THE IMPACT OF A RECENT MERGER BETWEEN TWO AEROSPACE COMPANIES ON THE RESULTING ORGANIZATIONAL CULTURE OF THE NEWLY FORMED ENTITY

by

Winifred L. Williams

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has been approved

October, 2004

APPROVED:

SUSAN SAXTON, Ph.D., Faculty Mentor and Chair

MARC MUCHNICK, Ph.D., Committee Member

LOIS HAMMOND, Ph.D., Committee Member

THOMAS BOX, Ph.D., Committee Member

CHRISANN MERRIMAN, Committee Member

ACCEPTED AND SIGNED:

Susan E Saxton

SUSAN SAXTON, Ph.D.

Kurt R. Linberg

Kurt Linberg, Ph.D.
Executive Director, School of Business

Abstract

The impact of mergers and acquisitions on organizational culture and productivity significantly shapes the future success of newly joined organizations. Statistics show that approximately 50% of all mergers and acquisitions fail to achieve intended results. Limited success is attributed to the lack of appreciation regarding the impact of organizational culture. This study provides an analysis of the impact of a merger between two aerospace companies on the resulting organizational culture in the new company. Research questions focused on aspects of the pre and post-merger cultures in both organizations and the resulting impact of the merger on the new culture. A qualitative case study was conducted using an ethnographic methodology. Study results indicate that the merger between Company "A" and Company "H" did indeed result in an impact on the organizational culture in the post-merger company. Significant impacts were identified in the areas of leadership, communication, organizational structure, decision-making, and communication.

Dedication

I would like to dedicate this study to my daughter, Aurielle. I hope you use this milestone as a source of role modeling and encouragement as you embark on your journey through life. Hopefully, this experience has provided you with an example on how to realize success through setting and achieving ambitious goals with patience and determination. Dream big dreams and set ambitious goals. Do not get discouraged. Be all that you want to be. I have faith and confidence in you.

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I would like to thank each of my study participants for their willing and eager participation in this process. I hope each person is aware of the critical role they played toward making my personal dream become a reality.

Last, but not least, I would like to thank my family for their support: Aurielle, my daughter for her inquisitive nature and the sense of pride she exhibited from my endeavor. Joe, my husband for his ongoing encouragement, participation, coaching, and statistical consultation. This effort would not have been achievable without their endless sacrifices, support, and encouragement. I extend my sincerest and most personal thanks to each and every one of you.

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CHAPTER 1. INTRODUCTION

Introduction to the Problem

Merger and acquisition activity in the United States is greater than ever before. However, post-merger assessments reveal that very few mergers actually result in success. Statistics show that approximately 50% of all mergers and acquisitions fail to achieve intended results (Cartwright & Cooper, 1996; Triantis, 1999). Success translates into the achievement of forecasted financial synergies and gains, improved productivity, increased market share to drive competitive advantage, and overall increased shareholder value (Noe, Hollenbeck, Gerhart & Wright, 2000). Unsuccessful mergers and acquisitions means that organizations fail to realize these objectives and subsequent benefits. As a result, the decision to pursue an integration effort is ultimately questioned (Deal & Kennedy, 2000).

History indicates that the failure to develop and deploy effective change management strategies will result in reduced merger success (Miles, 1997). Mergers and acquisitions represent one of the most significant change efforts in organizations from both an infrastructure and from a people perspective (Deal & Kennedy, 1999). Accordingly, people problems have been identified as a leading root cause of integration failure (Cartwright & Cooper, 1996; Muirhead & Tillman, 2000; Schein, 2001). Muirhead and Tillman (2000) suggest the adoption of the concept of "corporate citizenship" by organizations regarding the people issues related to merger and acquisition efforts. This concept refers to a need on the part of organizations to assume responsibility for heightened sensitivity around people issues during merger efforts. Cartwright and Cooper (1996) provide a detailed analysis of two case studies, which resulted in unsuccessful merger efforts based on ineffective change management regarding people issues.

Success is driven by the ability of senior leadership to effectively manage the cultural aspects of the organization through the merger process. The cultural transformation required to support the blending of cultures requires deployment and support of an effective change management strategy focused on the people, which is driven down through the organization. These issues can be seen specifically in the case of the merger between the two companies examined in this study hereafter referred to as Company "A," the acquiring entity and Company "H," the entity being acquired.

Background of the Study

Over 20,000 registered mergers took place during the past decade alone in the United States (Cartwright & Cooper ,1996). Merger activity boomed in the 1970s. However, the pace of excitement changed in the 1980s due to increased interest rates and apprehension by banks to finance deals based on limited previous merger successes. Following limited activity in the 1990s, merger activity is now supported stronger than ever (Deal & Kennedy, 2000). “Economic forces drive the current pace of acquisitions. Relatively low interest rates make borrowing cheap. Over the past several years, the federal government relaxed fifty-year old regulations to allow more freedom of movement in major American industries” (Oesterle, 1997, p. 8).

According to the 2001 Harvard Management Update Report, merger activity in 2000 is reported to have been thirty five times higher than in 1990 (Kanter, 2001). Marks and Mirvis, (1998) report that ninety percent of start-up companies are likely to be involved in an integration effort. Given the increase in mergers and acquisitions, this team of writers also predicts that almost every employee will be involved in some type of integration effort at some point in the individual's career. The primary drivers of this activity include goals for improved productivity, efficiency, and shareholder value. However, industry experts contend that most leaders involved in merger activity repeat the same mistake (Change Management Group, 2000). The mistake is a failure to appreciate the significant impact of “culture” in the formula for organizational success, both pre and post-merger. Inadequate due diligence around organizational culture is the leading strategic error made by management. Too often, culture often takes a backseat to balance sheet analysis. In many instances it is ignored altogether but is as equally important as financial analysis around a potential deal (Miller, 2000).

Failure to effectively manage merger activity at the employee level often results in poor financial performance and reduced employee productivity from newly combined organizations (Morgan, 1997). Marks and Mirvis, (2001) reported a study at Honeywell that found a loss in employee productivity of up to two hours per day due to employee worry about mergers and acquisitions. Marks and Mirvis contend that this loss in productivity is unrecoverable and does not appear on financial statements.

Culture plays a pivotal role in the overall success of organizations. The purpose of this dynamic is to support business strategy. The phenomenon of culture drives both internal and external interactions, has broad impact, runs very deep, has enduring stability, and is not easily or quickly changed. Culture becomes much more visible during merger related activity and thus must be effectively managed to minimize negative impacts (Miller, 2000; Schein, 1999).

More than three quarters of corporate combinations fail to achieve projected business results (Cartwright & Cooper, 1996). In fact, most produce higher than projected costs and lower than acceptable returns. For one plus one to equal more than two, time and effort have to be taken to articulate the requirements for the post combination organization. A planning process must be guided that succeeds in letting the best rise to the top, and counter personal agendas and politics with regard for the overall organizational good (Marks & Mirvis, 1998).

Mergers and acquisitions represent the ultimate change effort in organizations (Miles, 1997). Leadership and communication have been identified as sources of primary merger issues (Habeck, Kroger, & Tram, 2000; Miller, 2000). The ability to foster and manage organizational change has been identified by leading theorists as perhaps the most challenging effort associated with leadership. Most underlying impacts on organizational change reside in the culture and social structure of the organization. The lack of effective change management practices typically results in diminished success. The primary objective for leaders is to better understand the prevailing culture and sub-cultures operating in organizations. Once identified, strategies must be developed to gain support to effect the desired change (Miles, 1997).

Merger related activity is generally viewed as negative and regarded as threatening, especially for the entity being acquired (Caywood & Ewing, 1992; Grove, 1996; Marks & Mirvis, 1988; Schein, 1999). Given the increased focus on merger activity, a change in perception is required that views mergers and acquisitions as a more positive partnership similar to an alliance opportunity versus an adversarial war like mentality. Similarly, a change is needed to factor the human element into the equation for merger and integration decision-making (Nahavandi & Malekzadeh, 1988).

Many of the issues cited have direct application to the case study in this study. This study will analyze the impact of a recent merger on the post-merger culture in the organization. The merger sought to bring two similar companies together to create growth, improve productivity, and increase shareholder value. Employee perceptions of the merger will be researched to determine the perceived impact on the organization. The objective of the study is to leverage learning opportunities to increase future merger successes for the organization.

Statement of the Problem

Merger activity is steadily increasing as organizations seek ways to reduce costs while improving efficiency, and productivity. However, success rates are disappointingly low (Cartwright & Cooper, 1995; Penley, 1988; Pritchett, 1987). Field experts contend that limited success is caused by a lack of appreciation by leaders for the impact of culture on the overall integration effort (Cartwright & Cooper, 1995; Change Management Group, 2000; Kennedy & Deal, 2000). The result of this "lack of appreciation" manifests itself in the absence or ineffective deployment of change management strategies to manage this crippling business impact (Change Management Group, 2000).

Unsuccessful integrations have far reaching effects, which can be negative on the organization. The effects of unsuccessful mergers manifest themselves in the areas of reduced productivity, talent loss, reduced employee morale and commitment in addition to a loss in competitive positioning for the acquiring organization. Consequently, the original purpose of the merger is defeated (Cartwright & Cooper, 1995; Penley, 1988; Pritchett, 1987). These issues can be studied in the case of the merger between Company "A" and Company "H." General perception among company employees and some business analysts indicate that the merger between the two companies was not as successful as anticipated by business leaders and external market analysts (Pizzlmenti-Scroder, 1999). Accordingly, the questionable level of success could potentially be attributed to the incompatibility of the organizational cultures between the two companies. Culture integration and change management interventions deployed warrant review.

The problem to be studied in this research is the impact of a recent merger between Company "A" and Company "H" on the resulting organizational culture in the merged company. Accordingly, the focus of inquiry is the extent to which organizational culture compatibility and integration impacted the success of the merger. No prior research on this problem has been identified to date. Accordingly, this issue provides sound rational for further study.

Purpose of the Study

Much has been written about the impact of culture on the success of mergers and acquisitions. However, research was not found that assessed the impact of the merger between Company "A" and Company "H" as discussed in this case study and the resulting culture in the newly merged organization. Different perceptions and opinions exist among employees across the recently merged company regarding the effect of the merger on the organizational culture in the company. These perspectives range from a perception of no impact to those who contend that a significant clash between the cultures impeded a smooth and swift integration.

The purpose of this study was to analyze the pre-merger organizational culture characteristics present in both Company "A" and Company "H" as they relate to the elements of leadership, communication, organizational structure, decision-making, and people management. In addition, the study describes and analyzes the resulting post-merger impact of the merger on the new company culture as perceived by employees in relation these characteristics.

Rationale

Merger activity continues to be a key strategy incorporated to address competition in the marketplace. However, success rates are extremely low. Less than one-half of all mergers and acquisitions are reported to achieve the desired objectives (Cartwright & Cooper, 1996). Organizational culture is consistently identified as a key impediment. As such, leaders must appreciate the impact of culture and factor it into the merger decision-making process. Studies indicate that failure to effectively manage culture integration significantly reduces the probability of merger and acquisition success. Specific examples can be seen in the cases of the merger between Fast Car, Greenside, and Princess Garage and the merger initiated by the Fill-it Packaging Company (Cartwright & Cooper, 1996). In both cases, merger efforts were determined to be unsuccessful. These case studies validate the fact that change management is critical to the process. Challenges around effective integration of people resources were identified as impediments to a successful integration. People problems were at the root of merger difficulty in both studies. Cultures were markedly different. The differences were underestimated or not factored into the management process at all.

Mergers and acquisitions drive growth, which may favorably impact competitive advantage. With increased focus on financial performance, organizations view integration efforts as optimal opportunities for bottom line growth. Mergers and acquisitions are key components in this newly formed company's strategic plan to grow the business. This study is justified based on the need to provide value added assessment data around the impact of the recent merger experienced by the organization to increase the effectiveness of future merger integration planning. Strategic planning efforts in the newly merged company focus aggressively on merger and acquisition related activity. This is a long-term strategic direction that has been adopted to generate growth and increase shareholder value. Accordingly, the results of this study can be utilized to posture the organization for increased effectiveness while executing future merger and acquisition efforts.

Research Questions

This study addressed the following research questions:

1. How did employees perceive the characteristics of communication, leadership, organizational structure, decision-making, and people management in the pre-merger culture in Company "A"?
2. How did employees perceive the characteristics of communication, leadership, organizational structure, decision-making, and people management in the pre-merger culture in Company "H"?
3. How did employees perceive the characteristics of communication, leadership, organizational structure, decision-making, and people management in the post-merger company?

Significance of the Study

Approximately one-quarter to one-half of all employees are directly impacted by corporate merger activity. The impacts are viewed as largely negative events within organizations (Caywood & Ewing 1992; Grove, 1996; Marks & Mirvis, 1998; Schein, 1999). Failure rates range from 50% to as high as 85% (Cartwright & Cooper, 1996). Failure translates into added cost and unrealized gains in productivity, efficiency, and competitive positioning. Nahavandi and Malekzadeh (1988) challenge that a change in perception is needed to view merger related integration as a positive partnership rather than as a war.

The impact of the outcome of this study provides critical information for company leaders in the newly formed organization as this level of management executes future mergers and acquisitions. This study is important to the future success of integration initiatives, which will be undertaken as a part of the organization's strategic planning process. The data are significant due to the critical influence culture is reported to have on employee and organizational performance. Because of the impact on employees within the organization, it is important to incorporate disciplined organizational management and deploy effective change management strategies to drive successful integration. The final test of merger success rests with the effectiveness of the integration (Habeck, Kroger & Tram, 2000). Bibler (1989) and Schein (1985) contend that significant costs are lost each time an employee experiences a loss in morale, commitment, and dedication. Furthermore, these costs are not apparent through financial statement analysis. These losses directly impact the ability of organizations to compete effectively in the marketplace.

Industry experts contend that several years are required post-merger to fully achieve a cultural transformation. Buono and Bowditch (1989) report that five to seven years are typically required for employees to achieve a true sense of assimilation. Personnel and benefits areas often require up to five years for full integration (Yunker, 1983). Geber (1987) writes that true cultural integration may take as long as 10 years. Author Chris Argyris contends that throughout the course of consulting, complete integration was not observed in less than a three-year period. The fighting, resisting, and blaming seemed to continue (Argyris, 1992). With this data at hand, it is critical to effectively manage the people implications of merger dynamics proactively throughout the integration process to mitigate negative impacts and achieve the desired results.

Definition of Terms

Acculturation

Process whereby one culture adapts to another. Signifies dominance of one over the other. In merger situations, typically the acquired company is expected to adopt the acquiring company's existing culture (Haydel & Moss, 1999; Hupfeld, 1997; Johnson & Billingsley, 1997).

Acquisition

Refers to the act of one entity buying the other or otherwise assuming the assets and liabilities of another (Cartwright & Cooper, 1996). Although often used interchangeably, Schein (1985) provides a distinction between the terms merger and acquisition based on the way in which organizational culture is handled. Mergers occur when cultures are blended together without dominance or superiority. In contrast, the nature of acquisitions typically indicates that the culture of the acquiring entity becomes the dominant culture requiring conformity on the part of the acquired concern (Schein, 1999).

Assimilation

Process whereby members in an acquired organization relinquish cultures owned by them in lieu of the new culture (Johnson & Billingsley, 1997; Haydel & Moss, 1999; Hupfeld, 1997).

Communication

Refers to the process by which people, groups, and organizations send and receive information. Communication is the glue that binds organizations. This dynamics may be formal or informal, verbal, non-verbal, or written. Communication may flow upward, downward or horizontally (Greenberg, 1999).

Decision-making

Refers to the ability to move through a process to identify an issue or problem, define objectives, generate alternatives, assess risks and advantages, evaluate alternatives, and choose an appropriate course of action followed by execution and follow-up. These activities enable effective management of an organization (Greenberg, 1999).

Integration

Refers to the combining of organizations together regardless of the designation as a merger or acquisition. Integration involves the blending together of management practices, philosophies, vision, objectives, financial systems, etc. into a common organizational unit. For the purposes of this study, the words merger, acquisition, and integration will be used interchangeably (Cartwright & Cooper, 1996).

Leadership

Refers to the ability to establish goals, objectives, direction, vision, motivation, and strategy to drive people toward the achievement of organizational objectives. Also defined as the process in exerting influence over others to achieve objectives. Serves as a critical component for change (Greenberg, 1999).

Merger

Refers to combining one company with another. Mergers involve the blending of assets. The terminology is often used to describe comparable organizations joining to form a stronger single entity. It is infrequent that an issue of dominance by one over the other is prevalent (Bibler, 1989; Schein, 1985).

Organizational Culture

Refers to the "personality of an organization". The shared beliefs, norms, practices, and attitudes prevalent in an organization that influence employee behavior and organizational dynamics. Culture can be defined as a set of guidelines adopted by a group of people which, shapes the view of the world, provides direction on how to experience it emotionally, and how to behave in relation to other people (Deal & Kennedy, 1982; Detert, Schroeder & Mauriel, 2000; Helman, 1994; Miller, 2000; Schein, 1999; Silverster, Anderson & Patterson, 1999).

Organizational Structure

Refers to the method by which people, functions, and processes relate to one another for purposes of division of work, accountability, and responsibility. Organizational structure specifies planned, formal connections between units (Greenberg, 1999).

People Management

Refers to the human resource philosophies, practices, and processes in place in organizations to manage employee behavior, drive performance and productivity, and develop talent. This activity includes communication and motivational processes to provide a positive work environment where people car about the organization and contribute to its success (Greenberg, 1999).

Assumptions

Several assumptions were included as a part of this study. First, that the employees interviewed were positioned appropriately in the organization to have credible knowledge about both organizations before and after the merger and about the dynamics and resulting impact. Second, that interview participants represent various levels and functional disciplines throughout the organization. Third, that interview feedback from participants working at three different sites was representative of employee assessments from across the entire organization. Fourth, that interview participants comprised a suitable demographic representation from across the organization. Fifth, that a significant period of time has elapsed to analyze the effects of the mergers. Sixth, interview participants readily recalled significant and relevant data despite the ensuing two-year elapsed period since the completion of the merger.

Scope and Limitations

Project scope was limited to the identification and impact of facets of organizational culture such as communication style and patterns, organizational structure, and leadership, organizational values, decision-making, and people management. The study utilized a total of twelve employees in the sampling process. The group represented exempt level individual contributors and management level employees situated appropriately in the organization and represented multiple functional disciplines. Employees interviewed in the study worked at three different business locations representing different divisions in both companies before, during, and after the merger. The study also utilized the researcher's own individual input, observations, and assessments. The potential for researcher bias existed within the study due to the extensive level of participation by the researcher and the degree of personal involvement in data gathering analysis, and interpretation. Research assessed the impact following a two-year period after the merger.

Nature of the Study

This was a qualitative study utilizing an ethnographic methodology. A variety of data gathering instruments were utilized to include semi-structured interview questions, direct observations, and document review processes. A survey instrument was incorporated as a part of the data gathering process to support this qualitative study.

Participants were pre-selected and represented a cross section of management and non-management personnel. Individual interviews lasting approximately sixty to ninety minutes were conducted with selected participants. Detailed notes were taken by hand then transferred to a word processing type computer software program for ease of retrieval, analysis, and presentation.

Organization of the Remainder of the Study

The data gathering process began immediately following committee approval. Written invitations were extended to pre-identified interview participants. Interviews were conducted. The survey instrument was administered concurrently with each interview. Human participants in research requirements were stringently followed. Steps were taken to protect participant confidentiality and ensure anonymity. The direct observation process was started in addition to the document review process. Data analysis was initiated and completed following the data gathering stage. Finally, a summary and discussion of the results and recommendations was provided to the committee for final approval.

CHAPTER 2. LITERATURE REVIEW

Sociology, Culture, and Organizational Behavior

This chapter presents a discussion on the research found relative to the linkage between sociology and organizational behavior, a definition of organizational culture, the impact of mergers and acquisitions on organizational culture, and the nature of organizational culture. The chapter also provides discussion on organizational climate, politics, conflict, change management, barriers to effective integration, and recommendations for effective culture integration.

Sociology

A critical factor involved in understanding where a society is headed is to also know where the society came from (Weinstein, 1997). The study of human cultures suggests that only a few people actually inhabited the earth. Early civilizations of people tended to organize in small, isolated groups roaming the earth for food. As time progressed, the number of people grew and began to spread out over various countries. In today's environment, people no longer live in isolated groups. Society has increasingly advanced throughout the years. Through the advent of technology and communications, people are able to connect and communicate across virtually all lands. This evolutionary process has been driven by ongoing change. The degree of change results in either improvement or deterioration within societies.

Several theories have been suggested to explain the evolution of socio-cultures. Three leading theories include progressive, cyclical, and regressive theories. Progressive theory contends that socio-cultures progress as a result of the ability to adapt to changing environments and to improve. The cyclical theory contends that socio-cultures move through a series of repeated cycles. Given this repetitious process, higher order progress is not truly realized under this theory. The regressive theory contends that socio-cultures follow behavioral patterns in direct contrast to progressive theory. Instead of moving forward, this theory contends that socio-cultures actually move in a backward direction resembling deterioration (Weinstein, 1997).

Progress of socio-cultures is guided through the theory of progressivism. Furthermore, this school of thought contends that as cultures of people progress, they also become more complex and organize in different patterns. Cyclical theorists contend that any degree of progress is negated and repeated. Thus, cultures are not able to move to higher levels of complexity (Weinstein, 1997). This background information provides a framework for understanding human behavior and the linkage between people and culture in organizational settings. This is especially important when analyzing and developing merger integration plans.

Organizational Culture

Culture Defined

Terrance Deal and Allan Kennedy first coined the term “corporate culture”. In general, culture is defined as the shared beliefs, actions, values, and practices in place in an organization. Culture refers to cohesion of values, myths, heroes, and symbols that mean a great deal to people who work in an organization (Deal & Kennedy, 1982, p.3). This dynamic can be both visible and invisible and is characterized through various levels to include artifacts, espoused values, and shared tacit assumptions. Artifacts refer to those visible elements that can be seen, observed, heard, and felt. Espoused values refer to the values that are spoken about the organization. Shared tacit assumptions refer to the ability for people within an organization to share the same assumptions and interpret data, events, and so forth using similar filters. These filters are influenced through historical events and shared values and beliefs that become ingrained in the organization and bond individuals together. Organizational culture extends deep into the body of organizations. Organizational culture is characterized by a high degree of stability and is not easily changed (Deal & Kennedy, 1982; Detert, Schroeder & Mauriel, 2000; Miller, 2000; Schein, 1999; Silvester, Anderson & Patterson, 1999).

Culture is often characterized as "the way we do things around here" (Schein, 1999, p. 24). "Good strategy execution involves creating a strong "fit" between the way things are done internally and what it will take for the strategy to succeed" (Thompson & Strickland, 2001, p. 19). According to Trompenaars (1998), culture shapes the entire dynamic of business relationships. Culture is an ongoing dynamic and should be viewed as a phenomenon by which people create the world around them (Morgan, 1997). Weick (2001) reports that people create a personalized world, which is then translated into the culture. Martin (2201) states that culture is one of many dynamics that take place in organizations. It provides a means of understanding the organization, but avenues also exist.

Organizations can be described in terms of social systems. As such, these entities have unique personalities. As such, organizational culture contributes significant influence on people. Contemporary managers must learn to effectively manage this highly influential dynamic. According to Morgan (1997 p.129), "Organizations are mini societies that have their own distinctive pattern of culture and subculture". Societal culture drives employee behavior in organizations, which results in vastly different techniques, strategies, and approaches to management. The key is to understand that multiple cultural drivers are in play and new strategies are required to manage employee performance (Noe, Hollenbeck, Gerhart, & Wright, 2000). Managerial perceptiveness to identify the overt and underlying sub-cultures will enable managers to identify the motivational forces driving employees. This in turn will drive the development of strategies to leverage employee contribution and satisfaction (Greenberg, 1999; Whittle, 2002).

Culture sets the tone for the way organizations and the people therein behave. This dynamic includes such things as philosophies and approaches to leadership style, communication style, customer and supplier relationships, processes, level and speed of decision-making, degree of organizational formality, tolerance for risk, and human resource management (Harris & Ogbonna, 2002; Miller, 2000). In addition, culture drives strategies, goals, structure, systems, processes, language, boundaries, resource allocation, and perceptions around time, space, and interpersonal relationships (Cartwright & Cooper, 1996; Greenberg, 1999).

Culture manifests itself in a variety of ways (a) by the way people interact with one another to include languages used to communicate internally and manner of dress (b) norms governing the organization of work and associated preferences such as e-mail and voicemail versus formal memorandums (c) dominant values espoused by the organization to include cultivation of reputation and external image (d) manner of working with employees (e) the rules for playing the organizational game and (f) workplace climate as it relates to parking and cafeteria protocols, etc. (Cartwight & Cooper, 1996).

Culture can be analyzed in the context of "business style". This concept refers to the manner in which organizations approach characteristics such as risk taking, investment, power and control, and the level of importance of organizational functions. Cartwright and Cooper

(1996) assert that business style can be synonymous with organizational culture. This study team contends that business style is represented by a collection of attitudes within the organization. Identification of existing styles in both organizations in the early stages of the due diligence process is critical toward assessing compatibility and facilitates the change management planning processes.

The first characteristic of business style is risk taking. Risk taking refers to the tolerance for risk. This characteristic can range from a very a conservative and safe approach to an extremely aggressive approach which views risk as a competitive advantage. Investment refers to the level of patience tolerated by management in the area of return on investments. More specifically, this characteristic focuses on short-term versus a long-term investment philosophy. Power and control describes how power and authority are distributed throughout the organization. The characteristic of organizational function refers to the balance of influence and favor among the functions within organizations (Cartwright & Cooper, 1996). The relevance of business style is reported to influence the effectiveness of merger activities throughout each stage of the integration process.

Deal and Kennedy (1982) describe four categories in which organizational cultures can be grouped. According to these researchers, cultures are categorized as (a) tough guy macho culture, (b) work hard, play hard culture, (c) the bet your company culture, and the (d) process culture. The tough guy macho culture resembles an entrepreneurial environment, which includes a high degree of risk taking. In contrast, the work hard, play hard culture represents a highly motivated workforce with an appropriate balance of risk. The first two cultures differ from the third, which is best known as the "bet your company" culture representing the highest level of risk taking among the culture types described. The final type is the process culture. This culture is described as more bureaucratic in nature with little feedback and accountability.

