appointed%202017,brand%20officer%20(appointed%20November%202019)>)> [Accessed 23 February 2022].

Jing Daily. 2020. [Online] Available at: *Will LVMH de-Americanize Tiffany?* <<https://jingdaily.com/lvmh-tiffany-americanize-cartier-fenty/>> [Accessed 23 February 2022].

Jing Daily. 2021. *Did LVMH make or break Tiffany by turning it yellow?*. [Online] Available at: <<https://jingdaily.com/lvmh-tiffanys-yellow-branding/>> [Accessed 22 February 2022].

Kansal, S. and Chandani, A., 2014. Effective management of change during merger and acquisition. *Procedia Economics and Finance*, 11, pp.208-217.

Kapp, J. and G. Barnett(1983). ‘Predicting organizational effectiveness from communication activities: A multiple indicator model’, *Human Communication Research* , 9, pp.239-254.

Khoo, N. 2019. *A timeline of how LVMH became the world’s largest luxury conglomerate*. [Online] Available at: <<https://firstclasse.com.my/lvmh-largest-luxury-conglomerate-timeline/>> [Accessed 23 February 2022].

Krug, J.A., & Shill, W. (2008) . The big exit: Executive churn in the wake of M & As. *Journal of Business Strategy*, 29(4), 15-21.

Larsson, R., & Lubatkin, M. (2001). Achieving acculturation in mergers and acquisitions. An international case study. *Human Relations*, 54(12), 1573-1607.

Linkedin. Chaboud. 2019. *LVMH: analysis of the winning strategy of the worldwide leader in the luxury industry* . [Online] Available at: <<https://www.linkedin.com/pulse/lvmh-analysis-winning-strategy-worldwide-leader-luxury-chaboud>> [Accessed 23 February 2022].

Lodorfos, G. and Boateng, A., 2006. The role of culture in the merger and acquisition process: Evidence from the European chemical industry. *Management decision*.

Lubatkin, M., Schweiger, D., & Weber, Y. (1999) Top management turnover in related M & A's: An additional test of the theory of relative standing. *Journal of Management*, 25 (1), 55-73.

LVMG.2021. *LVMH First Half 2021 Results*. [Online] Available at:<<https://r.lvmh-static.com/uploads/2021/07/presentation-hv-21-va.pdf>> [Accessed 23 February 2022].

LVMH & Marcolin.2021. LVMH and Marcolin joint statement . [Online] Available at:<<https://r.lvmh-static.com/uploads/2021/12/en-lvmh-and-marcolin-joint-statement.pdf>> [Accessed 23 February 2022].

LVMH & Tiffany & Co. 2021 *LVMH completes the acquisition of Tiffany & Co.* [Online] Available at:< <https://www.lvmh.com/news-documents/press-releases/lvmh-completes-the-acquisition-of-tiffany-and-co/>>[Accessed 23 February 2022].

LVMH & Tiffany & Co. 2019. *LVMH reaches an agreement to acquire Tiffany & Co.* [Online] Available at: <<https://r.lvmh-static.com/uploads/2019/11/presentation-tiffany-25-11-2019.pdf>> [Accessed 23 February 2022].

LVMH Moët Hennessey. Louis Vuitton. 2021. *Translation of the French interim Financial Report , six-month period ended June 30, 2021.* [Online] Available at:<<https://r.lvmh-static.com/uploads/2021/07/lvmh-interim-financial-report-june-30-2021.pdf>> [Accessed 23 February 2022].

LVMH. 2021. *2021 Interim dividend.* [Online] Available at:<<https://r.lvmh-static.com/uploads/2021/11/interim-dividend-december2021.pdf>> [Accessed 23 February 2022].

LVMH. 2021. Growth continues at the same pace. [Online] Available at:<<https://r.lvmh-static.com/uploads/2021/10/lvmh-2021-third-quarter-revenue.pdf>> [Accessed 23 February 2022].

LVMH. 2021. LVMH delivers record first half performance. [Online] Available at:<<https://r.lvmh-static.com/uploads/2021/07/lvmh-half-year-results-2021-va.pdf>> [Accessed 23 February 2022].

LVMH. 2021. *Translation of the French Financial Documents.* [Online] Available at: <<https://r.lvmh-static.com/uploads/2022/01/financial-documents-december-31-2021.pdf>> [Accessed 24 February 2022].

LVMH. 2022. *2021 Annual Results.* [Online] Available at: <https://r.lvmh-static.com/uploads/2022/01/lvmh_resultats-2021-va.pdf> [Accessed 24 February 2022].

LVMH. 2022. *LVMH share buyback program.* [Online] Available at:<<https://www.lvmh.com/news-documents/press-releases/lvmh-share-buyback-program/>> [Accessed 23 February 2022].

LVMH. 2022. *New records for LVMH in 2021*. [Online] Available at:<<https://www.lvmh.com/news-documents/press-releases/new-records-for-lvmh-in-2021/>> [Accessed 24 February 2022].