Hofstede, Neuijen, Daval-Ohayr, and Sanders (1990) expanded the work by Deal and Kennedy (1982) with more specific focus on assessment of practices as they relate to six dimensions. The expanded dimensions include process versus results orientation, employee versus job orientation, parochial versus professional identity, open versus closed communication systems, loose versus tight internal controls and finally a market approach philosophy versus a normative approach.

Impact of Mergers on Culture

Mergers and acquisitions have the ability to hurl organizations into a state of shock. Organizational cultures are inevitably altered to a certain extent during merger and acquisition activity. When one organization merges with another organization, one of the most significant impacts can be seen in culture clashes between the new organizations. Change programs such as mergers often fail due to lack of consideration for the impact of the underlying culture (Ashkanasy, Wilderom, & Peterson, 2000). Merger activity brings two entities together with different personalities, norms of behavior, values, and philosophies. This activity is much like joining two new families together in a single household (Caitlin, 2001).

Campaigns are launched to lobby for the adoption of one culture over another between merging entities. Miles (1997) contends that there are three primary options for the transformation of organizational culture following an integration effort. First, the new organization can adopt the practices and policies and norms of the acquiring company. A second option is to adopt the practices and policies of the company being acquired. Conversely, the third option focuses on blending the elements of the two companies together to create a new culture. This later option is least recommended and has proven to be less successful. Miles, (1997) contends that when two organizations are brought together through merger activity, the best approach is to adopt the practices of one company over the other, preferably from the acquiring company.

The impact of mergers on culture affects several areas of organizational management, which has the potential to create anxiety among employees. This level of anxiety then generates additional employee reactions to include diminished performance, absenteeism, lack of trust, reduced commitment, reduced quality, and employee theft. These concerns are further discussed in this chapter.

Organizations undergoing merger transitions often suffer from distracted leadership. Vision, goals, and values are unclear for a period of time. Employees are uncertain about the direction of the new organization and how they will personally fit and support the new vision. Similarly, new norms of behavior are anticipated but perhaps may not yet be introduced and flowed down throughout the organization. Communication strategies and methods of delivery may be altered thereby creating a level of frustration and anxiety. The decision- making process may be different in terms of style and speed than previously experienced due to the transition process. Organizational structures are also subject to change, which threatens employee retention objectives. Human resource policies and practices become unclear as the change in power progresses. Effects may be observed in other areas to include changes in performance management systems, compensation systems, benefit programs, dress codes, and community relations, in addition to public and customer relations, as examples. Each of these elements comprises the personality of the organization and the way in which things are done in a given environment.

Impact of Mergers on Employees

The impact of mergers and acquisitions on organizational culture and the people therein can be tremendous. The psychological contract that exists between employee and employer is altered through this process. The merger effort can be viewed as a breach of a perceived contract between the employee and the organization. The trust and bond that employees previously developed with an organization is fundamentally changed thus resulting in emotional distress. Employees react in an angry manner, especially if the merger involves a former competitor and the possibility of job loss increases (Veninga, 1990).

The stress, uncertainty, confusion, and loss of identify can trigger a variety of effects on employees (Whittle, 2002). Marks and Mirvis (1998) identified four distinct stages that employees go through during the merger process. These stages have been characterized as the having a strong resemblance to the grieving process. The first stage is disbelief and denial followed by shock. The second stage is anger, rage, and resentment. In the second stage, employees experience shock which, turns into anger followed by resentment. The third stage involves emotional bargaining whereby employees assume personal fault for not adequately anticipating the event. The final stage is acceptance where employees recognize that the past is gone and postures to move forward. Most employees are able to move past these stages. This process can manifest feelings of guilt in those who prove to be survivors. However, others may get stuck in these stages, which prevent them from being able to adapt to the new situation (Cartwright & Cooper, 1996).

Research shows that employees experience a variety of physiological and psychological aliments as a result of merger activity. Increases in health and disability claims have been reported in addition to increased safety issues in the workplace. A common belief is that the stress of the merger can lead to health related issues and reduced awareness of workplace safety practices resulting in an increase in short term disability & lost work days (Cartwright & Cooper, 1996; Change Management Group, 2000; Miles, 1997).

The question often asked focuses on exploring why mergers and acquisitions have such a tremendously negative impact on organizations and the people therein. Research indicates that employees often report feeling a sense of “violation” by the leading company during a merger. In addition to physiological aliments, employees have also been known to experience psychological side affects as a result of merger activity (Change Management Group, 2000). Research indicates that over 80% of senior and middle executives are psychologically unprepared for the changes in status and organizational structure potentially encountered following possible acquisitions (Bruckman, 2000). These side effects manifest themselves in terms of low self-esteem and diminished personal motivation. Reduced loyalty on the part of employees coupled with loss of personal motivation and low self-esteem often lead to increased employee theft. Employees then begin to feel disconnected to the organization driving this unsettling behavior which results n diminished productivity (Cartwright & Cooper, 1996; Dalke, 1996; Ernst & Young, 1994).

Merger activity drives a certain set of events within the organization that are impactful to employees. High turnover often results. Although a certain degree of turnover is both desired and anticipated for streamlining efforts, retention of key talent needed in the newly formed entity often becomes problematic (Dalke, 1996; Mowday, Porter & Steers, 1982). Employees become nervous with prospects of change, especially in the absence of effective communication programs. Employees often fear job loss coupled with a limited ability to identify individual niche in the new structure. New organizational philosophy and approach often translate into changes in reporting relationships, changes in financial and human resource practices, and so forth, each creating a certain degree of anxiety for some employees in the organization. Productivity suffers due to lack of focus and preoccupation with the unknown (Cartwright & Cooper, 1996; Change Management Group, 2000; Ernst & Young, 1994; Greenberg, 1999; Livigni, 2002).

Employees struggle through the emotional components of a merger. In an effort to cope with the emotions of this activity, employees from acquired companies often exhibit symptoms of withdrawal from work environments for a short period. Employees move toward more of a defensive posture to protect that which is considered to be a personal property. This includes such things as power, processes, people, resources, and so forth (Bruckman, 2000). Employees from both organizations can develop a sense of mistrust of the organization. Communication plans must continue with robustness at this juncture. No information translates into bad information. However, an undesirable response is to drive reduced communication efforts, which can be extremely detrimental to workforce morale (Cartwright & Cooper, 1996; Reh, 2001).

People are the most valuable resources in organizations. Progressive business language refers to people resources and investment and "human capital" (Davenport, 1999). Accordingly, human capital must be effectively managed. This resource base can be leveraged through focused concentration on strategic goals, efficient accumulation of resources, active conservation of resources and by driving to recover resource investments quickly (Fitz-enz, 2000).

The cultural implications of merger related activity dates back through several decades. Harvey and Newgarden (1969) reported that people issues represent the greatest threat to merger success. The primary objective for leaders is to gain greater insight around the prevailing culture and sub-cultures operating within organizations. Once identified, strategies must be developed to gain support to effect the desired change. The human resource function provides leadership around cultural assessments and development of the effective strategies to drive business initiatives by leveraging the existing cultural environment (Noe & Hollenbeck, Gerhart & Wright, 2000).

According to Habeck et al. (2000), the success of mergers will depend on the effectiveness of the integration effort. Successful integrations require more than logistics, common sense, and operations integration. Contemporary managers must fully understand this phenomenon and develop approaches to leverage or change cultures to achieve organizational objectives. Accordingly, the lack of effective change management practices will result in limited success (Change Management Group, 2000).

Cisco Systems provides a best practice model for managing successful integrations from a human resources perspective. Cisco's consistent success is attributed to an intense focus on addressing employee needs in an anticipatory fashion to prevent distraction from production. Cisco also mobilizes and deploys full-time focused merger teams to manage the integration early in the process (Miller, 2000). According to Miller (2000), results from a Harvard Business School Study indicate a direct correlation between increased revenue and net income among companies that engaged in active and strategic management of organizational cultures. Increases were reported as high as 682% increase and 757% respectively.

The impact of mergers and acquisitions on organizations can be analyzed from the perspective of the effect on individuals and the effect on society. Based on research by key theorists such as Frederick Herzberg, employee satisfaction is a critical activity for leaders to manage in organizations. This becomes especially salient in merger situations. Mergers and acquisitions bring out significant degrees of change. As a result, these dynamics seriously impact employee motivation and satisfaction. Herzberg's two-factor theory on employee satisfaction contends that employees are motivated primarily by factors of hygiene and motivation. Hygiene factors include the company itself, the policies, style of management and supervision, working conditions, interpersonal relationships, salary, status, and overall security. Merger related activity typically evokes an element of change in each of these critical motivational areas for employees. Herzberg's theory acknowledges that these factors in and of themselves do not lead to satisfaction; however the absence of these factors breeds dissatisfaction (Herzberg, 1993).

Herzberg's second factor focuses on motivation and the activities that employees are actually engaged in through individual work. These factors include achievement, recognition, growth and advancement to higher levels, and interest in specific job tasks. The key point of this theory is based on the premise that both hygiene and motivation factors must coexist simultaneously to achieve high levels of employee satisfaction.

By design, merger related activity directly impacts work environments in organizations. A discussion around the impact of mergers on organizational culture should also include focus on the impact to employee motivation and productivity (Sylakowski-Jones, 2000). According to

Herzberg, it is the work environment aspect that directly affects employee morale, determines if goals and objectives are met, sets the tone for cooperation and other factors of human relations in addition to setting the tone for relations between management and trade unions (Herzberg, 1993).

Productivity is proportional to satisfaction. Clear goals, appreciation, and recognition tend to motivate employees to work harder. Research on employee behavior during mergers and acquisitions suggests that the process evokes emotional and physical reactions. Examples of emotional reactions are feelings of confusion, betrayal, grief, and anger. Physical reactions take the form of increased incidences of injuries, illnesses, and accidents, etc. Stamina rapidly declines and emotional turmoil results. Accordingly, productivity declines due to the lack of employee focus, commitment both to the organization and from leadership, communication, lack of clear goals and objectives and a general feeling that something has been taken away, never to return (Herzberg, 1993; Katzenbach, Beckett & Gagnon, 1977).

Based on research by Fraser, Kick and Barger (2002), job satisfaction is described as the overall perceived evaluation and quality of work experience by the employee. These authors contend that a new dynamic in the area of change is overlaid on top of the already complex nature of culture. This complexity is described as the "new workplace" (Fraser, Kick & Barger, 2002 , p. 447). Employees seek greater degrees of trust and legitimacy in addition to a sense of justice throughout the organization. Employees expect increased involvement in decision-making activities. The absence of this higher level of involvement can lead to decreased job satisfaction as employees feel distanced from organizational decision-making. Fraser, Kick and Barger (2002) also contend that large organizations must deal with even greater challenges to shape the culture so as to heighten inclusiveness. These types of initiatives require increased change management interventions (Fraser, Kick & Barger, 2002; Ghoshal & Bartlett, 1996).

Through research, Katzenbach et al. (1977) contend that five paths exist which lead to employee satisfaction. These paths include mission, values and pride, process and metrics, individual achievement, entrepreneurial sprit, and finally recognition and celebration. Organizational discipline appears to be one of the primary “keys” to drive satisfaction, but is often non-existent in larger organizations.

The Marriage Metaphor

Cartwright and Cooper (1996) focus on cultural compatibility as an ingredient for merger success. More specifically, the researchers relate the dynamic of mergers and the related impact on organizational culture in terms of a marital relationship. According to these authors, mergers are like marriages with the merger event defined by the terms of the "marriage" contract. The team contends that successful mergers, like marriages, require both parties to accept the terms of the agreement. A good match between cultures must exist for the relationship to work (Caitlin, 2001).

Cartwright and Cooper (1996) describe merger related activity in terms stages leading up to marriage which includes courtship, engagement, the marriage, the honeymoon period, and the after years. The metaphor of mergers described in terms of marriage requires further discussion around the type of marriage the merger will most closely resemble. The primary marital arrangements are described as an open marriage, a traditional marriage or a modern collaborative marriage. The open marriage concept is characterized by independence on the part of both parties. The acquired entity maintains independence and operates in an autonomous manner. Assimilation and acculturation are neither expected nor required. In contrast, the traditional marriage characterizes broad-based change with expectations of assimilation and acculturation. One party acquires the other and the acquired party assimilates into the relationship. From a corporate perspective, the acquired organization is expected to relinquish the established culture and adopt the culture and practices of the acquiring entity. The final type of marriage is the collaborative marriage. This style of marriage, also referred to as the modern style, emphasizes shared learning and respect. The objective is to build on the better of two worlds for an even stronger, more effective integration (Cartwright & Cooper, 1996).

The courtship phase is represented by due diligence activities. This activity involves information gathering relative to the target entity and close examination to assess compatibility. Representatives from both organizations spend time together to be acquired in an effort to determine similarities and differences. The marriage contract should thus be clarified during this stage to ensure that both parties understand the terms of the agreement. A relationship presented as collaborative but in actuality is intended to follow a traditional style breed's distress among employees. The marriage includes a legal announcement phase, which is also critical to merger success. The initial communication effort is a key component in that it marks the end of an organization as known by employees and sets the expectation for the start of a new psychological contract between employee and employer. The honeymoon period is characterized by relationship building between the newly merged entities. Informal discussion and observation take place, teambuilding is strengthened, and culture change processes are deployed. Marital allegiance is the next threshold following the honeymoon period. This phase requires a commitment to nurture the relationship through communication and maintaining contact, recognizing warning signs, and also dealing with stress and issues constructively. Successful organizational relationships must be nurtured over time. Accordingly, organizations must determine the "style of marital relationship" that will be followed as a result of the merger effort and communicate expectations to help drive culture change. Based on the work by Cartwright and Cooper (1996), incompatible expectations may result in a broken marriage.

Trompenaars (1993) developed a series of four categories in which cultures may be grouped. These groupings include power cultures, role cultures, task achievement cultures, and the person support culture. Power cultures may be identified through decision-making patterns. Decision-making in power oriented cultures is largely centralized and relies largely on an individual in the organization versus group input. One of the primary benefits is derived from speed in decision-making. Role cultures are viewed as highly bureaucratic. Roles, reporting relationships, and associated protocol are clearly defined in this type of environment. The task achievement culture is characterized by free flowing creativity and flexibility. Worker autonomy is high with little management intervention. The person culture more closely resembles the task achievement culture from the perspective that little structure is evident in this model. Compatibility of culture types as outlined above by Trompenaars (1993) is a key factor for assessment prior to, during, and following mergers. Analysis of culture profiles aides in the development of mitigation plans to facilitate integration.

The Integration Process

Merger activity will inevitably result in duplication of systems and people resources. Accordingly, efforts are generally taken to size the organization more appropriately in an effort to realize the financial and productivity benefits desired from the merger itself. In addition to the previous areas of concern, senior leaders must carefully manage workforce reduction efforts effectively. According to the Change Management Group (2000), work-force reductions to save money can leave an organization with more significant problems extending beyond the financial implications.

Success is driven by senior leadership ability to effectively manage the cultural aspects of the organization through the merger process. History shows that the failure to develop and deploy effective change management strategies results in limited merger success. The human resource function should be leveraged to provide timely analytical data to leaders around variations between cultures in different organizations and the anticipated ability to bridge the two into one uniform and consistent personality (Cartwright & Cooper, 1996; Noe, Hollenbeck, Gerhart & Wright, 2000). As previously stated, failure to effectively manage merger activity at the employee level often results in poor financial performance and reduced employee productivity from newly combined organizations (Morgan, 1997).

The start of a new relationship between two companies compels the entity leading the merger to move quickly to realize merger benefits. Leaders and managers move aggressively toward conquering the newest “target”. Determined efforts are made to learn more about new family members as quickly as possible. Curiosity is largely focused on assessing management style, talent and competency levels in the acquired company. This level of leadership in the organization moves swiftly despite frequently negotiated agreements to move the assimilation at slower paces. This group of leaders and managers experience a higher level of emotion around the new sense of power and move forward with individual accelerated integration plans (Cartwright & Cooper, 1996).

One of the key principles of organizational design is to appropriately anticipate the issues that arise and proactively develop mitigating strategies (Deal & Kennedy, 1982). Unfortunately, as previously stated, the impact of culture is often overlooked and underestimated throughout the merger decision-making process by managers and leaders. Consequently, its influence commands a strong presence and consideration (Collins & Porras, 1997). Merger due diligence activity should focus on analysis of several key factors in an effort to make an assessment of cultural compatibility between two or more organizations. These factors include such things as (a) a review of corporate history and values, (b) analysis of existing management style, (c) analysis of competitor cultures, (d) identification of current success factors, (e) current work environment, (f) financial practices and controls, (g) performance standards and measurements, (h) talent management strategy, (i) existence and clarity of authority, roles, responsibilities, policies, and practices (Miller, 2000).

The Nature of Organizational Culture

Varying opinions exist among organizational theorists around the concept of culture. Some assume the position that culture is static while others contend that organizational culture is extremely dynamic. Lewin (1946) developed a model presupposing that cultures will be resistant to change. Schein (1992) and Lewin (1946) agree that stability is a desired state. These two writers describe cultures as moving through a sequence of steps including varying degrees of change and action but ultimately returning to a stable and static form. Schein contends that the baseline for culture is a static state. Schein (1992), Senge (1990), and Lewin (1946) emphasize that cultural norms become entrenched throughout the organization once codified.

In contrast, Sathe and Davidson (2000) assert that movement and flux are the baselines for culture. Beer and Nohria (2000) contend that organizations need to take charge of an ever-changing world. Senge (1990) describes learning organizations as organizations, which are highly adaptable to the changing nature of external environments (Homburg & Pflesser, 2000; Senge, Kleiner, Roberts, Ross, Roth & Smith, 1999). These types of cultures learn from within, are self reflective, analytical, and develop new levels of intelligence about the culture to drive higher levels of performance. This degree of ability and agility enables success in organizations, especially during merger integration activity (Senge et al., 1999). It should be noted that the predominate position found throughout the literature contends that culture is dynamic versus static and discrete (Aldrich, 1999; Sathe & Davidson, 2000; Weick, 2001).

Kotter and Heskett (1992) purport that cultural adaptability is critical not only for success but also for superior performance in organizations. Adaptive cultures are characterized by strong employee, customer, and shareholder orientation, proactivity, strong and effective leadership, high degree of risk-taking, entrepreneurial qualities, innovation, flexibility, quick flow of information and streamlined processes. Consequently, Kotter and Heskett contend that strong cultures appropriately supporting goals and objectives significantly influence long term economic performance in organizations. Norms and value systems associated with cultures sustain superior performance over time while also enabling adaptability to the changing nature of internal and external environments (Kotter & Heskett, 1992). Table 1 summarizes a comparison between adaptive and unadaptive cultures. During merger activity, the ability to adapt to the changing nature of the environment and learn from those changes fosters future success.

Table 1 Adaptive versus Unadaptive Cultures

Adaptive Cultures	Unadaptive Cultures
Deep concern for employees, customers, and shareholders	Focused on self versus employees, customers, and shareholders
Value people	Limited focus on people
Value change processes (streamlined and flexible)	Stodgy (bureaucratic)
Pay close attention to constituencies	Political behavior
Risk Taking	Value risk reducing management

According to Kotter and Heskett (1992), strong leadership is yet another cornerstone for effectively managing change, especially during times of mergers and acquisitions. These individuals set the stage for crisis, communicate the new vision, set the direction, rally support and motivate employees to achieve the objectives. Kotter and Heskett's work found leadership effectiveness to be a primary determinant for organizational success following merger-related initiatives.

Jassawalla, Avan, Sashittal, and Hemant (2002) also studied characteristics of high performing cultures. These writers analyzed two different cultures. The first was characterized by efficiencies in organizational performance driven largely by cultural values consisting of collaboration, creativity, and deeply ingrained risk taking. The second was characterized by cultural thinking that supported maintaining the status quo. This culture profile lacked innovation, order, flexibility, creativity, and equal distribution of power. Team findings revealed higher levels of performance through innovation and collaboration versus those cultures where lower levels were present. This study reinforces the social nature of the work environment and the need for basic organizational design to include an appropriate distribution of power, risk taking mindset, creativity.

Organizational Climate

Much has been written about organizational culture, however, little has been written about organizational climate. The two terms are often used interchangeably, but have different meanings. The concept of organizational climate refers more toward interactions on a personal level. The concept of culture is grounded in symbolism. Organizational climate, also refereed to as "psychological climate" is centered on the behavior of individuals (Denison, 1996). Climate attempts to measure individual perceptions about the organization versus culture, which is based on beliefs, values, and norms shared by groups. Climate differs from culture in that myths, symbols, rites, and stories are not a part of the paradigm. Climate also measures the degree to which employee expectations are met regarding individual work experiences (Sylakowski-Jones, 2000). Accordingly, climate can be viewed as a manifestation of culture.

The discussion around organizational culture portrays the perception that a single culture exists in organizations. To the contrary, organizations may have multiple cultures operating simultaneously. This dynamic is referred to as "cultural pluralism". In these instances, an "umbrella culture" is often present which provides overarching influence. The challenge found with multiple cultures is that they may have competing interests and objectives and drive different behaviors. Martin and Siehl (1983) studied the concept of multiple subcultures and defined them as enhancing, orthogonal, or counterculture.

The enhancing culture supports the objectives of the umbrella culture with strong commitment. Members supporting this sub-culture type champion the organization and serve as effective role models. The orthogonal culture supports the umbrella culture except with a slightly different, more independent focus. The interest of this culture group centers more on work and ways to get things done. The counterculture subgroup is described as possessing goals and objectives, which are in direct conflict with the umbrella culture. It is important for leaders to understand which dynamics of culture are present in organizations.

Culture has the ability to render positive results for organizations by driving performance. Cultures vary in composition and in strength. Cultural strength, as defined by Nystrom (1993) refers to the extent to which a consensus exists in support of the prevailing norms and values. According to Nystrom (1993) and others, cultural strength is derived from the momentum generated as the culture meets employee needs and expectations, communicates desired values, promotes interdependence, provides mentorship, and encourages individual contribution. Strong cultures have been linked to higher profitability (Kotter & Heskett, 1992; Denison, 1984, Sylakowski-Jones, 2000).

Research and analysis of 207 companies completed by Kotter and Heskett (1992) over a ten-year period assert that companies with stronger cultures render stronger performance. The study resulted in several conclusions (a) that cultures do indeed have a significant impact on long term economic performance (b) culture will have direct impact on organizational failure, and finally (c) that corporate cultures can be transformed to enhance performance.

Organizational Commitment

An analysis of organizational culture in the context of mergers requires the integration of the concept referred to as organizational commitment. This concept can be described as the degree of internal attachment to an organization held by employees. Organizational commitment refers to the extent to which employees identify with the organization and desire to maintain the relationship (Mowday, Porter, & Steers, 1982). This concept involves the internalization of organizational values by employees. Organizational commitment is typically analyzed in two ways (a) attitudinal commitment and (b) calculated commitment. Strong attitudinal commitment is displayed by employees who remain with an organization simply because they want to. Those employees remaining with the organization due to a perceived need to stay are categorized as having calculated commitment. Both types of commitment reside in the merged environment and must be managed accordingly.

The concept of commitment is important during merger activity. Employees develop a sense of identity with organizations. Merger activity disrupts that connection which creates uncertainty. Commitment is generated through clear communication around goals, values, and organizational mission. This communication is especially critical during periods of mergers and acquisitions to maintain a sense of connectivity between employee and employer. The underlying dynamic is mutual trust through communication. If either party is perceived to have relinquished commitment to the other, no basis remains and the relationship suffers (Baruch, 1998). Committed employees possess strong desires to support organizations thus, this dynamic drives critical ramifications for both the organization and for the individual. Typically, these individuals work harder, experience lower absenteeism, display favorable morale, and exert additional effort in support of the organization.

The dynamic of organizational commitment is especially key in merger situations where "dual commitment" may become a factor. This concept refers to the extent to which employees will assimilate into the new culture or maintain allegiance to the old culture. Those employees who demonstrate the inability to transition effectively work to the detriment of the organization and serve as barriers to the transformation effort.

Organizational Behavior

The study of people and behavior within groups, teams, and organizations has consumed focus by practitioners and scholars for many years. Primary questions focus on how organizations are designed, how they sustain themselves, how they function, the extent to which they interact with the environments around them and how they grow, learn, and change. Recent history acknowledges the prominence of organizational study as a science. Organizational behavior is simply defined as the dynamics of behavior among individual people, groups, and processes within organizations. It seeks to improve the quality of work life for employees. This field of study is typically based on systematic observation and measurement. The ability to isolate insight around factors that truly influence human behavior in the workplace can prove to be an invaluable asset for organizations. Additionally, effective people management is a critical determining factor toward organizational success (Greenberg, 1999).

Bolman and Deal (1997) apply a model for interpretation of organizational processes as shown in Table 2. These authors contend that events can be interpreted from several different perspectives and can simultaneously serve multiple purposes.

Table 2 Overview of the Four-Frame Model

	Structural	Human Resource	Political	Symbolic
Metaphor for Organization	Factory or machine	Family	Jungle	Carnival, temple
Central Concepts	Rules, roles, goals, policies, technology, environment	Needs, skills, relationships	Power, conflict, competition, organizational politics	Culture, meaning, metaphor, ritual, ceremony, stories, heroes
Image of Leadership	Social Architecture	Empowerment	Advocacy	Inspiration
Basic Leadership challenge	Attune structure to task, technology, environment	Align organizational and human needs	Develop agenda and power base	Create faith, beauty, meaning

Four distinct frames or perspectives for analyzing organizational behavior are provided in this model. The frames are categorized as structural, human resource, political, and symbolic. This model provides insight into culture compatibility between organizations. Analysis using this type of framework can increase the quality of decision-making and integration execution. The primary areas of comparison can be seen in the general philosophy, which views behavior in organizations to be more analogous to machine like philosophies, family or jungle environments, or more temple like. The frames also address concepts central to organizations, which include such things as rules, roles, power, and organizational culture, etc. Leadership is described on a continuum of styles, which include social style empowerment, advocacy, and inspiration. Organizational behavior can take the form of any of these styles thus comprising the organization's personality. Finally, basic leadership is addressed which includes analysis and comparison around organizational alignment, power bases, structures, and tasks or faith and beauty.

Bolman and Deal (1997) also apply the conceptual frame to more specific activities such as strategic planning, decision-making, reorganizing, evaluating, conflict management, goal setting, communication, meetings, and motivation. This framework helps managers understand that events and processes may have multiple purposes and the people operating within those situations may apply different contextual frames as well. The model provides direction toward identifying the appropriate frame to use given the dynamics of a particular situation. Table 3 has been modified to provide an overview of select processes as related to this study and the associated adaptation using the model developed by Bolman and Deal (1977).

Table 3 Four Interpretations of Organizational Processes

	Structural	Human Resource	Political	Symbolic
Decision-making	Rationale sequence to produce right decision	Open process to produce commitment	Opportunity to gain or exercise power	Ritual to confirm values and provide opportunities for bonding
Reorganizing	Realign roles and responsibilities to fit tasks and environments	Maintain balance between human needs and formal roles	Redistribute power and form new coalitions	Maintain image of accountability and responsiveness negotiate new social order
Approaching Conflict	Maintain organizational goals by having authorities resolve conflict	Develop relationships by having individuals confront conflict	Develop power by bargaining, forcing, or manipulating others to win	Develop shared values and use conflict to negotiate meaning
Communication	Transmit facts and information	Exchange information, and feelings	Influence or manipulate others	Tell stories

Primary factors impacting behavior in organizations include an understanding of leadership, communication, organizational structure and dynamics, decision-making, and people management. These key factors impact and influence one another and form the basis for behavior within organizations. Accordingly, it is imperative to effectively manage these dynamics to drive toward successful organizational performance.

As discussed previously in this writing, the challenge in studying and managing behavior in organizations is based on the fact that organizations are dynamic. As a result, they are termed as being “open systems” much like the human body. Organizations absorb aspects of the surrounding environments and proceed through a transformation process. Single approaches to the study of organizational behavior and to the process of corrective action problem solving do not exist. External environmental factors influence organizational dynamics. Organizations must develop an awareness and understanding of these external forces that have the potential to impact organizational livelihood. Organizational theorists allege that organizations can be described as living organisms that react and adapt to surrounding environments. They must develop systems, structures, and processes to effectively deal with the external environment. General consensus holds that an appropriate balance must be struck between organizations and the environments around them (Morgan, 1997). This theoretical approach is referred to as the contingency theory (Borgatti, 2001). Merger related events provide excellent examples of opportunities for organizations to adapt to changing environments.

Conversely, the competing theory of autopsies asserts that organizations are indeed not “open” but instead are “closed” (Morgan, 1997). As such, this theoretical approach contends that organizations are self-regulating and self-generating (Whitaker, 1995). Nonetheless, contemporary leaders must recognize this dynamic relationship and anticipate internal actions to proactively posture the organization for success.

Many approaches have been developed in the field of organizational behavior. Key scientists in the field include such names as Frederick Taylor, Elton Mayo and Max Weber. Taylor introduced a concept of redesigning work process flows to increase efficiencies. The concept, known as scientific management, is very similar to contemporary theories of process improvement known as “six sigma”. Six sigma seeks to reduce error rates down to minimal defects per million of transactions. It has been contended that Taylor's scientific management theory was excessively weighted toward mechanical approaches to organizational workflow. The concern was that it lacked the necessary balance between people and the work they perform. It has been proven that work environments are influential factors toward employee performance and productivity (Greenberg, 1999). Another popular approach born out of Taylor's work includes the introduction of time and motion studies, which were popular during the early 1970s.

Elton Mayo was another theorist in the area of organizational behavior. Mayo's approach focused more closely on the humanistic side of the discipline. In contrast to Taylor, Mayo acknowledged that social dynamics within the organization significantly influenced employee performance. Yet another movement included work done by a prominent classical theorist named Max Weber. Weber added yet another dimension to the mix, which is known as "bureaucracy". Weber's approach focused on optimal methods to effectively structure organizations. Another classical theorist, Henry Fayol, focused his theories around such concepts as division of labor, authority, chain of command, unity of command, and empowerment as methods of effective organizational management (Greenberg, 1999). Modern theorists acknowledge the multitude of approaches to the study and analysis of organizational behavior seeking to increase various social science disciplines in the process. Additionally, they acknowledge the impact of culture, ethics, and external environments on organizational behavior.

Leadership

In addition to designing and implementing optimal structures, effective leaders must also be in place to drive organizations to success. Leadership is yet another phenomenon of much general debate. Questions focus largely around whether leadership traits and characteristics are learned or innate. Leadership refers to the ability to exert influence over the behavior of others to achieve a desired objective. The success of a leader rests largely in the level of receptivity of the subordinates. Therefore, the development of effective relationships with subordinates built on trust and mutual respect are key elements in the leadership equation. Two primary approaches have been put forth as theories in support of leadership. These include the trait approach and the behavioral approach. The trait approach is predicated on the premise that some people are simply born with a natural ability to lead others. This theory contends that characteristics around the way they present and conduct themselves, communication style and skills along with the ability to instill trust, confidence, and vision enables them to lead effectively. Organizational behavior scientists have coined this as the "great person theory". This theory also contends that these innate success traits remain constant over time. Several common traits have been identified among successful leaders. These success attributes include drive, high-energy, and tenacity, honesty, integrity and trustworthiness, self-confidence, cognitive ability, creativity, and flexibility.

The motivation to lead has also been explored. The degree of motivation found in leaders can typically be categorized into two areas: personalized power motivation or socialized power motivation. Personalized motivation typically consists of desires to dominate others. In contrast, socialized motivations are characterized by the leader's level of involvement with subordinates to build trusting relationships and to share power and authority with teams versus dominating them.

In contrast to the trait approach, the behavior approach contends that two key behaviors typify effective leaders. These include consideration and initiating structure. Studies have revealed that effective leaders demonstrate a concern for people. They are able to balance the humanistic factors that enter the mix. This is referred to as “consideration”. Additionally, this theory contends that effective leaders also exhibit tendencies for initiating structure. They demonstrate a strong concern for getting the job done and utilize systems and work styles to drive toward a certain degree of organization and structure. The noteworthy aspects for consideration require that effective leaders master the ability to balance genuine concern for employee welfare in conjunction with the productivity requirements of the organization. The absence of this balance can significantly minimize leadership effectiveness (Greenberg, 1999).

In addition to the trait and behavioral approach theories of leadership, some leaders are effective through individual personality traits. These people are referred to as charismatic leaders. They typically demonstrate high degrees of self-confidence, vision, extraordinary behavior, act as change agents, and are sensitive to environments in place in various organizations. The effectiveness of leadership does not reside exclusively in the behavior and traits of individual leaders but also includes the ability of leaders to bring about transformation and change. These leaders are able to transform dreams into reality in the minds of people who follow them.

A third theory focuses on a series of contingencies suggesting that leadership tendencies are influenced by two factors. These two include the characteristics of the leader and the situation at hand. A theory known as the path goal theory contends that subordinates will more eagerly follow the leader who will support them in the quest to reach personal goals faster.

Situational leadership simple contends that effective leaders are adaptable enough to tailor an appropriate style to best apply to the situation at hand. These leaders exercise delegation, participative leadership, and degrees of selling and telling (Greenberg, 1999).

Organizational Structure

A system of order and governance is necessary in both society and in organizations. Accordingly, models designed to promote order must be adopted and implemented. A great deal of diversity exists in the basic design of organizational models. However, it should be noted that organizations tend to incorporate components of various models into existing doctrine and cultures. The types of organizational models range from traditional structures to matrix structures. Traditional structures are organized around departmental lines. This style of design creates simplistic order for managers. Additionally, it provides for clear and unified reporting responsibility for employees. The traditional design is comfortable, and easy to understand. However, it creates an impediment to the sharing of resources, synergies, and productivity within the organization (Greenberg, 1999).

In contrast, a more contemporary organizational design is referred to as a matrix model of organizational structure. The matrix design reflects a more complex structure requiring multiple reporting accountabilities and broader business level interaction. Mature matrix environments leverage team organization structures and focus on end products. In comparison to the more traditional structure, the matrix structure facilitates increased resource sharing, synergistic advantages, and increased productivity through communication and streamlined processes. These structures are highly flexible with the ability to adapt to changes in their environment.

Managers must develop the ability to navigate within the framework of this structure, as well as other non-traditional structures in order to manage effectively (Greenberg, 1999).

Modern day study of organizational development can be largely traced back to the early works of key theorists such as Henry Fayol, Frederick Taylor, and Max Weber, etc. (Morgan, 1997). Together, these and others have set the foundation for modern day organizational management. The fundamental questions focus on how organizations are formed, governed, interact, learn, grow, and change. The ability to effectively assess organizational dynamics in light of these factors is a key competency to be mastered for effective management in organizations.

The classical theory of organizational management is centered on several key principles. These principles include such concepts as unity of command, chain of command, span of control, staff and line, initiative, division of work, authority and responsibility, centralization, discipline, subordination of individual interest in lieu of general interests, equity, stability of people, and esprit de corps (Morgan, 1997). Many of these concepts are integrated into the new organizational structures in place today.

Historically, classical theorists analyzed work processes and organizational behavior in terms of repetitive tasks analogous to machines. Frederick Taylor can be credited with giving life to the concept of scientific management. This concept is characterized by a philosophy that people and organizations function like machines. According to Morgan (1997), this theory contends that “thinking” is done by managers and designers and “doing” is carried out by employees. It failed to factor in the humanistic aspects associated with managing people (Morgan, 1997).

Classical management followed a holistic approach focusing more on the design of the total organization whereas scientific management focused more heavily on the design and management of individual jobs. By design, organizational models include elements of repetition and hierarchy, also known as “bureaucracy”. Max Weber coined this widely known term. Weber is perhaps one of the first to provide a comprehensive definition of bureaucracy as a form of government (Morgan, 1989).

Politics

Organizations are systems of governments. They are important aspects of organizational existence. Additionally, they are systems of political activity and are therefore inevitable components of organizational dynamics. Politics has been associated with the breeding of conflict in organizations. The impact of politics in organizations can be tremendous. Politics largely governs decision-making, resource allocation, boundaries, policies, etc. Typically, this dynamic is viewed as a negative disruptive force that fosters dysfunction when interjected into the business arena (Warshaw, 1998). However, theorists contend that the impact and influence of politics drives the health and competitive spirit in organizations (Morgan, 1989). Accordingly, managers must understand and embrace the role of politics and learn how to effectively leverage this dynamic to meet organizational goals and objectives.

Mergers and related activity are largely characterized from the outset as political acts. These acts generate heightened levels of activity internal to the organization, which in turn breeds conflict. Management of politics occurs in various forms. One example is “political rule”. Political rule is formed by individuals and small groups around control of resources, decision-making, tradition, and ownership. A benefit of this style is that overall; it tends to be more stable and clearly defined, which is a favorable characteristic. However, the dictatorial nature of political rule renders it less desirable over all. Another form of political management exercised in organizations is the “bureaucratic style”. This style is characterized by its profile of management through formality. It too tends to be more stable and clearly defined in its design. Government organizations often utilize management styles predicated on this philosophy (Morgan, 1989).

Codetermination is the third form of political management. This style is based on collaboration of opposing parties working together toward mutual interests. Codetermination is beneficial due to its ability to drive toward consensus as a result of participation in the decision-making process (Morgan, 1989).

The final two methods of political management are “direct democracy” and “representative democracy”. Significant differences exist between these two models. Managers will inevitably encounter situations where both methods can be applied. Direct democracy includes all parties in the decision-making process with equal rights to rule. It is more participative in nature and drives positive team dynamics. Conversely, the representative design incorporates elected officials acting on behalf of the people. Managers may likewise encounter situations of elected representation through team models or organization structure. Current philosophy contends that effective managers must not only think “outside the box” but instead must think about ways to play in the other half of the box as well. The new economy needs pioneers for a new frontier marching to a different drummer (Morgan, 1989).

Conflict

Another leadership characteristic is the development of the ability to effectively manage conflict. Conflict is a necessary and inevitable component in organizations and especially in the advent of change. This dynamic develops due to differences in interests and actions. Conflict is often encouraged in organizations to drive competition. Effective leaders must develop and apply solid conflict resolution skills. These include avoidance of conflict, compromise, deal making, and competition, which breeds a win-lose rivalry, submission, and compliance. Compromise is also known as accommodation to collaboration, which is focused on problem solving and "win-win" outcomes (Morgan, 1997).

Conflict is an inevitable phenomenon in merger related activity. The number of unknowns generates significant levels of stress and tension among employees. Tolerance for difference and change is often low and tempers tend to flare. Differences in organizational culture begin to emerge resulting in culture clashes and tension filled environments.

In general terms conflict is often viewed as a negative unhealthy aspect of behavior. However, it is important to understand that conflict can be both good and bad. Research indicates that a certain degree of conflict can prove to be healthy in relationships between people and organizations. Healthy conflict provides such benefits as improved quality of decision-making, surfacing problematic areas, driving appreciation among employees, and encouraging new ideas. However, conflict must be correctly managed and channeled in order to provide benefits. Conflict can be generated through grudges, destructive criticism, distrust, and scarce resources. The primary conflict resolution techniques include mediation and arbitration. Theses refer to third party intervention to facilitate win-win resolutions to conflict (Greenberg, 1999).

In organizations, the ability to achieve peace and cooperation is coined through a concept known as "organizational citizenship". This term simply refers the extent to which people go above and beyond the call of duty in an organization. This characteristic is identifiable through an analysis of the following traits: altruism, conscientiousness, civic virtue, sportsmanship, and courtesy (Greenberg, 1999). The presence and absence of these attributes can greatly influence behavior in organizations. The ability to peacefully co-exist, especially following merger related activity, also results from organizational citizenship.

Decision-Making

The final concept for analysis of organizational behavior involves an assessment of organizational decision-making. Organizational decision-making typically follows eight steps, which include problem identification, clarification and definition of objectives, generation of alternatives, selection of alternatives, decision-making, implementation, and follow-up. Decision-making in organizations can be categorized as being either routine or programmed and non-programmed requiring innovative solutions (Greenberg, 1999). Decision-making models take the form of rational economic and administrative models. Rational economic models require thorough assessment of data and facts to achieve an ideal solution. Conversely, the administrative model is less stringent and recognizes imperfections of decision-makers.

Analysis of decision-making must inevitably include an assessment of the dynamics of group level decision-making. In the modern era of management and leadership, employees assigned into groups have increasing levels of involvement in the decision-making process. The quality of group decision-making is realized only when the mix of participants is extremely diverse. However, research reveals that brainstorming activity in groups may result in lower levels of quality decision-making than other forms (Greenberg, 1999). The reason is that decision-making in groups can also be subject to group think, which works to the detriment of the decision-making process. Additionally, it is reported that decision-making which involves creative tasks is less effective when conducted by groups versus individuals.

Organizations as Open Systems

External environmental factors influence organizational dynamics. Organizations must develop an awareness and understanding of these external forces that have the potential to impact the livelihood of organizations. Organizational theorists contend that organizations can be described as living organisms that react and adapt to their environments. They must develop systems, structures, and processes to effectively deal with the external environment (Morgan, 1997). Likewise, managers must develop this sense of awareness among their work teams to drive performance and productivity. Various theories have been developed to help guide effective management. General consensus holds that an appropriate balance must be struck between organizations and their environments. This theoretical approach is referred to as the contingency theory (Borgatti, 2001). Conversely, the competing theory of autopsies contends that organizations are indeed not "open" but instead are "closed" (Morgan, 1997). As such, this theoretical approach contends that organizations are self-regulating and self-generating (Whitaker, 1995). Nonetheless, new age managers must recognize this dynamic relationship and anticipate internal actions to proactively posture the organization for success.

Bolman and Deal (1997) describe leading principles present in certain cultures to enable organizational success. The first of the principles focuses developing an understanding around how certain group members rise to positions of leadership. Bolman and Deal (1997) contend that certain rituals exist which manifest themselves in the culture and help to drive the selection process. The second principle contends that diversity among organizational cultures provides a competitive advantage. Next, the team discusses the criticality of cultures where leading by example provides greater impact versus leading through command. The fourth principle focuses on cultures that develop a distinct specialized language for communication purposes. This unique language pattern fosters cohesion and commitment and enables ease of communication among members. Bolman and Deal (1997) further contend that successful cultures maintain history through stories to keep traditions alive. Storytelling is believed to sustain the culture and guide everyday behavior. Although successful cultures are characterized by strong work ethic, these authors also contend that organizations should strike a healthy balance between work and play through the interjection of humor. This commitment reduces tension and enables the flow of creativity. Thus, spirit is believed to be at the essence of high performance. Next, Bolman and Deal (1997) acknowledge the presence of formal members within the culture; however, they also contend that informal players perform an equally important role in successful organizational culture. The final characteristic focuses on the presence of soul as an enabler to organizational success. Bolman and Deal (1997) contend that managers can serve a deeper purpose,

> when they recognize that team building at its heart is a spiritual understanding. It is both a search for the spirit within and the creation of a community of believers united by shared faith and shared culture. Peak performance emerges as a team discovers its soul (Bolman & Deal, 1997, p.262).

Organizational Learning

Another lens through which organizational behavior may be viewed centers on an analysis of their ability to think and learn. In this instance, the brain can be used as a metaphor to analyze learning ability. Brains function through interrelated activities, which result in coherent patterns. Similarly, the question is whether organizations have the ability to integrate multiple sets of data simultaneously and arrive at coherent conclusions. According to (Argyris, 1992), organizations learn through the actions of the individuals working within them. Senge, 1990 defines learning organizations as those cultures that embody a philosophy to anticipate, react and respond to change, ambiguity, and complexity. This is especially relevant given the changing nature of today's environments. Furthermore, Senge (1990) contends that the speed with which an organization can learn and adapt to its environment may be one of the most critical competitive advantages in the marketplace.

Modern day organizational theorists contend that successful organizations can be characterized by the maturity of their learning ability. This type of learning has been described in terms of adaptive versus generative learning. Adaptive learning is also known as single-loop learning. Single-loop learning allows for the identification of a problem, but does not encompass the higher level activity, which involves questioning why an event, activity or result was achieved. Single-loop learning ability enables the identification of changing conditions, but does not demonstrate the next higher order to question and challenge in search of new behavior. Adaptive learning does not seek to challenge the status quo. This learning style is more goal oriented with rigid order and sequencing (Malhotra, 1996). Examples of adaptive learning can be seen with inspectors and auditors in manufacturing environments.

Generative learning is referred to as double-loop learning. Double-loop learning is characterized by higher order ability that does not accept the status quo. This level of learning challenges and seeks answers to understand. Risk taking is an inherent factor in this learning method (Malhotra, 1996). Generative learning organizations are essentially intelligent entities that function like human brains. They scan their environments and are poised to react and adjust their behavior in response to changing conditions. They exhibit holographic tendencies. Control and power is distributed throughout the organization versus centralized in a single place. Processes within the organization occur in parallel sequencing. Organizational knowledge is dispersed across the organization and resident in many different places. When brought together, these pockets of intelligence form the whole. The intelligent organization has vision, values, and ranges of behavioral limits as its foundation (Morgan, 1997). Intelligent organizations can be created through a transition from a traditional mechanistic bureaucratic structure to a more open, flexible system with sensing ability to monitor the environment and adjust the norms of behavior. They develop the capacity to identify changes in environmental behavior and implement corrective actions. Organizational transformations should include the evolution of double-loop learning. They then become self-learning with the ability to regenerate themselves and realize improvement through the self-learning process. Merger success is increased by an organization's ability to sense and adapt to the environments and to learn over time (Miles, 1997).

Transformation and Change Management

Change within organizations can be both planned and unplanned. Planned changes include such things as changes in products or services, changes in administrative systems, and changes in size and structure. Unplanned change is characterized by changes in employee demographics, performance gaps, government regulation, and economic competition in the global arena. Change is often resisted in organizations and is therefore plagued by a series of barriers. These include structural stability, work group continuity, threats to existing balance of power, and prior unsuccessful change efforts (Greenberg, 1999).

Some organizations possess a series of strengths; however they must be carefully monitored because these previously regarded strengths can be systematically transformed into weaknesses. Therefore, competitive advantage must be sustained through the adoption of innovation and creativity in an effort to adapt to these changing dynamics. Successful organizations improve on previous successes and drive the development of new ones. Organizations are prone to becoming committed to internal methods, processes, and so forth. Care must be taken to prevent the organization from becoming bogged down. Incremental change has its place. However, discontinuous change, which is analogous to a sudden blast that forces deviation from past practice, is often needed (Nadler et al., 1995). Contemporary managers must create energy among their teams to facilitate their adjustment to changes that take place in practice and in strategy (Morgan, 1997). These managers must develop the characteristics of transformational leaders and firmly understand the competitive advantage, which change brings to the organization. Additionally, it will be incumbent upon them to demonstrate the ability to articulate the new directional vision and rally team commitment to realize the goals through teamwork (Miles, 1997). Ongoing behavioral change and calibration of transformation are necessary to achieve desired results. These characteristics facilitate organizational learning, thus allowing for future adaptability (Labianca, Gray, & Brass, 2000).

Change Management

The most effective approach to management of this phenomenon called culture is through "change". The ability to foster and manage organizational change has been identified by leading theorists as perhaps the most challenging effort associated with leadership. Mergers and acquisitions represent the ultimate change effort in organizations. Most underlying impacts on organizational change reside in the culture and social structure of the organization (Miles, 1997).

Large-scale organizational change efforts are generally unsuccessful (Miles, 1997). This limited success is typically attributed to a lack of understanding coupled with ineffective change management practices around the impact of the people systems and culture in organizations. The primary objective for leaders is to gain greater insight around the prevailing culture and sub-cultures operating within organizations. Once identified, strategies must be developed to gain support to effect and sustain the desired change (Miles, 1997).

Change such as merger activity is typically driven by external or environmental factors outside of the organization (Miles, 1997). Generally, it is the result of a desire to advance to a different level. Companies today must be nimble enough to respond to the dynamic changes taking place within industries, technology, government regulations, etc. (Morgan, 1997). Successful organizations must identify ways to ensure continuity in practices while simultaneously managing the business. Organizations that are unable to adapt to external environments stand to lose competitive posture (Hagberg & Heifetz, 2000).

Moore (2000) contends that culture cannot be ignored. That it must be driven by timely, unambiguous intervention from the top down. Consequently, effective transformation and management strategies must be designed and deployed to manage this dynamic which yields significant impact on organizational success. As organizations are joined together, a certain degree of change is inevitable (Dawe, 2000; Trice & Beyer, 1993). Unfortunately, current models of organizational change do not appreciably recognize change as a continual dynamic (McKinley & Scherer, 2000; Senge et al. 1999).

Communication, vision, and commitment are key elements of any successful change effort. Communication efforts must be strategically planned, executed, and conducted on a frequent basis (Cartwright & Cooper, 1996). This carefully planned approach allows the people systems to understand the vision, direction, and timing of the change effort (Bate, Kahn, & Pye, 2000). If not addressed, informal systems comprised of rumor, gossip, and misinformation will overcome the organization and typically be inconsistent with organizational objectives (Clampitt, J., & Cashman, 2000). Communication across all levels in the organization is critical toward maintaining and preserving coherence in the organization (McKinley & Scherer, 2000). According to McManus (2003), existing beliefs and behaviors will remain in place in absence of any compelling reasons to change.

Change impacts both the organization and the individual. Change is driven largely by modified behavior and communication patterns. Management at all levels bear significant responsibility for driving change. They must use the new language and talk up the new vision and values. The managerial role is critical toward orchestrating emotion and conveying expectations for new behavior to the workforce (Beer, 2001). Organizational change should include diversity of people, thought, and organizational level. It should be preceded with an urgency and clear purpose (Liedtko, 2000). Change must be internalized by the individuals being impacted. This internalization activity enables the learning process. Therefore, managers are critical at this stage of the process (Boons, Baas, Bouma, & DeGroene, 2000).

Pottruck and Pearce (2000) state that the pace of business can be measured in months versus prior measurements based on decades. Experts contend that cultural transformation takes approximately 5-7 years (Aldrich, 1999). Therefore, companies should not expect to realize benefits prior to this period of time. Traditional change methodologies require 3-7 years for implementation (Deal & Kennedy, 2000; Kotter, 1998; Moore, 2000).

Organizational change can be radically driven by other forces in addition to merger related activity. Some of these include change in top management, change in market conditions impacting competitive landscape, and decline in performance (Newman & Nollen, 1998). Organizations must demonstrate the ability to adapt to changing conditions both internally and externally to maintain a competitive posture (Ashkenas & Francis, 2000). Evans and Wurster (2000) contend that organizations must take a leadership role in managing these change opportunities to maintain competitive advantage. These authors contend that organizational culture should be a deliberate act to ensure success. Complex systems, such as organizational change must be actively managed to ensure movement in the appropriate direction (Pettigrew, Massini, & Numagami, 2000). According to Deal and Kennedy (1982), several key actions should be taken to drive successful change in organizations. First, the writers recommend positioning a hero in charge of the process. Second, external threats should be recognized along with development of mitigation plans. Third, make transition rituals the pivotal elements of change. Fourth, provide transition training in new values and behavior patterns. Fifth, build tangible symbols of the new directions.

Change Management Theories & Models

Several theories of organizational change management have been developed. However, this study will focus on a select few with direct applicability to this study. Kotter (1998) outlines an eight-step process for creating change in the book *Leading Change.* The processes include establishing a sense of urgency also known as a “burning platform”, creating a strong parallel organization to direct the change, creating a new vision and strategy, communicating, empowering, generating success, producing more change, and anchoring the new approaches in the culture.

As previously stated, predominate researcher opinions found throughout the literature contend that culture is dynamic versus static and discrete (Aldrich, 1999; Sathe & Davidson, 2000; Weick, 2001). These positions reinforce that it must be ever changing, flexible, fluid, and adaptive with a core set of values to ensure success. Once changed, culture should maintain a dynamic balance (Ghoshal & Bartlett, 1996; Miles, 1997). Static organizations and associated cultures limit organizational capacity for growth, learning, and competitive capability. Organizations must be cognizant of certain dynamics at work during integration efforts. Regardless of the change initiative, the current culture will prevail when there are discrepancies between the current culture and new change initiatives (Aldrich, 1999; Weick, 2001).