LVMH. *Form of Special Bonus Agreement*. [Online] Available at: <<https://www.sec.gov/Archives/edgar/data/98246/000009824620000042/exhibit1026.htm>> [Accessed 23 February 2022].

LVMH.2020. *Annual Report*. [Online] Available at:https://hosting.fluidbook.com/LVMH/2020interactiveannualreport/en/data/LVMH_2020_Annual-Report.pdf> [Accessed 24 February 2022].

LVMH.2021. Q 3 2021 revenue. [Online] Available at:<https://r.lvmh-static.com/uploads/2021/10/lvmh_presentation_q3-2021.pdf> [Accessed 23 February 2022].

M & A Leadership council. 2021. *Integration at Tiffany's leadership council*. [Online] Available at: <<https://www.macouncil.org/blog/2021/01/29/integration-tiffany%E2%80%99s>> [Accessed 22 February 2022].

MarketingWeek. 2021. *Tiffany's brand needs an update- in fashion, that means alienating loyal customers*. [Online] Available at: <<https://www.marketingweek.com/tiffanys-brand-needs-an-update-in-fashion-that-means-alienating-loyal-customers/>>[Accessed 22 February 2022].

Marks, M.L. & Mirvis, P.H. (1992), Rebuilding after the merger: Dealing with “survival sickness.” *Organizational Dynamics*, 2/(2), 18-32

Marks, M.L. and Mirvis, P.H., 2011. Merge ahead: A research agenda to increase merger and acquisition success. *Journal of business and psychology*, 26(2), pp.161-168.

Mohr, J. and J.R. Nevin (October 1900) . ‘Communication strategies in marketing channels: A theoretical perspective’. *Journal of Marketing*, 54, pp. 36-51.

Mohr, J. and Spekman, R., 1994. Characteristics of partnership success: partnership attributes, communication behavior, and conflict resolution techniques. *Strategic management journal*, 15(2), pp.135-152.

Morosini, P., S. Shane, H. Singh. 1998. National cultural distance and cross-border acquisition performance. *J. Internat. Bus. Stud.* 29 137-158

Nahavandi, A and Malekzadeh, A.R. (1988), “Acculturation in mergers and acquisitions”, *Academy of Management Review*, Vol. 13 No. 1, pp. 79-90.

Ravenscraft, D.J.,F.M.Scherer.1989. The profitability of mergers. *Internat. J. Indust. Organ.*7(1) 101-116.

Reuters. 2020. *U.S. judge fast-tracks Tiffany's case on \$16 billion LVMH deal, sets January trial*. [Online] Available at: <<https://www.reuters.com/article/us-tiffany-m-a-hearing-idUSKCN26C32J>> [Accessed 23 February 2022].

Reuters. 2021. *LVMG tells Tiffany employees to return to office in March -WSJ*. [Online] Available at: <<https://www.reuters.com/article/us-lvmh-tiffany-idUSKBN2A51V4>> [Accessed 22 February 2022].

Riege, A., 2005. Three-dozen knowledge-sharing barriers managers must consider. *Journal of knowledge management*.

Risberg, A., 2003. The merger and acquisition process. *Journal of international business studies*, 34(1), pp.1-34.

Robles, M.M., 2012. Executive perceptions of the top 10 soft skills needed in today's workplace. *Business communication quarterly*, 75(4), pp.453-465.

Schuler, R., & Jackson, S. (2001). HR issues and activities in mergers and acquisitions, *European Management Journal*, 19(3), 239-253.

Schweiger, D. M., & DeNisi, A. S. (1991). Communication with employees following a merger: a longitudinal field experiment. *Academy of Management Journal*, 34, 110-135.

Seo, M.G. and Hill, N.S., 2005. Understanding the human side of merger and acquisition: An integrative framework. *The Journal of Applied Behavioral Science*, 41(4), pp.422-443.

Snyder, R. and J. Morris (1984). 'Organizational communication and performance', *Journal of Applied Psychology*, 69, pp.4461-465.

Stahl, G.K. and Voigt, A., 2004. Impact of cultural differences on merger and acquisition performance: A critical research review and an integrative model. *Advances in mergers and acquisitions*.

Stahl, G.K. and Voigt, A., 2008. Do cultural differences matter in mergers and acquisitions? A tentative model and examination. *Organization science*, 19(1), pp.160-176.

Start it up. 2019. *LVMH x Tiffany: The American Icon meets Cultural Diversification*. [Online] Available at: <<https://medium.com/swlh/lvmh-x-tiffany-the-american-icon-meets-cultural-diversification-f7bfc5fa8fbf>> [Accessed 23 February 2022].

Statista.2022. *Total revenue of the LVMH group world wide from 2008 to 2021*. [Online] Available at: <<https://www.statista.com/statistics/245852/total-revenue-of-the-lvmh-group-worldwide/>> [Accessed 24 February 2022].

Statista.2022. *Value of the personal luxury goods market worldwide from 1996 to 2021*.