Deal and Kennedy (1982) developed several ingredients for effective change management. First, the writers contend that a strong favorable, heroic type personality be positioned to lead the charge for the change initiative. This supports the need to have clear, decisive leadership and direction present for the workforce. Next, Deal and Kennedy write that a burning platform issue should be adopted. This enables the rallying technique so that the organization can join together and focus collective energies on the intruding external threat. Third, rituals directly associated with the transition should be made visible on a repeated basis. Fourth, organizations should not assume that every employee will automatically adopt the newly expected behaviors and practices. Some level of training should be provided to effectively transfer new expectations around values and behaviors. Next, symbols in support of the new direction should be introduced to the organization. Finally, the authors contend that a sense of security should be instilled in employees throughout the process.

Strategic Management

Organizational success depends on effective strategic management. Strategic leadership establishes the over-arching mission, values, and direction for organizations. This type of leadership provides a contextual background to facilitate the drive toward desired goals. Structure, leadership, and people management are the cornerstones for effective organizations.

Most organizations develop mission and value statements to define their existence. These types of statements are designed to showcase competencies, behaviors, and standards of performance expected and rewarded across organizations. Fundamentally, leaders need to establish parameters around which the organization’s business will be conducted. Strategy development provides the necessary prescription and roadmap for conducting business, assessing competitive climate, and identifying customer needs. According to Thompson & Strickland, (2001), the most trustworthy sign of good management is effective execution of a good strategy.

One of the premier roles of contemporary human resources functions is to become actively engaged in the organization and perform as a business partner and consultant on business related issues. A key level of involvement can be seen in the development and on-going adjustment to over-arching philosophies that set the tone and direction of the organization. This process is referred to as strategic management.

The strategic management process serves five primary tasks. First, it helps to develop the vision and mission for the organization to determine such things as the direction, competitor base, technological needs, and desired industry positioning. Second, strategic management facilitates the objective setting process. Objectives provide for the development of actual performance targets, which lead to vision and mission statements. Third, strategic planning enables the actual crafting of a strategy to include focus around how business will be generated and grown, customer satisfaction, competition factors, and market condition adaptability. The fourth task focuses on the actual implementation and execution of the strategy by the organization. The final task provides for the ability to evaluate the performance, monitor the new developments and develop corrective actions as needed. Strategy should link financial goals, human resource requirements, and customer requirements. It can be both visible and partially hidden from external view of the organization. Strategic management it is very deliberate and can be both proactive and reactive. Organizations take care not to reveal certain aspects of their strategies in an effort to protect their competitive posture in the marketplace. Strategic components typically include efforts around revenue base diversification, efforts to strengthen resource bases, guidelines around the management of production, sales, research and development, finance, and so forth. Additionally, it encompasses action to propel performance against competitors, strategies to react to external changes, merger and acquisition strategies, and growth opportunities. Strategy is shaped through factors such as economic, societal, political, and competitive conditions. Other factors include assessments of company resources, internal strengths and weaknesses, competitive capabilities, philosophies of executives, shared values, and corporate culture (Thompson & Strickland, 2001).

The human resources function performs as a catalyst to facilitate strategy development in addition to ensuring effective deployment across the organization. Strategic visions, missions, objectives, and strategies are typically linked through a pyramid style structure. The highest order focuses on top level responsibilities of the most senior corporate level managers. Level two links corporate level strategy down to general managers at the business level. Level three bridges functional leaders into the process with the final level flowing down to the plant manager level.

Several leading indicators have been identified as benchmarks for successful strategic development focusing on competitive assessment. These key success factors include technology related activity such as product innovation and research, manufacturing, distribution, marketing, internal skills, organizational capability in addition to various other success factors to include such things as credibility, image with buyers, low cost structures, and employee courtesy with customers (Thompson & Strickland, 2001).

The extent to which structure and behavior of organizations has influenced overall performance has resulted in validation of this phenomenon as a unique field of science. Successful organizations will seize opportunities to propel themselves to higher levels of performance through effective management of these variables. Key factors identified included leadership, learning, culture, conflict, organizational structure, transformation, and change. Growth and development within organizations is regulated by their ability to interact with their external environments. The ideal state characterizes a more open structure and is recommended for enhanced effectiveness. This level of interaction provides a stimulus for organizational learning and development. The resulting take-away is to achieve an appropriate balance between people motivation, effective leadership, and the adoption of a structure to support the culture and drive increased organizational productivity, performance, and success.

Today's human resource organizations are proactive and strategic. As such, they will add significant value and impact for companies through the development, clarification, and communication of organizational culture, vision, and values. This is especially critical in the area of mergers and acquisitions as previously stated. Unsuccessful merger activity is fast becoming the norm. One of the primary drivers results from underestimating the impact of culture on merger success. The overall impact of human resource strategic involvement yields several key benefits for organizations to include increased success in the area of mergers and acquisitions. The human resources function should be at the forefront of merger discussions and negotiations to ensure effective management and integration of cultural dynamics. Additional benefits include definition, communication, facilitation, and development of the organizations core competencies, best practices, knowledge management, culture, and organizational performance. Organizations that support and embrace these changes are demonstrating a higher level of maturity, learning, and ability to manage change. In the process, they are carving out a competitive advantage. Transformational organizations are able to make significant contributions to bottom line cost savings and increasing shareholder value. Strategic involvement of the human resources function as a business partner provides valuable insight into future growth potential due to its ability to manage change and conflict, forecast, interpret organizational culture, and increase overall organizational capability.

Organizations that actively support and leverage strategic human resource partners are creating a distinct competitive advantage within their marketplace. This level of involvement is especially critical in the area of mergers and acquisitions where input around the workforce, the culture, and associated transformation initiatives are critical to success.

Barriers to Successful Integration

Human capital within a company is perhaps the single most critical factor in any organization. Corporate leaders consistently underestimate the impact of merger and acquisition activity on the human resources component within organizations. Thus, this lack of awareness serves as a primary barrier in the process of joining two organizations. Studies clearly support that effective management of people resources is a key contributor to higher levels of success (Reh, 2001). Organizations should devote comparable attention to employees as is devoted to the finance community to ensure merger success. Another critical element often overlooked is the failure to recognize the long-term detrimental impact of mergers on the level of moral and cultural identity of an organization (Reh, 2001).

A second barrier focuses on the lack of direction. Leadership, vision, goals, objectives, and risk management are examples of key vulnerabilities (Triantis, 1999). Other critical elements are also often overlooked in the quest to merge or acquire. Organizations need vision, direction, and goals. As human beings, people have a need to understand the direction of the organization, the supporting plans, prioritization schemes for activity, and estimated timelines for milestone achievement. Leaders should be identified and placed quickly in the new organization. These leaders should be aligned with the new strategy and direction and likewise model the new behaviors to drive the cultural expectations down through the organization. Organizations that miss this key step in the transformation process fail to develop a strong foundation on which to create a new organization. Employees receive mixed signals. Typically, employees opt not to make any change at all when inconsistency in direction and expectation are perceived. The unfortunate result is a lack of focus on critical goals and performance targets, ineffective cost management, and decreased morale (Miller, 2000).

The third key barrier focuses on communication. This refers to a failure to develop and deploy effective communication strategies to disseminate merger-related information and provide updates on merger activity. Communication is a key ingredient for merger success (Habeck et al., 2000). Poor communication can certainly impede integration. The lack of dedicated resource allocation is often identified as an impediment. Reports indicate that it occurs too late in the process and fails to garner sufficient leadership attention. Early, frequent, and honest communications are the foundation of effective strategies (Gillam, 1998; Habeck et al., 2000; Thompson, 1998).

Timing is also critical as it should be effective prior to, during, and following integration. Rumor, speculation, and discontent result from employees who feel senior leadership does not value honest forthright communication. Employees involved in merger activity often learn of information specific to the organization from external sources prior to receiving internal communication from within the organization. These events bring about a sense of frustration, anxiety, a feeling of disrespect and drive negative energy. The result is a lack of trust by employees (Change Management Group, 2000; Thompson, 1998; Triantis, 1999).

Another barrier is the absence of an effective change management strategy. Given the fact that culture drives the organization and people drive culture, combined with the significant impact that merger related activity yields on the organization, success is dependent on an effective strategy to manage the cultural transformation process (Miles, 1997; Greenberg, 1999).

Recommendations for Effective Integration

Numerous papers and studies on the topic of cultural integration following mergers report that the probability of executing successful mergers has proven to be quite low. Accordingly, several recommendations have been identified throughout the field to help facilitate successful integrations.

First, organizations should conduct a cultural self-assessment. This process includes assessing patterns of behavior within the organization to include communication patterns, degree of risk taking, management style, control, reward and recognition. Next, organizations should facilitate a cross cultural dialogue. This process takes the form of a feedback session conducted with employees participating in the self-assessment (Nadler, 1995; Right Management, 1992).

Next, experts recommend that employees be sensitized to potential merger activity by senior leadership early in the negotiation process. This foundation building process allows employees to adapt psychologically. Heightened exposure can be provided through multiple forms of communications tools to include such things as readiness and discussions (Change Management Group, 2000; Sathe, 1985).

The third recommendation focuses on the integration of effective communication plans in the merger process. Clear, honest, and consistent messages disseminated from senior leadership are a pivotal element for success. Failure to execute communication plans effectively across the organization will undermine merger efforts, negatively impact employee morale, increase turnover, and ultimately drive behaviors inconsistent with consolidation objectives (Cartwright & Cooper, 1996; Greenberg, 1999; Reh, 2001). Employees should be kept informed regarding goals and objectives as well as good news and bad news (Veninga, 1990).

Basic leadership tends to be the primary ingredient to facilitate cultural integration by two or more organizations. Leaders should "walk the talk" (Reh, 2001). Leadership image before, during, and immediately following merger activity is also key to success. Studies indicate that employee support can be gained through leaders with strong identity (Hupfeld, 1997). Employees have a need to understand how and why changes are being introduced. These needs can be addressed by leaders exhibiting certain key attributes. These attributes include openness and transparency, authenticity, values driven, agility, quickness, energy, and cross-cultural appreciation. Additional characteristics include the ability to be personable, articulate, maintain external focus on competition, and courage to overcome barriers. Strong vision, trust, integrity, and honesty are requisite throughout this process (Schein, 1992).

In addition to leadership strength, it is equally important to establish organizational brand strength. Brand strength refers to creating and maintaining a reputation as an industry leader. This phenomenon draws people to the new organization and instills a sense of pride and commitment. Aside from the critical leadership aspects, merger integration requires ongoing focus and diligence in monitoring and execution. Typically, this drive is executed by the human resources organization due to the key potential implications (Miles, 1997).

Management of post-merger integration is perhaps more important than pre-merger activities. Effective management of cultural integration will be a determining factor in the overall success of the merger. Industry best practice feedback from organizations previously involved in merger activity strongly supports development of post-merger integration teams (Change Management Group, 2000). These teams are formed to ensure that initiatives and merger objectives are fully deployed once the fan fare has subsided. Experts recommend that employees from both organizations be brought together as quickly as possible to design organizations and processes. Benefits of each organization brought to the newly formed relationship should be highlighted early in this process. This strategy allows for more accelerated integration. This approach also enables employees to understand the programs & practices, which will be adopted from each entity and facilitates accelerated integration (Deal & Kennedy, 2000).

The next challenge is in the assessment process of determining which talent to retain in the new organization. Key opportunities present themselves especially in the area of staffing. Leaders are expected to demonstrate support and confidence in the new partnership through balanced and unbiased staffing decisions. These actions then flow more positively down through the organization. Assessment and selection systems should be designed to ensure that talent from both sides of the new organization are evaluated and considered equally (Change Management Group, 2000). Decisions should be communicated as quickly as possible to allow employees sufficient time to appropriately adjust and adapt. Selections should be made based on systems of merit versus politics. Understanding that fewer resources will remain and workload volume will rise necessitates retention of people with significant capacity and bandwidth as players in the new organization (Reh, 2001).

Contingency planning is the foundation of merger strategy. As such, it serves as another key recommendation. Contingency planning is critical for organizations to anticipate possible actions and develop mitigating strategies in a defensive posture. This planning process should include each of the key functional concerns with input relative to merger activity. Planning teams, at a minimum, should consist of human resources, legal and finance representatives focused on merger planning (Cartwright & Cooper, 1996).

Training is at the core of successful merger activity. Schein (1999) recommends that training strategies focus on preparation for senior leaders as it relates not only to process, pace, and dynamics but most importantly, focus on an appreciation and respect for the impact to the people element throughout the process.

Finally, the implementation of reliable measurement systems and disciplined practices can add tremendous value toward monitoring employee satisfaction, moral, productivity, financial performance, and so forth. This data can then be used to proactively identify problematic areas and develop remedial strategies (Nahavandi & Malekzadeh, 1988; Zwell, 2000).

When executed properly, the end result of merger planning and execution will be the formation of a new organization with new practices, policies, leaders, goals, and direction. Only those employees capable of adapting to this accelerated change should be identified for retention and transition into the new entity. The new organization must garner the positive support of the people resources for ultimate success (Cartwright & Cooper, 1996).

Cartwright and Cooper (1996) further assert the development of a successful integration program strategy is key to merger success. The strategy is implemented in three primary stages.

The first stage involves clear, crisp communication, which declares and outlines the intention of the organization regarding the merger. Employee participation is solicited in this stage. Stage two suggests conducting an objective assessment to determine compatibility of the two cultures prior to the union. This stage also focuses specifically on identification and acknowledgement of employee concerns and expectations. Maintaining the momentum for change comes as another point of significance in this model for success. Stage three involves monitoring the success of the integration after the excitement has subsided.

The literature review clearly indicates the need for strategic integration planning to mitigate the challenges brought about through cultural integration following merger-related activity. This activity has proven to levy tremendous impact on employee satisfaction, commitment, and performance. Thus, failure to effectively manage these dynamics will most likely result in less than favorable post-merger results (Cartwright & Cooper, 1996; Nahavandi & Malekzadeh, 1988; Oesterle, 1997).

Case Study-Company Profiles

The merger researched in this study was projected to result in one of the nation’s largest industrial manufacturers. The acquiring entity was a $15 billion advanced technology and manufacturing company, serving customers worldwide with aerospace and automotive products, specialty chemicals, performance fibers, plastics, and advanced materials. This company will be referred to as Company "A." Company "A" was one of the stocks that made up the Dow Jones Industrial Average and was a component of the Standard & Poor’s 500 Index. Company "A" operated in 5 international locations with an overall workforce of 71,000 employees.

The acquired company, referred to as Company "H" was the world's leading provider of control technologies for buildings, homes, industry, space, and aviation. Company "H" operated in 95 countries and generated $8.4 billion in sales with a workforce of 57,000 employees. The merger of these two companies would create a $25 billion company with more than 120,000 employees in 100 countries. Although significantly different in terms of sales volume, the two were categorized as "equals" by market analysts for merger purposes. The merger would ideally position the two entities for enhanced revenue and income growth.

Analysts reported that the merger would combine two global players to create a Fortune 50 company that would bring together deep management talent and diverse, successful, and complimentary businesses (Pizzlmenti-Schroder, 1999). With a combined market capitalization in excess of $45 billion, the new company was forecasted to have the financial strength, technology leadership, customer focus, and six sigma process discipline to accelerate future growth across its business.

Assessments by corporate executives in both organizations held that the merger would be a natural fit for the companies whose businesses and culture were highly complimentary. Both were viewed as successful, growth-driven, technology companies with intense focus on performance, customer delight, and creating a world-class workplace.

The culture in Company "A" can be described as "contemporary". This organization embodied most of the latest management trends and business strategies that emerged in the marketplace during the 1990's. The primary objective was increased shareholder value. To that end, top and bottom line growth coupled with cost reduction were key focus areas.

This organization garnered the reputation of being leading edge functioning with top talent and focused on “making the numbers”. Individual and organizational accountability was high. Performance was measured using a clearly defined system of metrics. Risk taking was expected and rewarded. Decision-making was fast and not always executed with completed data. The sense of urgency was great. Communication patterns were brief and direct with significant dependency on e-mail, voicemail, pagers, and cell phone technologies. Success profiles valued youth, mental agility, and assertiveness. Higher level education was valued and required for career progression. Community involvement was minimal as was the commitment to workforce diversity.

Although highly matrixed, the organizational structure was very centralized with significant corporate direction and decision-making pushed down to the business unit level. Strong team based leadership systems were adopted. Functional excellence was the foundation of the model. Functional leaders provided significant input into business strategy across the organization, while driving talent management, assessment, and development. Efforts were also undertaken to lean out the organization by reducing layers and increasing spans of control. The purpose of this exercise was to eliminate duplication of effort by creating centers of excellence and to leverage best practices. The ultimate objective was reduced cost and increased organizational capability. Core values and success attributes included business acumen, teamwork, performance, technical ability, leadership, people development, vision and purpose, and integrity.

The culture in Company "H" contrasted significantly from the pre-merger culture present in Company "A." Although the basic underlying objective included a profit motive, the relentless focus on shareholder value was not ever present. This organization's reputation was reported to be stodgier and less contemporary. Individual and organizational accountability was much less stringent. The organization did not set nor did it manage to aggressive metrics. Risk taking orientation was very low thus; decision-making was executed at a slower pace in a very methodical and systematic manner. Sense of urgency was low. Communication mediums were most concerned with building and maintaining relationships. Accordingly, they were lengthy and more carefully crafted. Instantaneous communication was not ingrained as a requirement in the culture. Thus, the use of voicemail, e-mail, pagers, and cell phones was not favorably supported, even among senior level executives. Success profiles favored time in position, earning respect, and credibility through longevity in positions versus cultivation of broad experience bases. Assertiveness was not viewed favorably. Technical competency was more highly valued than was advanced level education as a requirement for career progression. Company "H" prided itself on strong community support. Charitable giving of both financial resources and time were key priorities in this organization. The commitment to workforce diversity was integrated at a deeper level in this organization.

Traditional organizational structures were the norm in the acquired company. Goal setting and decision-making were highly decentralized with minimal input or corporate level support. Customer focus was the highest of priorities. Although shareholder value was an ultimate objective, leadership philosophy and organizational culture balanced the achievement of business metrics with nurturing a communal environment and maintenance of a good corporate citizenship reputation. Core values and success attributes for this organization included customer focus, diversity, teamwork, integrity, technical excellence, and commitment. A summary of the organizational characteristics is provided in Table 4.

Table 4 Summary of Organizational Characteristics

Characteristic	Company "A"	Company "H"
Leadership	Direct, aggressive, short-term, bottom-line focused, results oriented	Congenial style, long-term focused strong customer orientation
Organizational Structure	Consistent, dual matrix and dual accountabilities, centralized goals & objectives and direction well understood down through organization	Inconsistent structure. Blend of matrix and traditional structures. Decentralized goals and objectives not well understood down through organization. Conservative, long-term focused, risk averse, bureaucratic, and less flexible
Decision-making	Quick, short-tem focused, risk-taking, progressive, fewer layers, and greater flexibility	Frequent, balanced between customer, employee, and shareholder interests
Communication	Frequent, business performance focused. Informational. Limited focus on boosting employee moral and relations	
People Management	Priority around business performance. Limited programs deployed to build relationships between company and employee. Less focus on reward and recognition. Reward systems individually based. Less focus on employee oriented activities. Low morale. “Forced” culture	Employee friendly. People viewed with critical value. Focus on reward and recognition. Team based versus individual rewards. Employee activities supported. “Esprit de corps” encouraged. Higher morale and company pride, culture shaped by employees

CHAPTER 3. METHODOLOGY

Research Design

This chapter presents a discussion of the research design and methodology used in this study, defines the population and the resulting study sample, describes the instruments to be used, the procedures for data collection, procedures for data analysis, and explains the human rights protection for participants. A summary of the research design is also included.

The unit of analysis for this study was the merger between two aerospace companies. The purpose of this study was to analyze the organizational characteristics present in the two companies, both pre-merger and post-merger as it relates to the elements of leadership, communication, organizational structure, decision-making, and people management. In addition, the study will describe the resulting impact of the merger on the new company culture as perceived by employees in relation to the previously referenced elements of leadership, communication, organizational structure, decision-making, and people management.

The research questions answered in this study are restated as follows:

1. How did employees perceive the characteristics of communication, leadership, organizational structure, decision-making, and people management in the pre-merger culture in Company "A"?

2. How did employees perceive the characteristics of communication, leadership, organizational structure, decision-making, and people management in the pre-merger culture in Company "H"?

3. How did employees perceive the characteristics of communication, leadership, organizational structure, decision-making, and people management in the post-merger company?

Research Design

This is a qualitative research design utilizing a descriptive case study approach to assess the impact of a recent merger between two companies on the resulting culture. The goal of descriptive research is to accurately portray the characteristics of a situation, along with attitudes and behaviors of groups or individuals. Descriptive research focuses on dynamics in which social phenomena are either defined or described. Based on the nature of this study, a qualitative approach is well suited for this type of research (Greenberg, 1999; Siehl & Martin, 1988).

Ethnography is the primary methodology selected for data gathering. Ethnography focuses on the interrelation of society and culture. This type of methodology is an approach most suitable for sociological related events and seeks to understand phenomena in specific contextual settings. The focus of this study effort is on the identification of cultural dynamics, social interactions, and the resulting impact on people in the workplace. Accordingly, an ethnographical approach is well suited for this study (Creswell, 2003). This study also includes the use of a survey instrument to increase the validity of the study results.

Qualitative Research

The debate continues around the value of qualitative versus quantitative research. The basis for qualitative research seeks to understand events, interactions, and phenomena in the context of specific settings. In a broad sense, qualitative research means "any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification" (Strauss & Corbin, 1990, p. 17). Primary purposes of this type of research are to identify, understand, and extrapolate dynamics to other situations. As a result, qualitative research results in a different type of knowledge than rendered by quantitative research. Quantitative research is largely statistically based and therefore has limited capability to allow for social interactions and the resulting effects (Cooper & Schindler, 2001). In contrast, qualitative research does accept the often complex dynamics of social interactions (Cronbach, 1975). Qualitative research is the best research method for discovering underlying motivations, feelings, values, attitudes, and perceptions. This type of methodology is appropriate in those instances where the researcher feels that quantitative research can not fully describe the situation. The ability of a methodology to adequately manage highly subjective and emotional data is a critical element to consider from the perspectives of both the researcher and the reader (Lee, 1999; Lincoln & Guba, 1985). According to Pacanowsky and Trujillo (1983), the study of organizations is complex and therefore the simple cause and effect of quantitative methodology does not provide the ability to accurately study organizational behavior.

Qualitative research is increasing in popularity, especially in the area of people interaction. This type of research is defined as "any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification" (Strauss and Corbin, 1990, p.17. Cronbach (1975) contends that statistical research is not appropriate for socialization activities among people because it may not capture all of the critical dynamics and nuances to be considered. Qualitative methods have enjoyed an advantage over quantitative methods by capturing the intensity and of human emotions and behaviors (Cartwright and Cooper, 1995).

In a more basic form, quantitative research typically utilizes a probability sampling as the dominant sampling strategy. Conversely, qualitative designs utilize more purposeful sampling preferring rich information and feedback (Patton, 1990). This type of sampling is a more flexible design for data gathering. Credibility depends most on the richness of data than on the sample size and the analytical skills of the researcher to identify patterns and draw conclusions. The two most prevalent forms of data gathering in qualitative research are interviews and observations, although other data gathering instruments are also utilized. Qualitative interviews can be either a primary strategy for research or in concert with conversation, structured interviews and standardized open-ended interviews (Creswell, 2003).

Primary features of qualitative research have been identified by several writers in the field (Bogdan and Biklen, 1982; Creswell, 2003; Eisner, 1991; Lincoln & Guba, 1985; Patton, 1990). First, qualitative research uses a more natural setting as the source of data. The objective is for the researcher to observe activity and dynamics in natural settings (Patton, 1990). Next, the researcher actually performs as the "instrument" for data gathering. This human linkage is therefore consistent with the social aspects of qualitative research. Third, qualitative research is very expressive and descriptive, often assuming a story-telling tone (Creswell, 2003; Eisner, 1991). In addition, this method of research is highly interpretive. The meaning of events experienced by participants is subject to interpretation by the researcher. The next feature focuses on the use of inductive analysis. This refers to the emergence of themes from data. Researchers focus on the emerging themes versus predetermined themes. This is important due to the effort by the researcher to observe and interpret themes in context. Select criteria are used to judge qualitative research. Special emphasis is given to the criteria of trustworthiness.

According to Patton (1990), stringent requirements for sample size in qualitative research do not exist. This is offset by the multiple forms of data gathering used in this methodology. "There is no test of significance to determine of results actually count or not. Instead, credibility and usefulness of data are judged by the reader and the researcher" (Eisner, 1991, p. 39).

As discussed, the researcher plays an integral role in qualitative research methodology. However, prior to undertaking this task, researchers should ensure the following have been addressed. First, the researcher must adopt the philosophical stance put forth by naturalistic research. Next, the researcher must develop the necessary level of skill to effectively perform as a human data collection instrument. Finally, the researcher must develop an acceptable design scheme consistent with accepted strategies for naturalistic study (Lincoln and Guba, 1985). Given the focus on the researcher, a concept referred to as "theoretical sensitivity" is critical for a certain level of competency and skill to be present to carry out this method of research.

> Theoretical sensitivity refers to a personal quality of the researcher. It indicates an awareness of the subtleties of meaning of data. It refers to the attribute of having insight, the ability to give meaning to data, the capacity to understand, and the capability to separate the pertinent form from that which isn't (Strauss and Corbin, 1990, p.42).

This unique skill set can be developed through a variety of means to include professional experiences, personal experiences, and professional literature. It is important because the credibility of the research rests with the researcher's sensitivity to the data and their ability to make appropriate decisions about it (Eisner, 1991; Patton, 1990).

Why are humans the instrument of choice in qualitative research? According to Lincoln and Guba (1985), humans are able to respond to cues, interact, collect information at multiple levels simultaneously; process data quickly, exercise more holistic perception, and react with flexibility by verifying data instantaneously and redirecting unexpected responses from participants. Accordingly, the qualitative approach places a premium on the strength of the researcher versus a focus on standardization.

Lincoln and Guba (1985) provide a detailed design model for qualitative study as shown in Table 5.

Table 5 Design Model for Qualitative Study

Ensure "Focused Inquiry"	Establish boundaries of the study
Assess "Appropriateness" of The Research Paradigm	Determine the "Fit" of Qualitative Design to the study
Identify Data Sources	Determine where and from whom data will be collected
Outline Successive Phases of Inquiry	Steps one, two, three, etc.
Identify "Other Data Instruments"	Other options beyond the human instrument
Determine Data Analysis Procedure	Methods, Models, Schemes, etc.
Plan Data Collection Activity	Scheduling, logistics, budgeting, etc.
Plan Technique for "Trustworthiness"	Credibility of research driven by this value

This model highlights eight key areas common to the qualitative process. Boundaries are set, appropriateness to the research is evaluated, data sources and other sources are identified, and data collection activity is planned. A model of this type helps to provide structure and consistency in the qualitative research process.

Qualitative research is characterized by several strengths such as subtlety, depth of understanding, flexibility, and cost efficiency. Likewise, it is plagued by weaknesses, which include criticism for providing imprecise data, maintaining a suggestive nature.

Ethnography Defined

Ethnography is one of the oldest forms of qualitative research in social based research. It is defined as a form of social research. Primary characteristics include the exploration of a social phenomenon, unstructured data, small number of cases, analysis that involves an interpretation of meanings of human action (Atkinson & Hammersley, 1995). Culture itself can be defined as a set of guidelines adopted by a group of people which shapes individual perception of the world, provides direction on how to experience it emotionally, and how to behave in relation to other people (Helman, 1994). In essence, ethnography is "the work of describing a culture, and to understand another way of life from the other person's point of view" (Spradley, 1980 p.1). Ethnography attempts to explain the overt and tactic elements and also the "unspoken" elements operating within a culture (Altheheide & Johnson, 1998 p.297).

The ethnographic approach is a method used to study people and behavior. Ethnography favors a more descriptive, explanatory style that supports a free flow of information and exchange of ideas. This methodology is similar to "story telling”. Ethnography is intended to result in a level of "understanding". The ultimate objective is a combination of theory, activity, and empirical experience to construct a coherent story cultivating a richer and deeper appreciation of the participants (Denscombe, 1995). As a result, ethnography does not support the applicability of quantitative research methodology. Key criteria characteristic of ethnographic research are (a) a focus on a culture (b) use of multiple forms of data gathering (c) active engagement by the researcher (d) researcher involved as an instrument (e) consideration of multiple perspectives (f) cycle of theory building and (g) intention and outcome (Denscombe, 1995).

The ethnographic approach attempts to analyze a culture utilizing a variety of questions that probe into what people are doing and the way things are done within a specific cultural setting. Data are gathered from a variety of sources to include written documents and notes from observations, conversations, and interviews (Gold, 1997). Another key characteristic of ethnographic research is the engagement of the researcher in the work and with the participants along with a commitment of some body of time. Using this approach, the researcher actively contributes to the research itself. Ethnographers are the primary data source for the projects on which they are working (Hodgson, 2000). Denscombe (1995) denotes that detailed subject matter is often very subjective. Utilizing this methodology, the researcher performs as the highest authority in filtering data gathered to produce a final account. However, this perceived "power" should be tempered to ensure credibility.

As a methodology, ethnography has gained high degree of acceptance; however it is not without some degree of criticism and challenge. In response, a refined approach is underway throughout the field of research. The modification will focus on a concept referred to as "reflexivity". Reflexivity simply denotes an increased level of involvement in the actual research by the researcher (Atkinson & Hammersley, 1995). This increased involvement places a higher degree of value on input by the researcher, which also increases the opportunity for bias and subjectivity. Nonetheless, that concern is alleviated by the increased richness of the resulting data. Participant observation is a key component to this methodology. Researchers become immersed into the culture to be studied. Behaviors, rituals, artifacts, etc. are then analyzed, thereby enabling the interpretation of experiences by people who are a part of the culture (Hammersley, 1992).

> The raison d'être of ethnography, and the final element of participant observation. The threads of meaning gained from participant observation and interviews coalesce into an understanding of cultural activity, and the "process" entails: notes; focused observation; selected observation and/or interview; analysis (domain analysis and semantic analysis); cultural themes (Spradley, 1980 p.17).

Population and Sampling

The merger analyzed in this study brought two competitive organizations together which were comparable in many aspects to include the same industry, similar product focus, equivalent number of employees, customer base, and size, etc. Both organizations operated on a domestic and international basis. Company "A" operated in the domestic United States and in five international locations with an overall workforce of 71,000 employees.

Company "H", the acquired company, was the world's leading provider of control technologies for buildings, homes, industry, space, and aviation. Company "H" operated in a total of 95 countries and generated $8.4 billion in sales with a workforce of 57,000 employees. The merger of these two companies would create a $25 billion company with more than 120,000 employees in 100 countries.

Sampling Strategy

This study utilized "purposeful sampling". Qualitative research incorporates purposeful sampling versus traditional probabilistic sampling which is characteristic of quantitative research. Creswell (2003 p.185) and others state that purposeful sampling is the best approach for the type of inquiry related to this study because it is designed to intentionally identify people who can help the researcher understand the problem and the research question.

This technique selects a sample from which the maximum amount of information can be learned. The objective of the purposeful method is to enable a more in depth study of information rich cases (Patton, 1990). “Probabilistic sampling is not necessary or even justifiable in qualitative research” (Merriam, 1998, p. 61). According to Patton (1990), no strict criteria exist for sample size. Qualitative research is less dependent on sample size and more dependent on the richness of data discovered and the analytical skill of the researcher. Yin (1994) contends that sample selection should be dictated by the ability to replicate logic versus statistics. In other words, each case should be considered individual experiments. Sample sizes in multiple site studies create data manageability issues for the researcher. Consequently, cases in excess of ten are not recommended. This rationale is magnified with the use of only one researcher. Ideal sample sizes range from four to ten sites or organizations (Eisenhardt, 1989).

Twelve participants were included as a part of this study. Interview participants were comprised of employees with work experience in both Company "A" and Company"H." The researcher also participated as an interview subject in the process. The decision to interview twelve employees plus the researcher was predicated on Yin (1994), which asserts that sample size in qualitative analysis should be based on the ability to replicate logic from one subject to another versus focus on statistical sampling. Patton (1990) also contends that "the depth and detail of qualitative methods typically derive from a small number of case studies" (p.19). Case study methodology should not be assessed in terms of statistical generalizations since they are not taken from statistical samples (Yin, 1994). Nonetheless, efforts should be made to generalize findings to theory.

Accordingly, the determination was made to use a purposeful sampling of twelve employees across three work sites plus the input by the researcher to satisfy research study requirements. Subjects and sites should be similar enough to affirm or refute data among respondents (Yin, 1994). Creswell (2003) specially states that participants for the proposed study should be identified in advance of the study. The individuals pre-selected for participation in this study represented several different functional areas and would have the breadth of experiences and appropriate location in the organization to have been able to observe, experience, and perceive the dynamics around them. The assumption is that each participant has specific knowledge around the cultures operating in both organizations, before and after the merger.

Although Patton categorized 16 different types of purposeful sampling, the maximum variation method is preferred due to its ability to yield detailed descriptions of each interview participant while also highlighting shared patterns across the different cases. Three types of sampling error can arise from qualitative research to include insufficient breadth in sampling, distortions resulting from changes over time, and other distortions caused by lack of depth in data collection by each participant or site (Patton, 1990).

Instrumentation

Although one primary data collection technique may be used, several options are available for use in qualitative research. For this study, the instruments to be used for data gathering include individual face-to-face structured interviews, direct observations, and document review (Creswell, 2003; Lincoln & Guba, 1985; Hoepfl, 1997; Patton, 1990; Sproull, 2002). A survey instrument will also be administered as a part of this study.

Interviews

Interviews may be either structured or unstructured typically utilizing interview guides to ensure standardization around the interview process. Questions asked are primarily open-ended in format allowing flexibility for participants to share information based on individual perspectives. Data are captured through a variety of means ranging from hand-written notes to the use of tape recorders (Patton, 1990). While Patton is an avid supporter of the use of audio recording devices, Lincoln and Guba (1985) contend that recordings are intrusive and suffer from potential technical failure.

Interviews were conducted with 12 individuals employed with the subject companies at the time of the study in addition responses provided by the researcher. These twelve employees were purposefully identified and represented a balance between management and non-management personnel and years of service in either organization. Participants were pre-selected. Pre-selections were based on the researcher's judgment that potential interview candidates represented a variety of functional areas within the organization and possessed an expansive breadth of experiences and interactions to observe, experience, and perceive the dynamics around them. The roles performed by the participants have afforded direct involvement and interaction in the cultural transition. Pre-selected participants had increased opportunity for interaction with employees in both companies. In addition, each participant was well educated, articulate, analytical, and demonstrates a level of organizational savvy and intuitiveness.

Formal letters were distributed to selected employees inviting participation in the interview process (Appendix A). Additional invitations were prepared to extend to substitute participants at the point that initial invitations are declined. Semi-structured interview questions were used to ensure consistency in data gathering (Appendix B and C). Interview questions were distributed to the respondents in advance of the actual interviews. This method provided respondents with an opportunity to formulate individual thoughts prior to sharing actual responses. Open ended questions were used to facilitate the interview process. In keeping with ethnographic research, the researcher also responded to interview questions and contributed other data as gathered from various interactions within the organization. Interviews were planned to last approximately 60-90 minutes each.

Based on prior professional skill and training, each face to face interview was planned to be conducted by the researcher. This level of involvement creates the potential for bias in the process, which will be addressed through the participant review process. Varying opinions exist in the literature regarding the manner in which data are captured during the interview process. Recommendations range from the use of audio recordings to exclusive reliance on handwritten notes. Patton (1990) states that audio recorders are “indispensable” (p.348). While in agreement with Patton to a lesser degree, Lincoln and Guba (1985) convey concern around the fact that audio equipment has been faulted as being too intrusive with additional concerns around the potential for equipment malfunction. The case study companies in this project both maintain a policy, which prohibits audio taping activity. Interviews will be conducted with employees on company premises. Given the concerns of noted authoritarians as previously referenced coupled with company policy restrictions, audio recording was not be included in the interview process. The primary method of recording participant responses was planned to be via hand-written notes taken by the researcher. All responses were transferred to a computer database software program for ease of retrieval, review, and analysis.

Interview Question Analysis

The interview questions used were designed to support the objectives of this study and elicit the types of data required for meaningful analysis. Topical areas tie directly back to the research questions. A detailed analysis is provided to describe how the questions link back to the research questions through a logical sequence from the beginning of the merger, to the middle, and finally, to the end of the event.

Questions 1 & 2 were intended to establish the context in which people are invited to participate and have the ability to contribute to the study. The purpose of this question was to describe aspects such as role description and scope of responsibility, degree of interface with peer like employees in the other organization. Rationale is also provided to support why these individuals would be good candidates and have directly applicable insights to share in an effort to validate credibility around the responses to be provided. Question 3 solicited input to describe the organizational culture in Company "A." This question was designed to solicit input around the elements of leadership, communication, organizational structure, decision-making, and people management using the participant's own words. Question 4 solicited input to describe the organizational culture in Company "H." This question was designed to solicit input around the elements of leadership, communication, organizational structure, decision-making, and people management using the participant's own words. These two questions set the stage for a "before and after" comparison. Questions 5 and 6 were targeted to gauge the general level of employee commitment through respondent descriptors of employee commitment before and after the merger. Questions 7 and 8 sought to solicit feedback around climate, leadership, organizational structure, decision-making, and people management to assess the impact" on the new organization. Questions 9 and 10 solicited input around the effectiveness of interventions and strategies executed to facilitate the integration and bridge differences that may have existed between the two merging companies in the areas of leadership, communication, organizational structure, decision-making, and people management. Question 11 sought to solicit input relative to the effect of the organization's culture on the performance of the business. This question linked back to the aspect of "merger impact". Primary focus was concerned with whether the integration of the two cultures is perceived to have either hurt or helped the company's performance given that the primary rationale for the merger was to improve performance. Question 12 was designed to elicit recommendations to increase future effectiveness.

Proposed Interview Participant Overview

Twelve employees were invited to participate in individual face to face interviews. Respondents were invited to participate based on individual ability to assimilate and articulate personal experiences and perceptions from a mid-level perspective in the organization regarding the impact of the merger on the culture. In keeping with Creswell (2003), employees have been intentionally pre-identified based on their ability to help the researcher understand he problem and respond to the research questions.

An overview of the researcher's professional background is also provided in this section given the extensive level of direct involvement in the process based on the qualitative nature of the study. This information will demonstrate the researcher's education, training, and experience and serve as the justification to qualify the researcher in interview methodology, interpretation, and assessment to satisfy issues of credibility in the data gathering process.

Direct Observation

Direct observation was also a key aspect of the data gathering process. Relevant activities, comments, events, and behaviors were manually recorded to include as a part of the data analysis process (Appendix D). Other observable activities included physical building structures and layout, parking lot protocols, cafeteria settings, press releases, company signs, and logos, etc. (Cartwright & Cooper, 1996).

Due to the subjectivity of this process, researcher bias had the potential to generate concern. Efforts were taken to reduce the potential for bias by incorporating member checking as a part of the process. Individuals participating in the observation process were provided with an opportunity to review the researcher’s interpretation of data to increase validity.

Document Review

In keeping with qualitative research, the methodology used in this study included a review of documents. The document review process can take many forms. For the purposes of this study, it included the review of both internal and external documents. Included were such things as press releases describing the events and analysis of merger activity in addition to public relations related material. Internal memorandums regarding messages within and between departments in addition to a review of company policies will also be evaluated. Other sources of documents for review include process change documents, action plans, human resource management strategies and training materials. Data review included documents spanning the two-year period following the merger. Document review results were captured using a standardized form to facilitate data analysis (Appendix E).

Due to the subjective interpretation of documents, researcher bias creates a potential concern. Efforts were taken to reduce the potential for bias by incorporating third party review by knowledgeable yet objective resources within the organization as a part of the process.

Survey Instrument

A survey was included in the study as a means of complementing other data sources used in the qualitative process (Appendix F and G). Surveys help to confirm and quantify findings through the triangulation process. The use of surveys in qualitative research provides significant advantages such as a means of transitioning from observation to theory. Newsted, Chin, Ngwenyama, and Lee (1996) developed a model to describe the stages in the process. The model begins with the transfer of observable data into single questions. These questions are then aggregated into scales. Numerical formulas are applied which then lead to conceptual representations of that which has been measured.

The survey instrument in this study utilized a five point Likert Scale intended to measure the extent to which interview participants agree with statements regarding the pre-merger organizational culture in both organizations and the perceived impact of the merger on the culture in the new organization. Constructs to be studied included leadership and communication style, organizational structure, decision-making, people management, and organizational climate. The survey was administered concurrently with the interview process. Survey results were captured and analyzed using the software package titled Statistical Package for the Social Sciences (SPSS) and Microsoft Excel.

Role of the Researcher

The researcher performed a dual role in the study as an active participant and as the driver for the project. Creswell 2003 and Merriam (1988) write that a prime characteristic of qualitative research revolves around the level of participation in the study by the researcher. These authors discuss disclosure of the researcher‘s role early in the project to address issues of internal validity. Creswell 2003 and Merriam 1988 contend that it is necessary for the researcher to identify personal values, biases, and assumptions. Furthermore, extensive elaboration is made around the value brought to the study by the researcher providing detailed information about themselves as a means of facilitating an understanding of the contextual background. Creswell

(2003) contends that sensitivity and awareness around various issues is enhanced by the researcher's background. Furthermore, Creswell (2003) recommends disclosure of the researcher's past experience and personal connections to people and sites to help the reader understand the researcher's role. According to Creswell's writing, the researcher's skill is a key ingredient in the qualitative process. Given these noted recommendations, information regarding the researcher's background, level of involvement in the merger, and biases is provided in this section.

The researcher in this study maintained a significant competency level in the area of interviewing skills and assessment. Significant academic learning, professional training, and practical experience around effective interviewing skills and techniques have each been developed. This level training and experience provides justification of the researcher's skill level to apply this methodology.

In keeping with the principles of phenomenological research, the researcher declared an extensive level of direct involvement with the merger process. Every attempt was made to establish boundaries for objectivity to help manage researcher bias. The researcher participated on select merger transition teams and was charged with facilitating the cultural transformation while likewise experiencing it from the perspective of a rank and file employee. This vantage point provided first hand insights into corporate strategies specific to the integration and around the normal course of business on a daily basis. This unique broad based perspective served as a significant benefit to the study from the perspective of providing substantial insights and sensitivity around organizational development strategies and employee impact, both pre and post-merger.

Researcher Bias

The researcher was immersed in the cultures of both the acquiring and the acquired organizations with direct involvement in the execution of the merger effort. Contributions were made through direct observation, personal experiences as an employee, and professional experiences. In addition, benefits contributed by the researcher were derived from first hand feedback provided by employees across both organizations as it relates to personal reactions to the merger effort. This degree of involvement created potential limitations for the study. The issue of researcher bias in the study was addressed through the member checking process to facilitate balanced data gathering and interpretation.

The researcher’s role enabled extensive contact with employees at all levels of the organization in addition to access to feedback from external customers, suppliers, and other business partners of the organization around individual experiences both pre and post-merger. The researcher's opinion holds that multiple exposures provide a more holistic analysis of the integration effort and contribute an added dimension to the study. Having fulfilled multiple roles simultaneously through professional linkages in human resources, the researcher is confident that concern around bias can be bracketed and suspended to maintain an appropriate level of separation and objectivity as needed to avoid concerns of data validity and credibility.

As discussed in previous sections, Lincoln and Guba (1985) identify primary criteria designed to enhance the quality of qualitative studies ranging from adoption and compliance with the naturalist paradigm of qualitative research, appropriate level of researcher skill and the use of accepted naturalistic inquiry strategies. The researcher in this study declared adoption and adherence to these standards in an effort to enhance the quality of the study.

Ethical Issues

Steps were taken to ensure the highest compliance for ethics in data collection, reporting, analysis, and interpretation. Data and analysis was not misrepresented or omitted in an effort to influence the final analysis.

Evaluating Qualitative Research

Both the reader and the researcher share joint responsibility for establishing the value of the qualitative product (Glaser & Strauss, 1967). Coherence, consensus and instrument utility are the three measures in the evaluation of research. Coherence refers to whether the story makes sense. Consensus refers to the extent to which the researcher's interpretations are consistent with the experiences of the readers. Significant emphasis is placed on the researcher's intuitive ability and assessment skills. Finally, instrument utility refers to the degree of "usefulness" of the study. This is the most important test of qualitative research (Eisner, 1991).

Comparison of Validity and Reliability

According to Creswell (2003) the concept of validity does not carry the same meaning in qualitative research as seen in quantitative research. Table 6 provides a comparison for evaluating quantitative versus qualitative research (Lincoln & Guba, 1985).

Table 6 Comparison of Conventional versus Naturalistic Research

Conventional Terms	Naturalistic Terms
Internal Validity	Credibility
External Validity	Transferability
Reliability	Dependability
Objectivity	Conformability

Internal validity in quantitative research is concerned with providing an accurate description of reality. The counterpart to internal validity in qualitative research is credibility, which depends more on the richness of data and the analytical ability of the researchers than on sample size. Lincoln and Guba (1985) recommend the use of concepts such as trustworthiness and authenticity to establish credibility. External validity in quantitative research is more concerned with broad-based generalizations. However, some aspects extracted from multiple case analyses can be generalized to other cases. While in contrast, qualitative research contends that findings can be transferred to other similar situations. Quantitative research is said to be objective based while qualitative research is more subjective (Eisner, 1991; Lincoln & Guba, 1985). Conformability refers to the degree of neutrality in interpretation demonstrated by the researcher. Lincoln and Guba (1985) note that conformability can be demonstrated through a thorough analysis of raw data and notes, in addition to the reconstruction and synthesis of data. Both Creswell (2003) and Yin (1997) identified several elements for case studies to enhance aspects of qualitative research design to strengthen issues of validity and reliability as discussed below.

Validity

Similar to the work performed by Lincoln and Guba (1985), a framework for three types of validity in qualitative research is provided by Johnson (1997). These include: (a) descriptive validity, (b) interpretive validity, and (c) theoretical validity. Furthermore, Johnson (1997) states that these concepts "are important to qualitative research because the description of what is observed and interpretation of participants' thoughts are two primary qualitative research activities" (p.284). Johnson (1996) and Lincoln and Guba (1981) agree that validity in qualitative research refers to the extent to which the study is plausible, credible, trustworthy, and therefore defensible. Validity and reliability are said to exist when "the meaning emerging from the data have been tested for their plausibility, their sturdiness, their confirmability-that is their validity" (Miles & Huberman, 1994 p.11).

Validity, also known as verification in qualitative research, can be found through several channels. Verification is a strength of qualitative research. According to Patton (1990), no strict criteria exist for sample size. Qualitative research is less dependent on sample size and more dependent on the richness of data discovered and the analytical skill of the researcher. First, it can be found through convergence with other sources of data. This approach is achieved through triangulation and comparisons with the literature, extensive quotations from field notes, interviews, and through the use of other types of research data such as letters, memos, archival data, etc. Verification can be developed through the use of independent audits or the use multiple researchers. Finally, verification can be achieved through member checks which refer to validation of interpretation by the respondents (Patton, 1990). This study will utilize triangulation and member checking to build validity into the study. Reliability refers to the extent to which findings can be repeated.

Researcher bias was recognized as a potential issue in this study. The literature contends that researcher bias in the project should be identified early in the research in addition to ensuring the presentation of discrepant information that may be discovered throughout the research (Merriam, 1998). The use of member checking and data triangulation was incorporated into the study as a proactive measure to manage this concern (Denzin & Lincoln, 1994; Yin, 1994).

Construct validity was produced through the collection of data from multiple employees at multiple sites. Internal validity was developed through the use of a pattern matching analysis performed following a cross-case search for patterns. Internal validity was enhanced through pattern matching and explanation building. External validity was enhanced through replication logic used in multiple case studies. Reliability was enhanced through the use of case study protocol (Patton, 1999; Yin, 1997).

This study incorporated each of the standards of validity and reliability as outlined above. Multiple data sources were used to satisfy triangulation requirements. Member checks were used to ensure accurate representation of interview participant responses to interview questions. Multiple sites from across the organization were involved in the study. Finally, independent checks were incorporated into the research process to ensure an appropriate level of objectivity to satisfy validity concerns in this area (Creswell, 2003; Lincoln & Guba, 1985). Reliability was driven through the case study approach as noted by Yin (1997).

This study utilized the protocol outlined in the table below as a framework to demonstrate the method by which validity and reliability will be achieved. The framework as developed by Audet and d'Amboise (2001) in Table 7 provides case study tactics for four design tests and addresses construct validity, internal validity, external validity, and reliability.

Table 7 Framework for Reliability and Validity

Construct Validity	Use multiple sources of evidence Establish chain of evidence Have key informants review draft case study report	Data Collection Data Collection Completion
Internal Validity	Do pattern matching Do explanation building Do logic models	Data Analysis Data Analysis Data Analysis
External Validity	Use rival theories within single cases Use replication logic in multiple case Studies	Research Design Research Design
Reliability	Use case study protocol Develop case study database	Data Collection Data Collection

Ethical Issues in Data Gathering

Data integrity and participant confidentiality were provided for throughout the research to mitigate and manage the issue of research ethics. Participants were not placed at risk in any manner. Coding schemes were used to protect individual identities. Informed consents were secured from participants prior to engagement in the study. Participants had full knowledge of the purpose of the study, expected role to be played, the opportunity to withdraw at any time and the ability to review information written based on individual feedback as provided through the interview process. Sensitive data was treated with caution. All appropriate permissions were received from required authorities to access data. Research sites were left undisturbed following the study.

Data Analysis

Based on the ethnographic approach used, data analysis included detailed description of the interview responses. Analytical process steps for data analysis included review and transcription of interview notes, thematic analysis of data, clustering of similar topics, development of a coding scheme, and the establishment of categories and labels using participant language referred to as “in vivo”. Two key approaches exist for the analysis of data in qualitative analysis. Open coding is one approach whereby the researcher identifies the conceptual categories to be used to group phenomenon. This leads to the development of descriptive, multidimensional categories used for preliminary analysis. The second analytical methodology available for use is axial coding. This entails the analysis of existing categories to identify possible linkages (Strauss & Corbin, 1990). This study followed the axial method utilizing existing categories of leadership, communication, organizational structure, decision-making, and people management to identify common themes and linkages. Data triangulation was used to isolate emerging themes. Patton (1990) identified four types of triangulation to include triangulation around methods, data, triangulation through multiple analyses, and theory triangulation. This study triangulated data based on Patton’s multiple analysis method. Finally, participant input was applied against the analytical framework developed and conclusions were drawn based on the data and recommendations (Creswell, 2003). Data was presented in narrative form accompanied by summary tables, charts, and graphs. The outcome of the study produced valuable learning for future merger execution.

Ethical Issues in Data Analysis

Huberman and Miles (1998) state that “by self-consciously setting out to collect and double-check findings, using multiple sources and modes of evidence, the researcher will build the triangulation process into ongoing data collection” (p.199). Once the data was secured, efforts were made to protect participant anonymity. Participant names were disassociated from the responses during the coding process. Accurate accounts of data gathered were provided. This can be strengthened through the member check process discussed in the previous section regarding validity. Information was not withheld or misrepresented to achieve desired results. Non-biased language was used to present research findings. Study data was maintained in the locked files accessible only by the researcher then later discarded following a period of one year.

CHAPTER 4. DATA COLLECTION AND ANALYSIS

Data Collection

This chapter discusses the response rate, procedures used in data analysis, and statistical results from the survey instrument. Data gathering for this study included four primary approaches as supported through qualitative research standards. The approaches used included face to face interviews, document review, and direct observation in addition to the use of a survey instrument. A discussion of the results is included in the presentation of data.

Response Rate

Data collection took place over a four month period. The target sample size consisted of twelve participants, both male and female. All twelve subjects participated in the interview and survey processes resulting in a response rate of 100% for the study.