Statista.2022.Revenue share of the LVMH Group worldwide in 2021, by geographic region. [Online] Available at: <<https://www.statista.com/statistics/245869/revenue-share-of-the-lvmh-group-worldwide-by-geographic-region/>> [Accessed 24 February 2022].

Style/News & Trends.2020. *LVMG and Tiffany & Co, make an unlikely match , but the US jeweller and Louis Vuitton's parent company have one very important common goal: reaching Chinese millennials.* [Online] Available at:<<https://www.scmp.com/magazines/style/news-trends/article/3114156/lvmh-and-tiffany-co-make-unlikely-match-us-jeweller-and>> [Accessed 23 February 2022].

Surface.2021 *LVMH acquires Tiffany, makes staffing changes.* [Online] Available at: <https://www.surfacemag.com/articles/lmvh-acquires-tiffany-staffing-changes/#:~:text=What's%20Happening%3A%20Following%20a%20bitter,and%20immediately%20announced%20staffing%20changes>. [Accessed 22 February 2022].

Tajfel, H. (1982). *Social identity and intergroup relations.* New York: Cambridge University Press

TFL. 2020. *LVMH, Tiffany Reach new \$15.8 billion deal , agree to settle legal dispute.* [Online] Available at: <<https://www.thefashionlaw.com/lvmh-tiffany-reach-new-15-8-billion-deal-agree-to-settle-legal-dispute/>>

The Economist. 2019. *LVMH tests the limits of luxury.* [Online] Available at: <https://www.economist.com/business/2019/11/28/lvmh-tests-the-limits-of-luxury> > [Accessed 22 February 2022].

The Guardian. 2020. *Tiffany sues LVMH for scrapping \$ 16 bn takeover.*[Online] Available at: <<https://www.theguardian.com/business/2020/sep/09/tiffany-sues-lvmh-over-16m-takeover>> [Accessed 23 February 2022].

The Wall Street Journal.2021. *Tiffany's new French owner brings a makeover-and a Culture Clash.* [Online] Available at: <<https://www.wsj.com/articles/tiffanys-new-french-owner-brings-a-makeoverand-a-culture-clash-11640264191>> [Accessed 23 February 2022].

Thomson Reuters. 2020. *Tiffany top execs could receive \$ 98.5 million from reworked LVMH deal* [Online] Available at: <[https://today.westlaw.com/Document/Ie813cb412a8511ebbea4f0dc9fb69570/View/FullText.html?transitionType=Default&contextData=\(sc.Default\)&firstPage=true](https://today.westlaw.com/Document/Ie813cb412a8511ebbea4f0dc9fb69570/View/FullText.html?transitionType=Default&contextData=(sc.Default)&firstPage=true)> [Accessed 22 February 2022].

Tiffany & Co. 2021. *Org chart .* [Online] Available at:<<https://theorg.com/org/tiffany-co/org-chart>> [Accessed 23 February 2022].

Tiffany & Co. *CEO and Leadership*. [Online] Available at: <<https://www.zippia.com/tiffany-co-careers-11605/executives/>> [Accessed 23 February 2022].

U.S. Legal News. 2020. *Tiffany sues LVMH for reneging on \$16 billion deal as France steps in*. [Online] Available at: <<https://www.reuters.com/article/us-tiffany-m-a-lvmh-idUSKBN2601IK>> [Accessed 23 February 2022].

Very, P. and Schweiger, D.M. (2001), “The acquisition process as a learning process: evidence from a study of critical problems and solutions in domestic and cross-border deals”, *Journal of World Business*, Vol. 36, pp. 11-31.

Weber, R.A. and Camerer, C.F., 2003. Cultural conflict and merger failure: An experimental approach. *Management science*, 49(4), pp.400-415.

Weber, Y., Rachman-Moore, D. and Tarba, S.Y., 2012. HR practices during post-merger conflict and merger performance. *International Journal of Cross Cultural Management*, 12(1), pp.73-99.

Weber, Y., Tarba, S.Y. and Reichel, A., 2009. International mergers and acquisitions performance revisited—the role of cultural distance and post. In *Advances in mergers and acquisitions*. Emerald Group Publishing Limited.

Wyrick Robbins Yates & Ponton LLP.2020.*Structuring M & Agreements- five lessons from the Tiffany & Co, V. LVMH affair*. [Online] Available at: <<https://www.jdsupra.com/legalnews/structuring-m-a-agreements-five-lessons-10836/>> [Accessed 23 February 2022].

Yu, J., Engleman, R.M. and Van de Ven, A.H., 2005. The integration journey: An attention-based view of the merger and acquisition integration process. *Organization studies*, 26(10), pp.1501-1528.

Zhang, J., Ahammad, M.F., Tarba, S., Cooper, C.L., Glaister, K.W. and Wang, J., 2015. The effect of leadership style on talent retention during merger and acquisition integration: Evidence from China. *The International Journal of Human Resource Management*, 26(7), pp.1021-1050.