Interview Process

Interviews were conducted with twelve participants, which included input provided by the researcher. Participants were purposefully selected based on their ability to make a meaningful contribution to the study. Each candidate was contacted directly to explain the purpose of the study and the design of the interview process. Participation was requested through written communication and was distributed to pre-selected candidates to invite participation in the study (Attachment A). Each interview was conducted using a standard pre-designed and targeted interview guide as seen in Appendix B and Appendix C. This approach built consistency into the data gathering process. Participant responses were captured on individual interview guides. Interviews were conducted face-to-face and over the telephone at the convenience of the interviewee. Company policy prohibited the tape recording of employee conversations and interviews. Consequently, detailed notes were taken to reflect general interview themes and comments along with intermittent direct quotes. Each interview lasted approximately one hour. Brief individual interview summaries were prepared following each interview to support the member checking process for study validity (Attachment H). Interview summaries were forwarded to the participants for review and editing to ensure accurate reflection of their input into the study (Attachment I).

Interview Participant Biographies

This section provides an overview of each respondent participating in the interview process to include the researcher. Twelve employees were invited to participate in individual face to face interviews. An introduction of each participant is provided along with a description of their role in the organization, length of employment with the company, professional background, and level of education. Respondents were invited to participate based on their ability to assimilate and articulate their experiences and perceptions from a mid-level perspective in the organization regarding the impact of the merger on the culture.

An overview of the researcher's professional background is also provided in this section given the extensive level of direct involvement in the process based on the qualitative nature of the study. This information will demonstrate the researcher's education, training, and experience and serve as the justification to qualify the researcher in interview methodology, interpretation, and assessment to satisfy issues of credibility in the data gathering process.

Respondent 1W worked in the human resources function. This individual was a mid-level manager and held a Bachelor's degree in Business Administration. Respondent 1W was employed by the company for 5 years. Although 1W's experience was largely restricted to a single company location, this participant served on numerous cross business project teams and best practice committees. 1W's exposure and breadth of interaction extended from the site level up through the division level to corporate headquarters. In addition to daily interaction with rank and file employees, 1W’s interaction included policy makers from within the organization. This blend afforded an advantageous opportunity for 1W to observe and experience the cultural integration from both a managerial and employee perspective.

Respondent 2F was a senior leader in the organization. This participant held both a Bachelor's and a Master's degree in the discipline of Engineering. 2F was employed by the company for 25 years. As a technology leader in a technology business, 2F experienced exposure across the organization at both the site and division levels. Relevant involvement included support for leadership philosophies, policies, and procedures, etc. 2F's positioning in the organization enabled direct participation in the merger effort. This vantage point enabled significant observation and analysis between employees in both organizations before, during, and after the merger. 2F provided leadership to a large number of technical resources throughout the integration. As a result, this study participant garnered significant feedback from his employee groups regarding their thoughts, fears, opinions, and reactions to the integration effort.

Respondent 3W was an executive in the organization. This study participant held both a Bachelor's and a Master's degree and had been employed with the company for 15 years. 3W was directly involved in the execution of the merger integration. Exposure to the dynamics and members of both organizations was quite extensive given the role held by this participant. The role required interaction with senior leaders from both organizations on a daily basis to achieve transition objectives. Respondent 3W was instrumental not only in administering corporate philosophy, policy, and structure but also in the development of new directions for culture transformation in the new organization.

Respondent 4R was a mid-level manager in the organization. This respondent held a Bachelor's degree and had been employed with the company for 5 years. 4R held a role in the operations function with division level impact. As a result, the scope of interaction was quite broad. The scope was further extended at the onset of the merger whereby integration activity required daily interaction with employees in both organizations. 4R was also responsible for integrating a functional work team comprised of members from both the acquired and the acquiring concerns.

Respondent 5J was an exempt level individual contributor in the finance function. This study participant held a Bachelor's Degree and had been employed with the company for 6 years. 5J worked with financial systems, policies, and practices in the acquiring company. Following the merger, the new organizational structure required 5J to help assimilate other finance counterparts in the acquired company with the existing practices. 5J contributed a slightly different perspective. This participant had first hand experience with the cultural differences between the two organizations. 5J was challenged with the responsibility of understanding the acquired company's culture and identifying ways to help with issues of interpretation. 5J's perspective was that of a rank and file employee charged with the responsibility of making the integration work in her sphere of contribution in the company.

Respondent 6W worked in human resources and also served as the researcher. This participant had been employed by the acquiring company for 8 years and held both a Bachelor’s and a Master’s degree. 6W performed in a key capacity throughout the merger. Working at a business unit level in the pre-merger environment, 6W was tasked with facilitating staffing policy integration between the two cultures. This level of interaction enabled first hand participation in and awareness of process integration efforts from a human resources perspective.

Respondent 7O worked in program management. This study participant held both a Bachelor's and a Master's degree in non-technical discipline. 7O had been employed by the company for 15 years. 7O was another employee with a unique opportunity to work in both the acquiring entity and the acquired company. This participant was a mid-level manager with a small number of professional direct reports. 7O brought the direct experience and perspective of having worked in both organizations at various stages of the career cycle. Although not directly involved in facilitating the merger, 7O's position and experiences afforded an opportunity to observe the dynamics from three vantage points a) having worked in both organizational cultures while being subjected to the dynamics operating therein b) having to support corporate direction as a member of management c) having access to first hand feedback from rank and file employees under his supervision regarding their perceptions and opinions relative to the merger.

Respondent 8F was an exempt level individual contributor in the sales and marketing function. This study participant held a Bachelor’s degree and a Master’s degree and had been employed with the acquired company for 8 years. 8F’s job responsibilities included formulation of marketing communications strategies in the acquired company. This participant was actively involved in the merger integration effort. 8F's primary involvement included integrating product marketing communication strategies between the two companies. 8F’s contribution to this study was significant due to the subject's first hand knowledge and involvement with corporate level leaders regarding the future direction of the newly merged company in the marketplace.

Respondent 9F was a manufacturing coach in the acquired organization. This study participant held a Bachelor’s degree and had been employed with the company for 10 years. 9F’s role during the merger provides key vantage point given the level of interaction with front-line manufacturing employees. As a manufacturing coach, 9F was involved with management communications and also received feedback from the numerous rank and file employees under this individual's supervision. 9F was able to provide specific input around the thoughts, feelings, and reactions experienced by Company "H" employees during the merger period.

Respondent 10S was an individual contributor working in the technology arena. This study participant held a Bachelor’s degree and had been employed with the acquired organization for 10 years. 10S’s contribution to the study was key due to the criticality of the discipline that the subject worked in. Although this subject did not have traditional management responsibilities, 10S’s interaction with peer level employees in the acquiring company provides valuable insight. Throughout the merger, 10S led a team of technology resources toward product integration. This was particularly critical given that these very peer employees were fierce competitor’s regarding technology design work in the pre-merger environments.

Respondent 11K was an individual contributor with the acquired company. This participant held a Bachelor’s degree and a Master’s degree and had been employed with the company for 12 years. 11K worked in the technology area of the organization. This subject's insightful input was provided through the eyes of a rank and file employee experiencing the dynamics of a merger. 11K brought a unique perspective having worked under the leadership of the acquiring company. 11K contributed first hand comparative knowledge of the differences in culture between the two organizations.

Respondent 12C worked in the human resources function. This study participant was a mid-level manager in the company and held both a Bachelor's Degree and a Master's Degree in Business Administration. 12C had been employed with the company for 12 years and worked at several different locations throughout the company. This subject worked in the acquiring company and also at a work location predominated by the organization that was acquired immediately following the integration. This blend of experiences was highly unique as it afforded the subject with the opportunity to experience both organizational cultures first hand, not only from an employee perspective but also from a human resources perspective. 12C's experiences, as they relate to this study, included strategic planning, policy formulation and administration in both companies, employee relations intervention, labor relations, and management coaching. Through the course of performing in this role, 12C was actively involved in facilitating the cultural integration at a site level based on corporate level input and direction. Likewise, 12C was engaged in one-on-one discussions with employees and managers alike during the integration period thereby allowing for exposure to first-hand employee level feedback.

Survey Instrument

A survey instrument as shown in Appendix F and Appendix G was also administered immediately following the interview process. A Likert scale type survey with a range of 1-5 was used in this process. The purpose of the survey was to provide quantitative data in support of the qualitative data gathered through the interview, document review, and direct observation processes. Two surveys were administered to participants based on the pre-merger company they worked for. Survey results are analyzed in the data analysis section of the study.

Direct Observation

Direct observation was conducted on several visible elements between the two merging organizations. Observations were made on such things as building structures, landscaping, parking and cafeteria protocols, signage, dress code, communication patterns, and community presence. Observation of both formal and informal cultural dynamics provides key insight into how an organization truly operates. Both companies were observed against these criteria. A template was designed and used to facilitate data gathering as shown in Appendix D.

Document Review

A variety of documents were reviewed as a part of this stage of the data gathering process. Documents reviewed included press releases, internal memorandums, employee communication mediums, management training materials, and external journal and news articles. Press release documents articulated the justification to pursue the merger between the two organizations. Forecasted synergies were disclosed along with potential post-merger company performance targets. Internal communications focused on providing robust information around merger activity. The business integration strategy and processes were unveiled to employees. These strategies established integration leaders and teams. The teams were tasked with executing the integration on a function by function basis across the organization e.g. engineering, marketing, sales, finance, and human resources, etc. A template was designed and used to facilitate data gathering as shown in Appendix E.

Data Analysis

Data analysis in this study incorporated both descriptive statistics and inferential statistics. Descriptive statistics used included measures of central tendency, frequency, variability, and correlations. Inferential statistics included paired t-test and the ANOVA test. Participant input was applied against the analytical framework developed and conclusions were drawn based on the data and recommendations (Creswell, 2003).

Participant Demographics

Demographic data for the pool of participants in this study were captured and analyzed. Summary analysis is provided for both populations followed by analysis at the individual company level. The demographics analyzed included gender, age, education, and length of company service. Cumulative demographics are shown in Table 8.

Table 8 Combined Personal Demographics-All Subjects

Variable		Frequency	Percentage
Gender	Male	7	58.3%
	Female	5	41.7%
	N=12		
Highest Degree	Bachelors Degree	5	58.3%
	Master's Degree & Above	7	41.7%
	N=12		
Age	30-39 Years Old	3	25.0%
	40-49 Years Old	7	58.3%
	50-59 Years Old	2	16.7%
	N=12		
Length of Service	1-10 Years	7	58.3%
	11-20 Years	4	33.3%
	21-30 Years	1	8.4%
	N=12		

Cumulative data for both organizations indicated a larger participation rate by males than females. Males represented 58.3% of the participant pool with 41.7% female representation. With regard to education, 58% of the total group of respondents held master's degrees or higher. Bachelor's degrees were assigned a value of 1 with master's degrees and above assigned a value of 2. The mean education level between the two groups was the same, calculated at 1.67%.

A broad age range of respondents participated in the study. The largest number of participants fell into the 40-49 years of age category, which represented 58.3%. The 30-39 years of age category represented the second largest group with 25% participation. The age category of 50-59 years represented the smallest group at 16.7%. The average range for all participants in both companies was calculated to be 44.58% with a standard deviation of 4.79504. The mean age for males was calculated at 47.9 years, whereas the mean age for females in the study was calculated at 40 years of age.

Participants with the least amount of service fell into the 1-10 years of service range and represented the largest group at 58.3%. The second largest group fell into the 11-20 years of service range and comprised 33.3. %. Only one participant had been employed with either company for more than 21 years representing 8.4%. The mean length of service for both participants from both companies was 11.25 years with a standard deviation of 5.37883.

Demographic data for Company "A" participants is located in Attachment K. Analysis indicated a larger number of male participants over female participants at 66.7% and 33.3% respectively. Level of education was equally divided among the participants with 50% holding a bachelor's degree and 50% holding a master's degree or higher.

The 40-49 year old age group represented the highest percentage at 50% in Company "A." The second most represented age range was 50-59 years of age followed by 30-39 years of age at 33.3% and 16.7% respectively.

Participants with 10 or less years of service comprised the largest group from the Company "A" pool at 66.7%. The remaining two length of service ranges were represented by one participant each and were calculated at 16.65%.

Demographic data for Company "H" participants is located in Attachment L. Analysis revealed an equal number of male and female participants. Those participants holding bachelor's degrees represented the largest percentage at 66.7% with a remaining 33.3% at the master's level. Participants in the age range of 40-49 maintained the highest level of representation at

66.7% followed by the age range of 30-39 years at 33.3%. Length of service by Company "H" participants was equally split between the ranges of 1-10 years and 11-20 years of service.

In summary, more males participated in the study from Company "A." On average, male participants from both companies were older than female participants by seven years. Company "A" participants held higher academic degrees than Company "H" participants. The age range most represented by both companies was 40-49 years. Company "A" participants were older than their Company "H" counterparts. Finally, Company "A" participants had longer lengths of service with their company than did Company "H" participants. Combined data can also be seen in Appendix J.

Interview Process Analysis

Twelve employees were interviewed using a structured interview process. An equal number of employees were used to ensure appropriate representation and balance in responses. The interview questions were designed to focus participant responses in the areas germane to this study. Responses were grouped based on the most appropriate organizational characteristics that it represented. These characteristics included leadership, communication style, organizational structure, decision-making, and people management. Interview results for both companies are located in Attachments M and N. A summary of the interview themes is displayed in Table 9.

Table 9 Interview Summary Post- Merger Assessments

Characteristic	Company "A"	Company "H"
Leadership	Less influence, presence, strength. Less business focused	Consistent presence, more aggressive. Shift in focus
Communication	Increased employee focus. Increased frequency	Less employee focused. Reduced frequency
Decision-Making	Lacked urgency, competitive edge. Risk averse	Risk oriented. Hasty. Short-term focused
Organizational Structure	Lacked clarity and accountability	More centralized. Reduced business unit flexibility
People Management	Increased employee sensitivity and value	Diminished employee sensitivity and value

Leadership

Company "A" participants described a clear, firm, aggressive and centralized style of CEO leadership that permeated down through the organization. They reported a definite focus on speed, organizational performance and bottom-line orientation. Goals and objectives were reported as more short-term focused verse longer-term focused. Process improvement and cost reduction were key themes. Organizational values focused on speed, agility, performance, and decisiveness. The ability to meet and exceed goals was a required component of the culture. Customer orientation commanded less focus. Participants reported a significant change in what they perceived to be a decline in the quality of leadership in place following the merger. The change in leadership style was viewed as detrimental to both the long-term and short-term success of the merger.

Company "H" participants reported a leadership style different from the Company "A" style in place in their pre-merger environment. CEO leadership style was reported as decentralized and primarily customer focused. A culture concerned with relationship building was in place. Assertiveness versus aggressiveness was the norm. Leadership was decentralized down through the organization. Although in place, goals and objectives were reported as fragmented and less visible. The leadership style was focused more on quality versus speed. Business units throughout the organization were provided greater flexibility and empowerment. Post-merger leadership style was favorably received by Company "H" participants as it was assumed that their pre-merger CEO would continue to drive their organization’s culture down through the newly merged company.

Communication

Communication patterns in Company "A" were reported as focused almost exclusively on shareholder interests. While frequent enough, employee level communications were perceived to focus on business results. Other communication efforts centered around informational updates on new or changing benefits or programs. Participants did not report experiencing employee communication targeted to build employee good will, satisfaction, and commitment. Post-merger communications were reported to have taken on a more balanced style. In addition, the approach included increased focus on employee specific issues, interests, etc., which Company "A" employees found to be a benefit of the merger.

In contrast, Company "H" participants reported more balanced communications in the pre-merger environment. They perceived the communication efforts in their pre-merger culture to be focus appropriately on the interests of employees, customers, and shareholders. Participants also reported more favorable efforts on the part of the company to build a relationship of good will with employees. Company "H" participants reported a less than favorable change in the communication style by the post-merger regime. They perceived that the former balanced pre-merger approach was traded for the less balanced, more shareholder, and bottom-line results approach as used in Company "A." This was viewed as a negative by product of the merger by these employees.

Organizational Structure

Feedback on organizational structures differed between the two groups of respondents. Company "A" participants reported a clear structure defined as a "matrix". In this model, employees most often work with multiple accountabilities. In this instance, the accountabilities were to the operation and to the respective function. This structure forced integration of the business with the functions and promoted functional excellence. Communication was reported as challenging in this model. Although difficult to satisfy multiple masters, the structure was reported to be well understood down through the organization. Very little change in post-merger organizational structure was reported by Company "A" participants who perceived the structure to be a favorable action for the company.

Company "A" and Company "H" participants were neutral in their perception of a positive pre-merger organizational climate. The majority of the Company "H" participants reported a more traditional organizational structure. Although functions existed to support the business, they were not afforded equal prominence. Business units were largely managed in an autonomous fashion with little linkage into the overarching corporate vision and direction. The structure was reported as not having been consistently understood by employees. Though not entirely clarified for a lengthy period of time, the organizational structure in the post-merger environment was perceived to be more cohesive and consistent than the direction and structure in place prior to the merger.

Decision-Making

Decision-making in Company "A" was reported as swift and short-term focused. Collaboration was not an area of focus in that culture. Decisions were made using available data with the mindset to adjust later, if needed. Due to the tremendous amount of centralized management, participants perceived that the more significant decisions were made at the corporate level leaving only day to day decision-making at the local levels. Company "A" participants perceived that perhaps too many of the slower paced and bureaucratic decision-making characteristics from Company "H" began to infiltrate the new culture thus impeding organizational performance.

Company "H" participants provided contrasting input around their perceptions citing a higher value on quality versus speed in the decision-making process. This culture practiced a more inclusion oriented and collaborative style of decision-making, often involving numerous meetings and people. Due to the more decentralized organizational structure in the Company "H" culture, higher level decisions were made more frequently at lower levels in the organization. Decision-making in the post-merger culture was viewed as having taken on the characteristics of Company "A", which was viewed by these participants as a negative result from the merger.

People Management

Company "A" participants reported the overall people management philosophy in place to be somewhat lacking in employee sensitivity. Although competitive pay and benefits were provided, the philosophy around people management did not include a “kinder, gentler” approach. It was reported that policies and practices focused on company benefit with limited consideration for employee benefit. Participants perceived little value by the organization on an individual basis. These same participants reported a favorable change in the post-merger philosophy, which appeared to be patterned more from the Company "H" culture.

Company "H" participants reported a more favorable, employee friendly approach to people management. They perceived policies and practices to be balanced more appropriately between company interests and employee interests. The participants reported apprehension that the new post-merger organization would take on the philosophies of Company "A." Although some minor level of change in that direction was perceived, no significant change was reported.

Interview Analysis Summary

Perceptions differed between the two respondent groups in the area of leadership. Company "A" employee reported a decrease in leadership presence following the merger. In contrast, Company "H" respondents reported an increased and more aggressive presence. Company "A" employees noted a favorable shift in communications to focus more on employee interests, whereas Company "H" respondents reported a decrease in employee focus. Decision-making was reported to lack urgency by Company "A" respondents. In contrast, Company "H" respondents reported an increase in the sense of urgency and risk taking demonstrated in the post-merger culture. Post- merger organizational structure lacked clarity for both groups. A decline in accountability was reported by Company "A" respondents. Company "H" respondents reported frustration with a perceived reduction in business flexibility. Finally, people management practices were perceived to have improved by Company "A" respondents. This contrasts with perceptions held by Company "H" respondents who reported a decrease in employee focus and sensitivity.

Survey Analysis

Survey results were analyzed using descriptive and inferential statistics. Data was grouped into the five organizational characteristics analyzed in the study, which included leadership, communication, decision-making, organizational structure, and people management. Survey questions were designed to solicit data around each focus characteristic to support qualitative interview responses and interpretation. For the purposes of analysis, survey questions were individually grouped together based on the organizational characteristic, which the question was intended to further assess. Respondent results for each characteristic were reported and plotted separately. Results from Company "A" employees were grouped, analyzed, and then depicted separately from Company "H" participant responses. Aggregate results were then analyzed, compared, and contrasted between the two groups. A table reflecting mean and range scores at the company level and by question is shown in Appendix O. Likert-scale responses ranged from strongly disagree, represented by the number 1 to strongly agree, represented by the number 5. Survey analysis results for each question are provided as follows.

Leadership

Leadership was analyzed using questions 1, 2,14,15,29, and 30. In response to Question 1, Company "A" employees reported strong and aggressive presence of senior leadership in the pre-merger company as indicated in the response data with an average rating of 4.7 a standard deviation of .51640. Responses were consistent among respondents with a range variation of 1 indicating very insignificant differences in perception from among the respondents. Company "H" employees disagreed with the presence of a strong and aggressive senior leadership presence in their pre-merger company. The average score for Question 1 was 2.8 with a standard deviation of .98319 indicating borderline disagreement to an almost neutral response to this question. This question resulted in a range score of 2 indicating some variation in the responses from among the respondents. In summary, Company "A" employees perceived a more aggressive presence by their senior leadership in their pre-merger culture versus less leadership presence perceived by Company "H" employees in their pre-merger organization.

Company "A" respondents reported a strong perception that corporate level programs were driven from the top of the organization with a mean score of 4.5 a standard deviation of .54772 on Question 2. Once again, very little variation was reported with a range score of 1. In contrast, Company "H" employees disagreed with the perception that corporate level programs were driven from the top of the organization. Respondents reported an average score of 2.16 with a standard deviation of .98139 for this question. It should be noted that significant variation existed from among the respondents on this question.

In contrast to the pre-merger environment, Company "A" employees in Question 14 reported significant decrease in their perception that a strong and aggressive senior leadership was in place inside the organization following the merger. Response scores averaged 2.8 with a standard deviation of 1.32916. However, it should be noted that a significant variation in responses was present in this question as seen in the range score of 3. Company "H" employees reported a fairly neutral agreement with the statement that senior leadership in the merged company commended a strong presence inside the organization following the merger with a score of 2.8 and a standard deviation of .98319. Some variation in responses was observed with a range score of 2. In summary, Company "A" employees reported a perceived decrease in senior leadership presence following the merger whereas Company "H" employees reported no significant change from the pre-merger culture.

In Question 15, Company "A" employees reported a solidly neutral perception that senior leadership commended a strong presence outside of the organization with an average score of 3.0 and a standard deviation of .89443. This represents a significant decrease in their perception from the pre-merger company. It should be noted that some variation from among respondents was observed with a range score of 2 on this question.

Company "H" employee responses also indicated a neutral perception of strong leadership within the post-merger organization with a score of 2.5 and a standard deviation of 1.04881. It should be noted however that significant variation was present among respondents with a range score of 3 reported on this question. In summary, both groups of respondents indicated a neutral response to the perception that their senior leadership commanded a strong external presence following the merger. Furthermore, this response indicates a reduced presence as perceived by Company "A" employees.

Responses to Question 29 by Company "A" employees indicated disagreement that effective strategies were used to facilitate the merger with a mean score of 2.2 and a standard deviation of .75277 on this question. Some variation was observed in the responses with a range score of 2 reported. Company "H" employees responded in the same manner with a score of 2.2 and a standard deviation of .40825. Less variation was observed from among respondents with a range score of 1. In summary, neither group o f employees perceived that effective integration strategies were deployed.

Company "A" employees reported disagreement with the statement that the post-merger culture positively supported the organization's business performance. The average respondent score for this question was reported at 2.3 a standard deviation of .51640. Very little variation from among respondents was observed with a range score of 1. Company "H" employee responses were very similar with a score of 2.8 and a standard deviation of 1.32916. However, it should be noted that significant variation was observed from among respondents on this question. In summary, neither group of employees perceived the post-merger culture to be supportive of business performance. Figure 1 shows average and range results for questions on leadership.

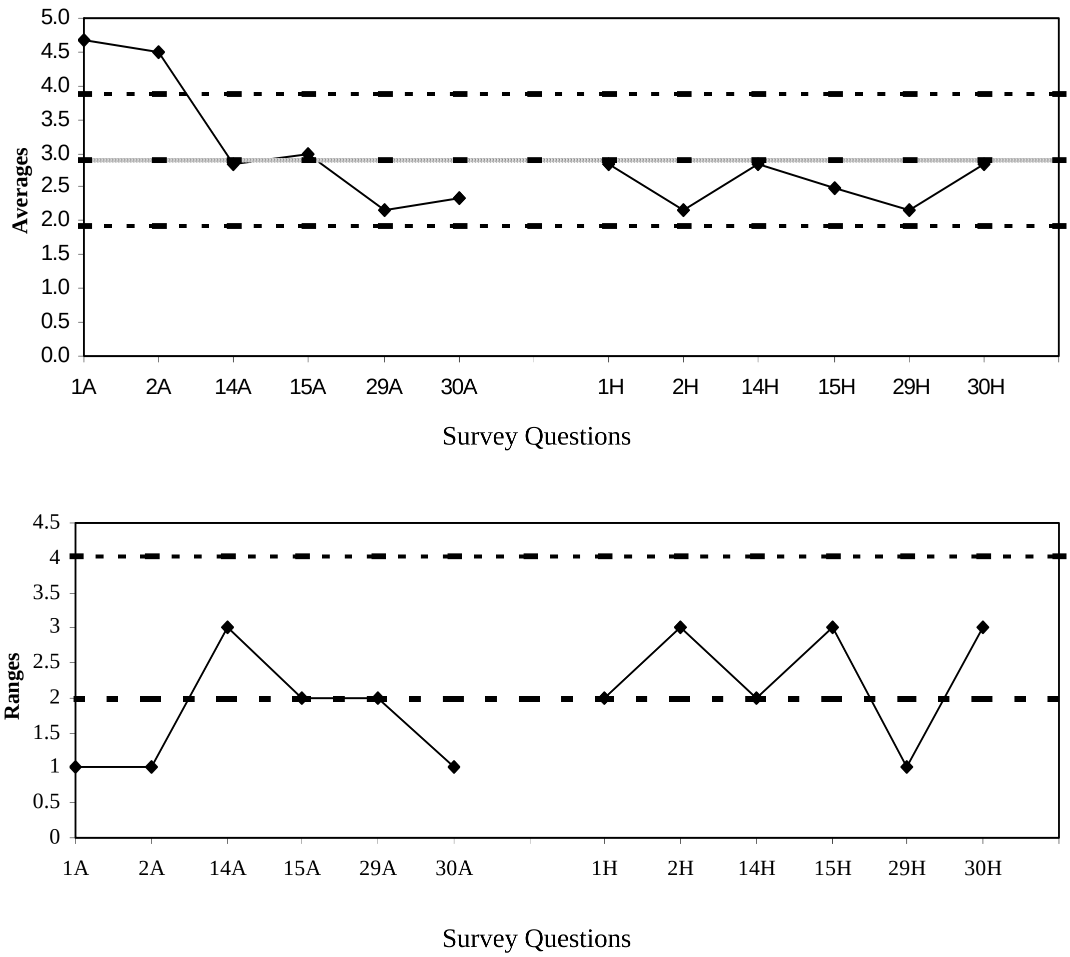


Figure 1 Average and range results for questions on leadership

Communication

Communication was analyzed using questions 3, 4, 5, 6, 16, 17, 18 , and 19. Company "A" employees responded in with a better than neutral average score of 3.5 regarding the extent to which communication efforts were balanced among employee, customer, and shareholder interests on Question 3. The standard deviation was calculated at 1.37840. Considerable variation was observed among participant responses with a range score of 3.

Survey responses from Company "H" employees indicated the perception of a better balance in communication efforts among employee, customer, and shareholder interests with a mean score of 4.2 and a standard deviation of .40825. Minimal variation in responses was observed with a range score of only 1, which indicates consistent agreement in perception among the respondents. In summary, Company "A" participants agreed to a much lesser extent than Company "H" employees that communication efforts in their respective pre-merger organizations were balanced among employee, customer, and shareholder interests.

Survey responses from Company "A" respondents indicated disagreement with the focus of communication efforts on employee interests in the pre-merger culture in Question 4. Survey participants did not feel that communication efforts were focused on employee interests. Survey responses for this question resulted in an average score of 2.3 and a standard deviation of .81650. The range score of 2 indicated some degree of variation in responses among participants.

In comparison, Company "H" employees reported a solidly neutral response to the focus of communication efforts on employee interests with an average score of 3.0 and a standard deviation of .89443. Some variation in responses was observed with a range score of 2. In summary, neither Company "A" nor Company "H" participant groups reported a strong sense of focus on employee interests in the area of communication efforts in their pre-merger organizations.

Company "A" survey responses for Question 5 were neutral resulting in an average score of 3. 2 regarding the extent to which communications were focused on customer interests. The standard deviation was calculated at .40825. Perceptions and responses were consistently reported among the group with a range score of 1 indicating little to no variation among responses regarding the focus of customer communication.

Company "H" participants responded in agreement that communication efforts in their pre-merger culture focused on customer interests with an average score of 4.0 and a standard deviation of 1.09545. It should be noted that perceptions varied on this question among the participant group with a range score of 3 reported. In summary, Company "H" employees reported stronger agreement with the focus of communication efforts on customer interests in their pre-merger culture than did respondents from Company "A."

Company "A" survey participants responded slightly above neutral on Question 6 resulting in an average score of 3.5 regarding the perceived focus of communication on shareholder interests. The standard deviation was calculated at 1.22474. Significant variation among responses was observed with a range score of 3 was reported for this question.

Company "H" participants did not report similar perception of shareholder focused communication in their pre-merger culture reporting an average score of 2.3 and a standard deviation of .51640. Perceptions were consistent among respondents with minimal variation reported with a score of 1.

Company "A" employees were slightly stronger than neutral on the perception of balanced communication efforts in the merged company as it related to employee, customer, and shareholder interests in Question 16. The average score was calculated at 3.3 with a standard deviation of .51640. In general, participant responses were very consistent among the interviews with a range of only 1.

Company "H" respondents reported a decline in their perception of balanced communication efforts in the merged culture with an average score of 2.0 and a standard deviation of .0000. This score represents a significant shift in employee perception around the focus of communications between the pre-merger and the post-merger organizations, which was originally reported with an average score of 4.2 on Question 3. In summary, neither group reported strong agreement that communication efforts were balanced; however, Company "H" employees reported the most significant change in perception of balanced communication efforts following the merger.

Company "A" participants responded with a solid neutral score of 3.0 indicating that communications focused on employee interest in the post-merger culture surveyed in Question 17. The standard deviation was calculated at .89443. Some variation in responses was observed with a range score of 2.

Company "H" participants disagreed that communication efforts in the post-merger organization focused on employee interests with an average score of 2.0 and a standard deviation of .63246. Some variation in responses was observed among respondents with a range score of 2 reported. In summary, Company "A" employee perception did not change significantly from pre-merger to post-merger focus of communication as it related to employees. In contrast, Company

"H" participants reported a decrease in focus on employee communications from the pre-merger company to the resulting decline in focus in the post-merger organization.

Company "A" participants reported a slightly higher than neutral agreement with the focus of communications on customer interests prior to the merger in their organization with an average score of 3.3 on Question 18. The standard deviation was calculated at .51640. Very little variation was observed with range score of 1.

Company "H" participants reported disagreement with customer focused communication in the post-merger organization with an average score of 2.7 and a standard deviation of .81650. Variation in responses was observed with a range score of 2. In summary, Company "A" employees were neutral in their agreement that post-merger communication efforts in their organization focused on customer interests. In contrast, Company "H" employees reported a significant shift away from customer focused communication following the merger in the new culture.

Company "A" participants reported a neutral response around the focus of pre-merger communications on shareholders in Question 19. An average score of 3.0 was reported for this question with a standard deviation of .63246. Some variation in responses was observed among survey participants with a range score of 2 reported.

Company "H" participants firmly agreed that post-merger communications shifted to customer interests following the merger as shown in the average score of 4.3 and a standard deviation of .51640. It should be noted that minimal variation in responses was observed among the survey participants as reflected in the range score of 1 for Question 19. In summary, Company "A" employees reported a perceived decrease in the focus of communication on shareholder interests in the post-merger organization. In contrast, Company "H" employees reported a perceived increase in the organization's focus on shareholder communication following the merger. Figure 2 shows averages and ranges for the questions on communication.

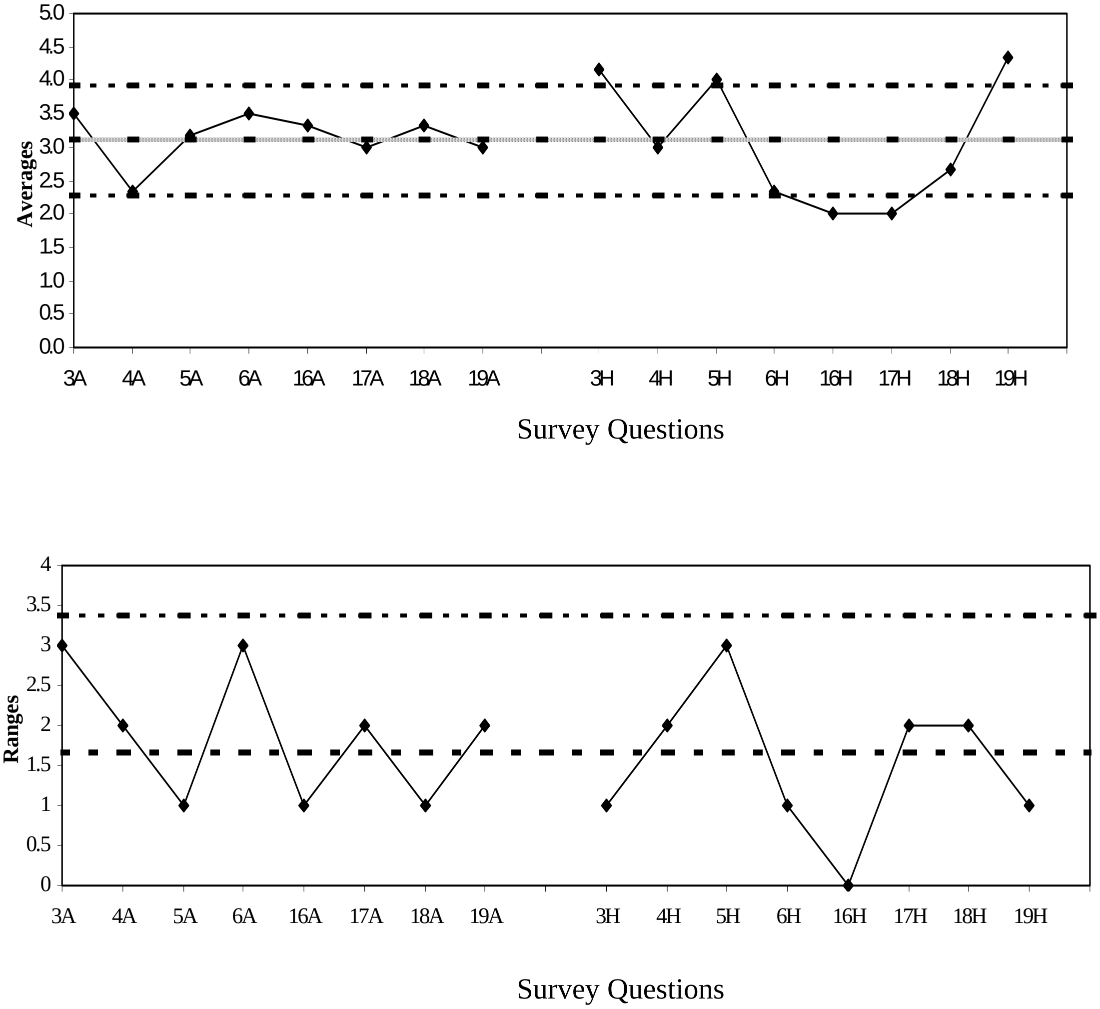


Figure 2 Average and range results for questions on communication

Organizational Structure

Organizational Structure was analyzed using questions 7, 8, 20, and 21. Company "A" employee survey results indicated significant agreement around clarity in lines of accountability in Question 7. Company "A" respondents reported fairly strong agreement with a cultural understanding around the structure of the organization resulting in an average score of 4 and a standard deviation of 1.09545 on this question. It should be noted however that a range of response score of 3 was observed from among respondents indicating a degree of inconsistency in rating from the overall responses.

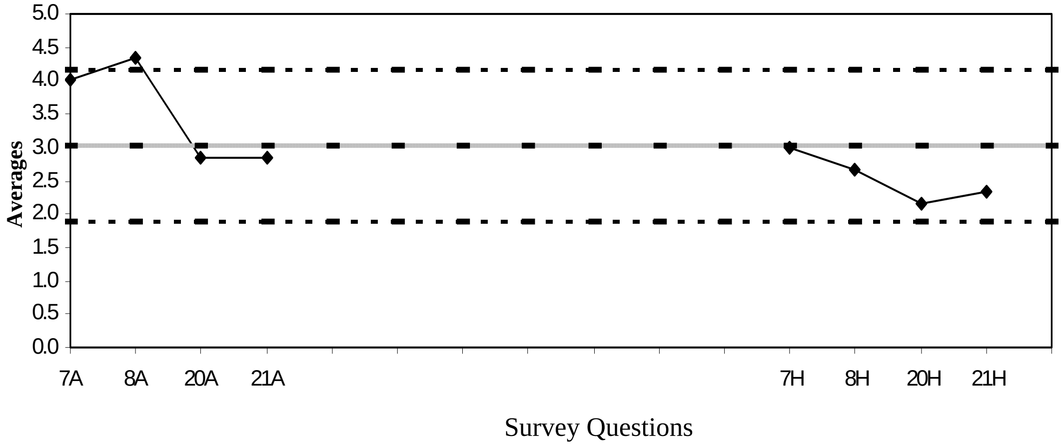
Company "H" employees reported a neutral level of understanding around lines of accountability in their organization prior to the merger on this question with a score of 3 and a standard deviation of .89443. Some differences in scoring were observed with a range score of 2. In summary, Company "A" respondents reported clear lines of accountability in place within their organization prior to the merger whereas Company "H" employees reported less clarity around lines of accountability.

Company "A" respondents reported and even stronger perception that the organizational structure in place in their company was easily understood by employees. For Question 8, the overall rating from this group was reported at 4.3 with a standard deviation of .81650. Some variation from among respondents was observed with a range score of 2 on this question.

Company "H" reported slightly less than average perception that the pre-merger company in which they worked had an organization structure in place that was easily understood. The average respondent score on this question was reported at 2.7 with a standard deviation of 1.03280 and a range score of 2. In summary, Company "A" employees reported a stronger understanding of the organizational structure in place in their per-merger culture versus the understanding of the culture by employees in Company "H" prior to the merger.

Company "A" employees reported a decreased understanding in the lines of accountability in the post-merger culture on Question 20 with a mean score of 2.8 and a standard deviation of .75277. Some variation was observed from among respondents with a score of 2. Company "H" employees reported a decrease in the degree of understanding around the lines of accountability following the merger with a mean score of 2.2 and a standard deviation of 1.47196. This score was down from 3.0 prior to the merger. It is important to note that significant variation existed among participant responses on this question with a range score of 3 reported. In summary, both participant groups reported a decrease in the clarity of accountability following the merger. The most significant decrease was reported by Company "A" survey participants.

Company "A" employees reported less than neutral agreement with the ability to understand the new organizational structure in the new culture following the merger in Question 21 with a mean score of 2.8 and a standard deviation of .98319. Some variation was observed from among respondents with a range score of 2 on this question. Company "H" employees responded in a similar manner with a mean score of 2.3 and a standard deviation of 1.36626. However, more variation was found from among participant responses on this question with a range score of 3 reported. In summary, both survey groups disagreed that employees easily understood the post-merger organizational new structure. Figure 3 shows averages and ranges for organizational structure questions.



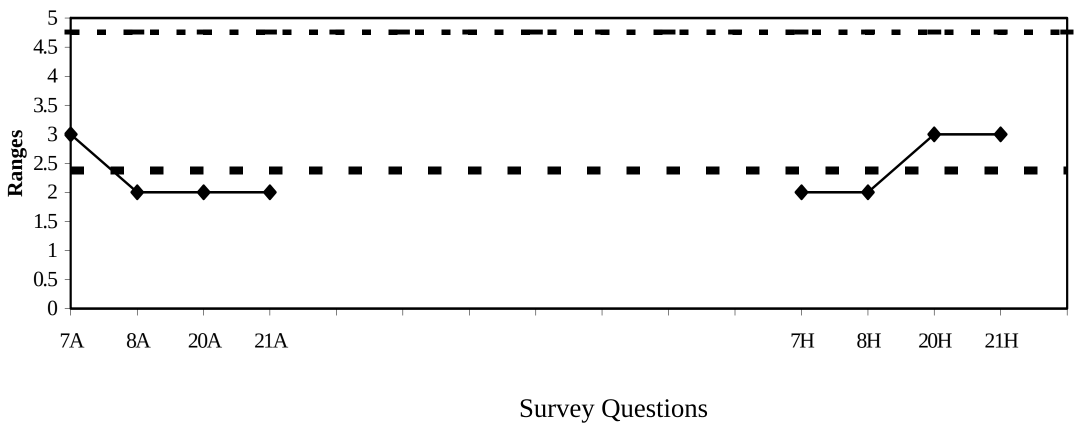


Figure 3 Average and range results for questions on organizational structure

Decision-Making

Decision-Making was analyzed using questions 9, 10, 22, and 23. Company "A" respondents indicated strong agreement to Question 9 regarding the heightened sense of urgency in the pre-merger culture of Company "A." An average score of 4.7 with was reported for this question. The mean response was 4.667 with a standard deviation of .51640. A high degree of consistency in responses was analyzed with a range of 1, which means that very little variation in survey participant responses to this question existed.

In contrast, Company "H" employees disagreed with the presence of a heightened sense of urgency in their pre-merger culture with an average score of 2.8. The mean score for this question was calculated as 2.8333 with a standard deviation of 1.16905. The range variation of 3 suggests that a less consistent culture existed in Company "H" versus a more consistent sense of urgency in Company "A."

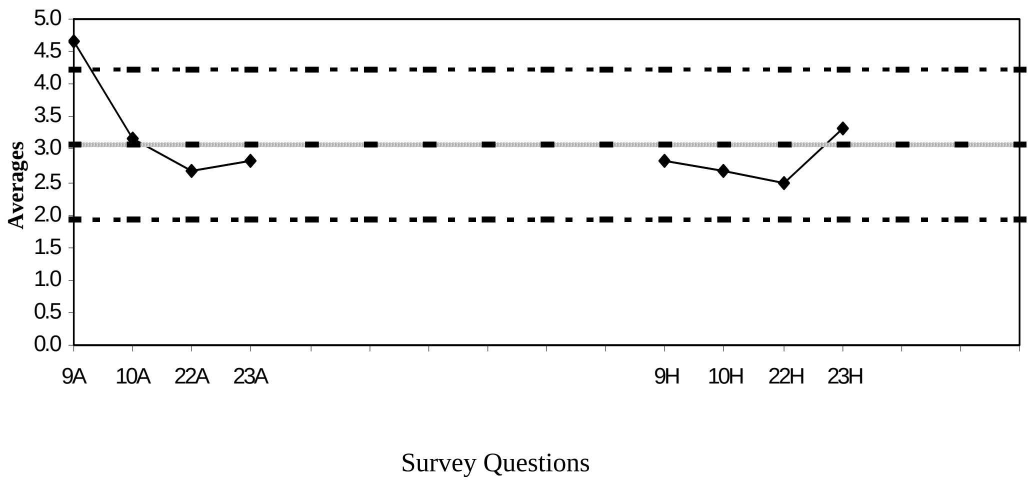
Box plot results indicate a wide difference between cultures in the sense of urgency characteristic. No overlap appeared in response ranges, thus representing a statistically significant event. In summary, Company "A" employees perceived a stronger sense of urgency in their culture than did employees in Company "H."

Survey responses from Company "A" employees indicate a neutral response to the presence of centralized decision-making in their pre-merger culture. An average score of 3.2 was reported for Question 10 with some variation among respondents found resulting in a range score of 2. The mean score was calculated at 3.1667 with a standard deviation of .98319. In contrast, Company "H" employees disagreed with the presence of centralized decision-making in their pre-merger organization. Survey results indicate less presence of centralized decision-making in

Company "H" with an average score of 2.7. The mean and standard deviation were calculated at 2.9167 and .99620 respectively. Some variation among participants existed with a range variation of 2. In summary, Company "A" employees were neutral regarding centralized decision-making whereas Company "H" employees disagreed that decision-making was centralized in their organization prior to the merger.

Analysis of survey results around post-merger decision-making in Question 22 yielded significant results. Company "A" employees reported the lack of a sense of urgency in the post-merger organization versus the significant presence of this dynamic in the pre-merger culture. The average survey score for this question was 2.7 with a mean of 2.667 and a standard deviation of .81650. Company "A" employee response was fairly consistent with some variation as seen in the range score of 2. Based on the average score of 2.5, Company "H" employees did not report a significant difference in the presence of a sense of urgency in the cultures between the pre-merger and post-merger organization. The mean score was 2.5833 with a standard deviation of .99620. It should be noted however that a wide degree of variation was found among the responses with a range score of 3 for this question. In summary, Company "A" employees perceived less of a sense of urgency within the culture following the merger. In contrast, Company "H" employees reported no significant difference in the perceived degree of urgency following the merger.

Company "A" employees reported less centralized decision-making in the post-merger company in Question 23. The average score was reported at 2.8 with a standard deviation of .75277. Some variation among responses existed among Company "A" respondents with a range of 2 observed. Company "H" responses indicate participants perceived an increase in centralization of the decision-making process in the post-merger organization with an average score of 3.3 and a standard deviation of 1.50555. However, it is important to note that a wide variation in responses was found in participant perception of the extent to which decision-making was centralized at higher levels following the merger. A range score of 4 was reported for this question. In summary, Company "A" employees reported a perceived reduction in the degree of centralized decision- making in the new organization following the merger versus a reported increase by Company "H" respondents. Figure 4 shows averages and ranges for the questions on decision-making.



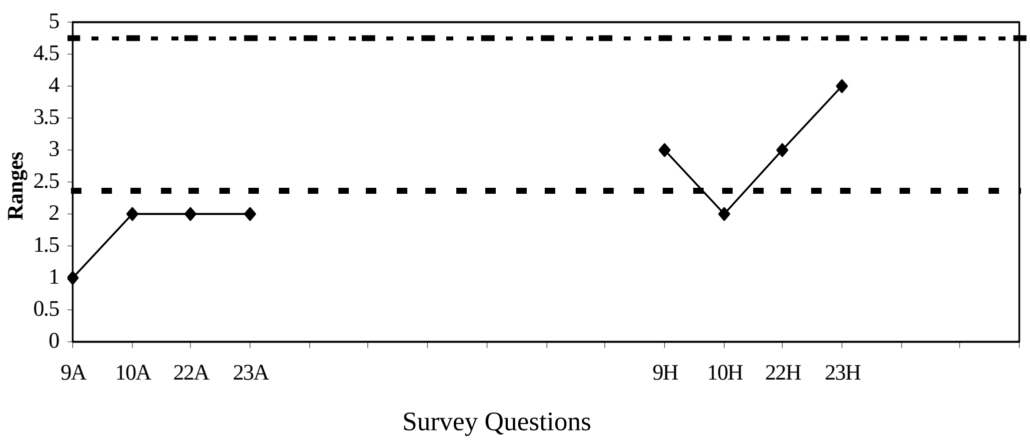


Figure 4 Average and range results for questions on decision-making

People Management

People Management was analyzed using questions 11, 12, 13, 24, 25, 26, 27, and 28. Company "A" participants disagreed that people management practices were employee sensitive in Question 11 with an average score of 2.8. The standard deviation was calculated as 1.32916. Responses were varied from among respondents with a variation of 3.

Company "H" participants responded with solid agreement that people management practices were employee sensitive in their pre-merger culture with an average score of 4.0 and a standard deviation of .63246. Some variation was observed with a range score of 2 reported for this question. In summary, Company "A" employees reported the perception of a less employee sensitive people management approach in their pre-merger organization than observed by participants from Company "H" in their culture.

Company "A" survey participants indicated an overall strong agreement that people management practices valued diversity in Question 12 with an average score of 4.0 and a standard deviation of 1.26491. However, fairly significant variation was seen in the range score of 3 for this question.

In comparison, Company "H" respondents also strongly agreed on Question 12 that their pre-merger culture valued diversity with an average score of 4.5. The standard deviation was calculated as .54772. A high degree of agreement was found among survey participants resulting in a range variation of 1. In summary, survey participants from both organizations reported strong agreement that people management practices valued diversity.

Company "A" employees reported neutral agreement that employee commitment in Question 13 was high in the pre-merger organization with an average score of 3.5 and a standard deviation of 1.51658. It is also important to note that significant variation among responses from survey participants was reported with a range score of 4 reported.

Company "H" employees reported strong agreement with the presence of high employee commitment prior to the merger with a score of 4.2 and a standard deviation of .75277. Some variation in responses was observed with a range score of 2 reported. In summary, Company "A" employees reported a neutral perception of employee commitment prior to the merger. In contrast, Company "H" employees reported agreement that a strong sense of employee commitment existed in their culture prior to the merger.

Company "A" employees reported a neutral score of 3.3 on Question 24 that people management practices in the merged company were employee sensitive. The standard deviation was calculated as .51640. A high degree of agreement was observed resulting in minimal variation from among the respondents with a range score of 1.

Company "H" participants strongly disagreed that post-merger people management practices were employee sensitive resulting in an average score of 1.8 and a standard deviation of .75277. Some variation in responses was identified with a range score of 2 reported. In summary, Company "A" employees reported a perceived increase in employee sensitive people management practices following the merger. In contrast, Company "H" participants reported a significant decrease in their perceptions around the employee sensitivity of people management practices in the merged organization.

Company "A" respondents reported a slightly higher than neutral response to Question 25 that people management practices in the merged company valued diversity with an average score of 3.5 and a standard deviation of .83666 for this question. Range variation was analyzed at 2.

Company "H" participants reported a decrease in their perception around the value of diversity in the post-merger culture with an average score of 3.0 reported. Responses were varied among the survey participants resulting in a range score of 3 and a standard deviation of 1.09545. In summary, Company "A" participants reported a decline in perceived value of diversity in the merged culture. In comparison, Company "H" likewise reported a decline in the perceived value of diversity in people management practices following the merger.

Responses to the positive nature of the organizational climate in Company "A" prior to the merger in Question 26 resulted in an average score of 3.3 denoting a neutral perception by respondents. The standard deviation was calculated as .81650. A moderate amount of variation was present in responses resulting in a range of 2 for the survey group on this question.

Company "H" participants disagreed with the perception of a positive organizational climate prior to the merger with an average score of 2.2 and a standard deviation of 1.16905. Significant variation was found among respondents with a range score of 3 reported. In summary, neither group of respondents felt that a positive organizational culture was present in the post-merger organization. The extent to which the respondents agreed with one another was high represented by a range variation of only 1 among Company "A" survey participants.

Company "A" respondents disagreed with the presence of strong employee commitment following the merger with a mean score of 2.7 and a standard deviation of .51640. Company "H" respondents also disagreed that employee commitment was high following the merger. The average score was calculated as 2.0 with a standard deviation of 1.09545. Significant variation was observed with a range score of 3 reported. In summary, both groups disagreed with the presence of a high degree of employee commitment in the post-merger culture.

Company "A" respondents also indicated solid agreement in Question 28 around the impact of the merger itself on the culture in the new organization with an average score of 4.3. The standard deviation was calculated as .81650. Survey participants were fairly consistent in their responses to this question with a range in response variation of 2.

In comparison, Company "H" employees reported a high degree of agreement that the merger significantly impacted the resulting culture in the new organization. The mean score was calculated as 4.2 with a standard deviation of 1.16905. Significant variation was observed among respondents with a range score of 3 reported. Combined results are shown in Figure 5.

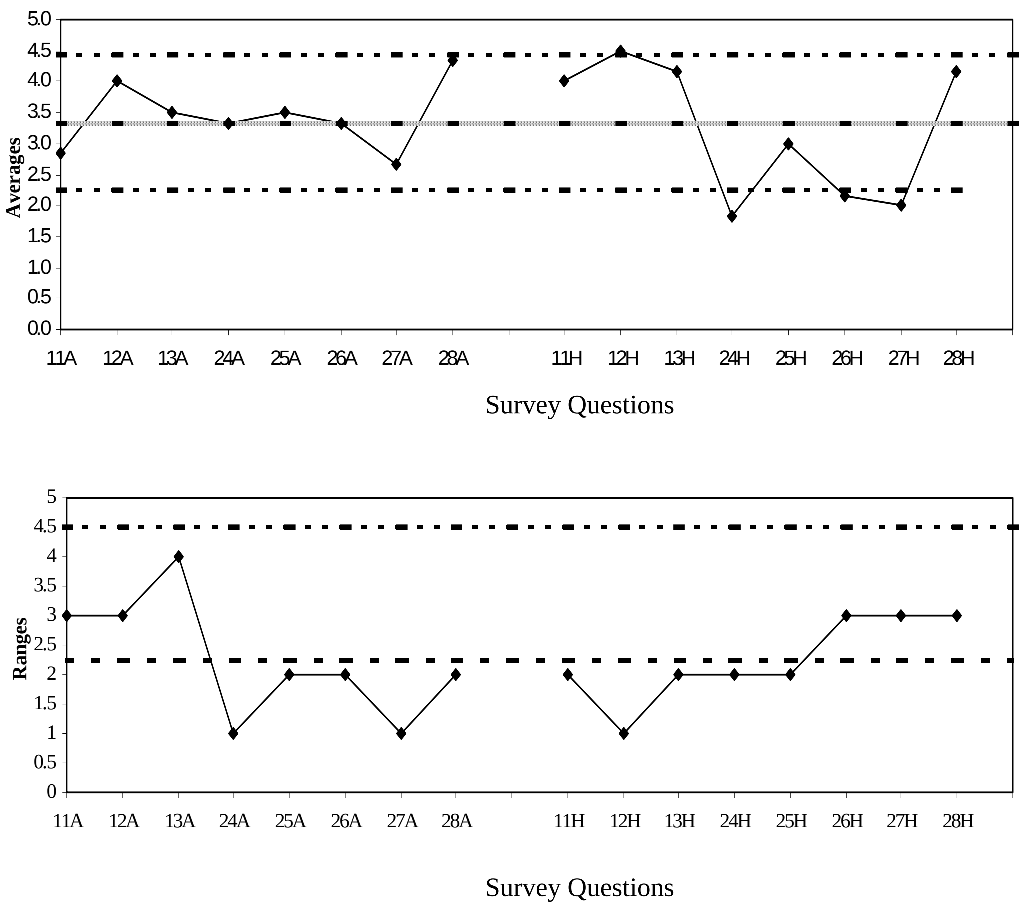


Figure 5 Average and range results for questions on people management

Analysis of Variance Test (ANOVA)

In an effort to better focus the study, a One-Way ANOVA analysis was conducted on targeted questions believed to have the most direct impact on the study results. ANOVA testing was conducted between groups to identify the extent to which the responses around the five pre-merger and post-merger characteristics varied between the two groups. Between group analysis represents variation of group means around the overall mean. The significance level was set at .05. A total of 19 questions were analyzed in this test. These questions were identified and paired together to better assess changes between pre-merger and post-merger organizational culture in the Paired Samples *t*-test. ANOVA test results are located in Appendix P.

The significance factor for Question 1 was calculated at .002 indicating fairly significant statistical variation between Company "A" and Company "H" participant responses to the presence and aggressiveness of pre-merger leadership. In contrast, responses regarding communication in Question 3 revealed minimal between group variation in responses with a significance factor of .282.

Variation between groups in the area of organizational structure was calculated at .114 in Question 7. This result indicated a statistically significant difference between the perceptions held by Company "A" versus Company "H" employees regarding the clarity of lines of accountability in the organizational structures. In contrast, respondents reported fairly significant variation between their responses to Question 8 relative to the understanding the organizational structure with a significance factor of .011.

Statistically significant variation between Company "A" and Company "H" respondents was also found in Question 9 regarding the urgency of decision-making with a calculated factor of .006. In contrast, insignificant variation around centralization in decision-making was identified in Question 10 with a significance factor of .411.

Analysis of employee sensitivity of people management practices in Question 11 revealed a moderate degree of statistical significance between group responses with a significance factor calculated at .081. Finally, responses to pre-merger employee commitment as measured in Question 13 revealed very little variation between the two groups. The significance factor was calculated at .358.

ANOVA testing was also conducted on the post-merger equivalent questions. The significance factor for Question 14 was calculated at 1.000 indicating no statistical variation between Company "A" and Company "H" participant responses to post-merger leadership. Furthermore, responses to Question 16 regarding post-merger communication revealed a certain degree of statistically significant between group variation in responses with a significance factor of .000.

Variation between groups for organizational structure in Question 20 was calculated at .347. This factor indicated no statistically significant difference between the perceptions held by Company "A" versus Company "H" employees regarding lines of accountability in the organizational structure following the merger. Similarly, no significant variation was found in between group responses to Question 21 relative to the understanding the organizational structure. The significance factor for this question was calculated at .484.

Urgency of decision-making (Question 22) failed to demonstrate statistical significance with a calculated factor of .787. Similarly, insignificant variation around centralization in decision-making was identified in Question 23 with a significance factor of .484.

Analysis of post-merger employee sensitivity of people management practices in Question 24 revealed statistical significance between group responses with a significance factor calculated at .002. Company "A" respondents reported improvement following the merger whereas Company "H" employees reported a decline in people management practices under the new leadership.

Finally, responses to post-merger employee commitment as measured in Question 27 revealed very little variation in responses between the two groups. The level of commitment was observed to be low in both organizations but reported as higher by Company "H" respondents. The significance factor was calculated at .207. This calculation indicates that following the merger, neither group felt a sense of commitment equal to the level reported prior to completion of the merger.

Between group analysis was also conducted on three additional questions to determine the amount of variation between the two groups relative to specific areas germane to this study. Analysis of Question 28 revealed that both groups agreed to a great extent that the merger had an impact on the organizational culture. The ANOVA test calculated insignificant variation with a significance factor of .780.

Both respondent groups disagreed that effective cultural integration strategies were deployed to manage the merger in Question 30. Furthermore, both groups responded with an identical score resulting in no statistically significant variation in responses between groups to this question. Finally, both groups disagreed in their perceptions that the new culture positively supported the company’s business goals and objectives. Consequently, the significance factor of .411 indicates that no statistical variation was identified.

Paired Samples T-Test

The paired samples t-Test was applied to select questions representing each of the five culture characteristics. The purpose of this test was to analyze participant responses to the organizational culture characteristics of leadership, communication, decision-making, organizational structure, and people management both prior to and following the merger. Analysis was conducted within company groups and between the two company groups. The objective of this statistical analysis was to address the three research questions of this study to determine if the merger between Company "A" and Company "H" impacted the post-merger organizational culture. The paired samples test compares the means of two variables that represent either the same group at different times, for example before and after or related groups. A table displaying mean values is shown in Appendix Q. The paired comparison table is displayed in Table 10. Low significance values for the test (less than 0.05) indicate the existence of significant difference between the two variables.

Table 10 Paired Samples *t*-Test

	Mean	Std. Deviation	Std Error Mean	95% Confidence Interval of the Difference Lower	Upper	t	df	Sig. (2tailed)
Pair 1 Q1- Q14	.9167	1.67649	.48396	-.1485	1.9819	1.894	11	.085
Pair 2 Q3 – Q16	1.1667	1.46680	.42343	.2347	2.0986	2.755	11	.019
Pair 3 Q7 – Q20	1.0000	1.41421	.40825	.1015	1.8985	2.449	11	.032
Pair 4 Q8 – Q21	.9167	1.44338	.41667	-.0004	1.8337	2.200	11	.050
Pair 5 Q9 – Q22	1.1667	1.40346	.40514	.2750	2.0584	2.880	11	.015
Pair 6 Q10 - Q23	-.1667	1.33712	.38599	-1.0162	.6829	-.432	11	.674
Pair 7 Q11 - Q24	.8333	1.58592	.45782	-.1743	1.8410	1.820	11	.096
Pair 8 Q13 - Q27	1.5000	1.44600	.41742	.5813	2.4187	3.593	11	.004

Paired Survey Question Analysis

Leadership. For the characteristic of leadership, Question 1 was compared to Question 14 for both companies. T-test results for Company "A" indicated strong and aggressive leadership and presence prior to the merger. Post-merger results from Company "A" respondents indicated a significant decrease in the level of leadership presence. Company "H" results indicated no change in perceived leadership strength and presence either before or after the merger. The significance level in this t-test analysis was calculated at .085 indicating a significant change in perceptions between the two groups around leadership both before and after merger.

Communication. Questions 3 and 16 were selected for analysis of pre-merger and post-merger changes in communication. Company "A" participants were fairly neutral around the effectiveness of company communication efforts prior to the merger, however a slight decrease in perceived effectiveness was reported following the merger. The paired samples test significance was calculated at .019 indicating a statistically significant change. In contrast, Company "H" participants reported a strong assessment of balanced communication efforts prior to the merger. However, post-merger results indicated a significant decrease in scoring representing disagreement that post-merger communication efforts were balanced among customer, employee, and shareholder interests.

Organizational Structure. Questions 7 and 8 were selected to compare against post-merger measurement results from Questions 20 and 21 for analysis around the characteristic of organizational structure. Company "A" respondents reported strong agreement around clear and understandable pre-merger organizational structures. However, this same group reported a significant decrease in their scoring for the post-merger culture indicating disagreement with the clarity and understanding of the new organizational culture. T-test results indicated a neutral level of understanding around organizational structure and clarity prior to the merger. However, post-merger data indicates further confusion by Company "H" respondents around the clarity of reporting accountability in the new organizational structure.

Decision-Making. Questions 9 and 10 were selected to compare against post-merger measurement results from Questions 22 and 23 for analysis around the characteristic of decision-making. Test results for Company "A" respondents indicated solid agreement of a sense of urgency and centralization of decision-making prior to the merger. In contrast, the perception and associated scoring by this group decreased following the merger indicating a significant decrease in the sense of urgency around decision-making. A decrease in centralized decision-making was also observed in these test results.

Test results for Company "H" respondents also indicated a decrease in decision-making urgency following the merger, however only a slight decreased measure was observed. The results for this group indicate an increase in the degree of centralization reported in the new post-merger organization. Accordingly, a change in employee perception can be observed between the pre-merger and the post-merger cultures. The significance level for this pair of questions supported the finding with a calculation of .096.

People Management. The final pairing tested were Questions 11 and 13 with Questions 24 and 27 for the characteristic of people management. T-test analysis for Company "A" respondents revealed an improvement in people management practices following the merger. However, this same group reported a decrease in level of employee commitment. Test results for Company "H" respondents revealed a significant decrease in perceived favorable people management practices after the merger followed by an even greater decrease in level of employee commitment. This analysis is supported by the significance calculation of .004 for these two pairs of questions.

Impact on Culture. Additional analysis was conducted to compare responses between groups to assess perception around the impact of the merger on the culture, the effectiveness of cultural integration strategies, and the respondent's perception around whether the new organization positively supported the company's business performance. Questions 28, 29 and 30 were used in this analysis. Test results indicated that both respondent groups reported agreement in their perceptions that the merger significantly impacted the culture in the new organization. Both groups equally disagreed that effective cultural integration strategies were deployed across the organization. Finally, both groups disagreed that that the new culture positively supported the company's business performance, although the Company "H" respondents disagreed to a great extent than did the Company "A" respondents. Paired Comparison statistics are provided in Attachment O.

Survey Question Analysis Summary

Regarding the characteristic of leadership, Company "A" participants agreed that leadership was strong and aggressive in the pre-merger culture. Company "H" participants did not perceive their senior leadership as being strong and aggressive in the pre-merger culture. However, post-merger perceptions shifted in both groups. Company "A" employees reported a decline in the strength and presence of senior leadership following the merger, whereas Company "H" employees reported no significant change in the post-merger culture.

The sense of substantial centralized corporate involvement down through the organization was fairly strong as reported by Company "A" participants. However, Company "H" disagreed to the presence of centralized corporate involvement in their pre-merger culture. Post-merger perceptions from Company "A" employees indicate a neutral perception of centralized decision-making in the post-merger organization. In contrast, Company "H" participants reported an increased perception of centralized decision-making following the merger.

Both respondent groups felt that the integration strategies used by the two companies were ineffective. Company "A" employees reported the presence of some level of centralized decision-making. In contrast, Company "H" participants reported less centralized decision-making in their culture. Furthermore, both groups reported similar negative perceptions regarding the extent to which the post-merger culture positively supported the company's business performance.

Company "A" participants were more neutral in their perceptions around balanced communication efforts in the pre-merger culture. This contrasts with Company "H" participants who reported stronger perceptions of balanced communications prior to the merger. Company "A" participants did not feel that communications were employee based in their pre-merger culture whereas Company "H" employees were more neutral in their perceptions. Company "A" participants were somewhat neutral in their perception around customer focused communications. In contrast, Company "H" employees reported a strong perception of communications focused on customers. Company "A" respondents reported a stronger perception of shareholder focused communications than did Company "H" employees.

Company "A" participants were neutral in their perception of balanced communication efforts following the merger. However, Company "H" employees reported a shift away from balanced communications following the merger. Company "A" participants were fairly neutral in their perception of balanced employee based communications following the merger. In contrast, Company "H" participants maintained a different perception and reported a decline in their perception of employee based communications in the post-merger culture. Company "A" participants reported a slight increase in the perception of more customer focused communication efforts in the newly merged culture. In contrast, Company "H" employees reported a perceived decline in customer focused communications following the merger. Company "A" participants did not report any significant shift in perception around the organization's focus on shareholder communication following the merger. However, Company "H" employees reported a shift toward more shareholder focused communication in the post-merger culture.

Company "A" respondents reported a presence of a heightened sense of urgency in decision-making present in their pre-merger organization. In contrast, Company "H" respondents did not report an equivalent level of urgency in their pre-merger culture. According to survey responses, Company "A" employees perceived a decrease in the decision-making sense of urgency under the new senior level leadership following the merger. In contrast, company "H" employees reported no significant change in perception.

Company "A" employees reported a neutral perception to the presence of centralized decision-making in the pre-merger culture whereas Company "H" employees perceived a less centralized decision-making process in their pre-merger culture. Although neutral in perceptions of the pre-merger culture, Company "A" employees reported a decrease in centralized decision-making following the merger. In contrast, Company "H" employees reported an increase in centralized decision-making.

Company "A" participants reported a stronger sense of understanding regarding the lines of accountability in their pre-merger culture than did Company "H" participants. Company "A" appeared to have an organizational structure in place, which was easily understood by employees. This perception was contrary to the perception held by Company "H" employees, which indicated less understanding of the pre-merger organization.

Following the merger, both Company "A" and Company "H" participants reported a decrease in understanding around the lines of accountability. Neither culture appeared to understand organizational expectations in the post-merger culture. Both participant groups reported decreased understanding of the new organizational structure in place following the merger.

Company "A" respondents disagreed that people management practices were employee sensitive in their pre-merger culture. Post-merger data indicates a slight increase in perception following the merger. Company "H" respondents were in strong agreement that pre-merger people management practices were employee sensitive. However, data around the post-merger culture indicates a significant shift away from this perception following the merger. Company "A" participants indicated less employee sensitivity in their pre-merger culture than did participants from Company "H." Although both respondent groups reported a perceived support for diversity, Company "H" participants responded more affirmatively in this area. Responses from both survey groups indicated a slight decrease in perception around the value of diversity following the merger.

Company "A" participants perceived much less employee commitment prior to the merger than did Company "H" employees. No significant changes in perceptions were observed from Company "A" respondents between the pre-merger and post-merger levels of employee commitment. In contrast, Company "H" respondents reported a significant decrease in employee commitment levels between the pre and post-merger cultures. Company "A" respondents perceived a more positive post-merger culture in their organization than did Company "H" respondents. Both groups reported agreement that the merger significantly impacted the culture in the post-merger organization. Summary results are provided in Table 11.

Table 11 Survey Results Summary

Characteristic	Company "A"	Company " H "
Leadership	Decline in presence and perceived leadership	No significant change observed
Communication	Increase in employee and customer focus	Decline in employee and customer focus
Decision- Making	Decrease in centralized decision-making. Decrease in urgency	Increase in centralized decision-making. No significant change in perception around urgency
Organizational Structure	Decreased understanding of organizational structure, roles, and responsibilities	Decreased understanding of organizational structure, roles, and responsibilities
People Management	Decreased perception around employee value	Shift away from people sensitivity

Document Review Analysis

A variety of documents were reviewed as a part of the data gathering process. Documents reviewed included press releases, internal memorandums, employee communication mediums, management training materials, and external journal and news articles. A summary table outlining the findings is provided in Attachment R.

Press release documents articulated the justification to pursue the merger between the two organizations. Forecasted synergies were disclosed along with potential post- merger company performance targets. The documents also referenced the comparable size and make-up of the two organizations. They largely promoted the concept of a “merger of equals” with best practice sharing as a key activity to be undertaken.

Internal communications focused on providing robust information around merger activity. The business integration strategy and processes were unveiled to employees. These strategies established integration leaders and teams. The teams were tasked with executing the integration on a function by function basis across the organization e.g. engineering, marketing, sales, finance, and human resources, etc.

Some internal documents specifically addressed the impact of culture on merger success. These documents also included reference tips for senior leaders to be used as coaching tools to help them through the culture transformation process. Internal communications directed employee focus around sharing and incorporating best practices through the merger process.

News articles were reviewed as a part of this process. News stories focused frequently compared the Company "A" CEO to the Company "H" CEO. Articles characterized the Company "A" CEO as a more solid and effective leader. He was described as a strong, aggressive, decisive, bottom-line oriented leader that provided clear goals and objectives. In contrast, the Company "H" CEO was characterized as being less decisive, not having deployed a clear, strong corporate direction, more focused on customer satisfaction in addition to creating a perception of being much less bottom line focused.

Articles also focused on the acquisition of Company "H" by Company "A" with the adoption of Company "H" 's name. This action was reported as an unusual event in merger activity. The fact that the leaner, more agile and successful organization was the acquirer directly impacted the tone of various other programs and philosophies that carried into the new culture. Articles also referenced the reduced community visibility and financial support for charitable giving that ensued following the merger.

Employee training materials focused on unifying corporate values and behaviors. The documents described the formation of task teams to analyze existing values in both organizations and to make recommendations for a new corporate value structure to be adopted by the newly integrated company. In addition, the task teams analyzed the characteristics of behavior expectations to formulate new behaviors to be adopted by the merged organization.

The most common theme identified through internal memorandums focused on the awareness of the vast cultural differences between the two organizations along with the need to effectively manage this critical dynamic. Goals, values, and behaviors were addressed with efforts to initiate movement toward a common direction. Internal communication efforts provided regular e-mail updates on the actual status of integration activity. Other internal efforts focused on communication of the new organizational structures, on a function by function basis, in the newly merged company. Consolidated communication materials were not identified that provided a comprehensive message around the strategy and direction of cultural transformation across the business. Internal communication appeared to follow a more fragmented approach.

Training materials were found to drive Company "A" 's existing operational practices such as pay planning, performance management, and staffing processes. Materials outlining the movement toward cultural integration to help employees in both pre-merger organizations understand the direction and expectations for adopting the processes of Company "A" were not identified.

The predominant theme generated through external news articles highlighted disappointment with the post-merger performance of the newly merged company. Frequent references were made to the differences in senior leadership style as a primary contributing factor. The new organization experienced a favorable start under the leadership of the Company "A" CEO. Analysts reported characteristics of leadership style as an influential factor. Company "A" 's leader developed a reputation for being direct with the ability to deliver in financial performance targets for Wall Street. However, the terms of the merger dictated a leadership change, which resulted in the CEO of Company "H" taking control of the company. This action drove increased skepticism among analysts, due to the vast differences in leadership style between the two CEO's. The CEO of Company "H" garnered a reputation for less consistency in the delivery of financial performance. As a result, company stock declined in value. News article feedback speculated as to whether the merger was ill conceived.

Additional articles focused on the integration effort required to blend the two cultures together while mapping the new workforce. Communication was highlighted as a pivotal activity to ensure merger success. Articles suggested sharing both good and bad news with employees in a timely manner. The act of treating employees with dignity and respect was also highlighted as a critical approach to employee relations during a stress filled situation. According to various articles, employees experience a high level of anxiety and nervousness in relation to mergers.

Other articles discussed the problem of underestimating the value of culture in the overall merger effort. Also reported was the fact that human and cultural issues associated with combining cultures from two different organizations continued to be underestimated. “Softer” issues are reported as often being overlooked. In the interim, competitors capitalized on weaknesses, confusion, and anxiety during the integration period.

The document review process revealed key data to support responses to the research questions for this study. In the area of leadership, numerous analogies were made between the CEO’s of Company "A" and Company "H." The CEO for Company "A" was consistently reported to be a driven, aggressive leader with short-term vision. Leadership style was very traditional with direction flowing from the top down through the organization. Organizational structures were described as being different. Company "A" was reported to be more matrixed and integrated with centralized strategies versus Company "H" which was reported as having more traditional business units operating in a decentralized fashion and not linked to unified overarching corporate strategies. Decision-making style and patterns were described as crisp, swift, and bottom line focused in Company "A" versus a more bureaucratic and stodgy approach described in Company "H." Communication patterns were found to be similar in frequency between the two but somewhat dissimilar in terms of focus and content. Company "A" was found to focus communications more on toward market performance whereas Company "H" focused communications around a variety of platforms, which included customer, employee and organizational activity. Some differences in tone and philosophy around people management strategies were found through the research. While Company "A" did not enjoy a reputation of being necessarily an employee friendly organization, Company "H" did enjoy such a reputation. Policies, procedures and practices were found to be employee sensitive and conveyed a sense of value by employees in the company.

Document Review Analysis Summary

Documents were reviewed individually to identify relevant themes. Identified themes were added to the other forms of data gathered for triangulation purposes. Material reviewed in this process represented a balanced assessment of the merger. Each one of the five key culture characteristics studied in this effort was addressed in some manner. The various documents highlighted the differences in organizational culture between the two companies. These differences were identified at the outset by many external observers and were viewed as significant enough to pose potential threats to a success union. Significant differences in leadership style were described. Leadership style influences and drives decisions around organizational structure, decision-making, communication, and people management. The documents revealed differences in organizational structure, decision-making patterns, communication style, and tone in addition to people management philosophies between the two companies prior to the merger. They also revealed conflicts encountered in the post-merger organization, which represented the lack of effective cultural integration.

Direct Observation Analysis

Direct observation was conducted on several visible elements between the two merging organizations. The first most significant observation focused on the philosophies of buildings and facilities. Company "A" maintained fewer building structures than did Company "H." Overall, Company "A" was comprised of structures acquired through various acquisitions throughout the years. These facilities were somewhat similar in age, layout, and design. Manufacturing was the key priority for the company. Most structures were originally constructed to serve as bomb factories with structures dating back to the 1940 and 1950 eras. Company "A" operated from a theory of factory rationalization, which supported operating and maintaining the least number of facilities. The objective was to leverage existing space to capitalize on productivity synergies.

In contrast, the philosophy of Company "H" was vastly different. This company maintained its original character and identity for several years since they came into operation. The organization’s building and grounds philosophy focused on constructing and maintaining numerous structures, often in close proximity to one another in the same city. The overall grounds theme of Company "H" facilities most closely resembled college campuses with manicured lawns and extensive landscaping. This organization was more consumer oriented and sought to maintain a favorable community profile.

The culture relative to parking accommodations was also observed in this process. Company "A" did not maintain a practice of designated parking spaces nor did the company support the practice of maintaining covered parking spaces for specific employees. Less emphasis was placed on hierarchy and position within the organization. In contrast, Company

"H" maintained a stringent practice of designated parking spaces as an indicator of status, positioning, and hierarchy within the organization. Company executives were afforded the privilege of designated covered parking as an indicator of status. Visibly, the two organizations embodied different philosophies in terms of culture. This activity serves as an example of a key challenge from a merger integration perspective.

Another distinguishable characteristic between the two organizations was observed in the company stores, which were maintained to support company spirit and pride. The philosophy of Company "A" did not display a comparable level of commitment to the operation of company stores. Stores were established on a sporadic basis at the discretion of field management; however this was not a part of the overall corporate direction. In contrast, the support for company stores was extremely visible throughout the facilities in Company "H." Employee pride was observed through the large numbers of employees that wore clothing displaying the company's insignia.

The final distinguishing feature was observed in the level of charitable and foundation giving to the community. Company "A" provided a moderate level of financial giving to the community. However, in contrast, Company "H" demonstrated a higher level of visibility and financial support to local communities. The corporate philosophy established a strong culture of public giving and high visibility as good corporate citizens. Direct observation data gathered are provided in Appendix S.

Direct Observation Analysis Summary

Observations of several cultural factors in the two merging organizations were conducted. Key differences were identified in the areas of building structure design, location, signage and overall appearance in addition to parking and cafeteria protocols. Employee recognition and company pride along with community involvement and presence were also observed. Substantial differences were identified between the two organizations. Table 12 summarizes the differences.

Table 12 Direct Observation Summary

Data Source	Buildings/Grounds	Signage	Parking	Cafeteria/Company Store	Charitable Giving
Company "A"	Fewer, older structures. Manufacturing focused. Factory layout design and furnishings	Low profile. Basic and understated	Less formal. Open parking. All employees equal	Disbanded in prior years. Less focus on availability of company insignia. Limited display of company spirit. Merchandise not readily available	Limited focus on corporate citizenship. Minimal charitable sponsorship and giving. Low community profile and involvement
Company "H"	Customer focused. Contemporary layout and design. Numerous structures	High profile. Campus style layout and design	More formal. Parking based on system of hierarchy	Fully operational. Strong commitment to corporate spirit. Merchandise readily available	Significant focus on corporate citizenship. Substantial sponsorship and giving. High community profile and involvement

CHAPTER 5. RESULTS, CONCLUSIONS, AND RECOMMENDATIONS

This chapter presents a summary of the results generated from the data gathering methods used to conduct the study. Conclusions regarding the impact of mergers and acquisitions on organizational culture derived as a result of the analysis are also discussed. Finally, the chapter is concluded with the presentation of recommendations for future merger integration along with recommendations for future research in this area.

Results

Data gathered through structured interviews, direct observation, document review, and surveys were triangulated to identify and analyze common themes (Patton, 1990). The process involved the use of axial coding captured on a spreadsheet to record data relevant to each of the five key areas against the data source. This process included the analysis of existing categories to identify possible linkages (Strauss and Corbin, 1990). Data was captured and analyzed based on the three research questions as set forth in this study. The results of this analysis are provided in Tables 13, 14, and 15.

Assessment data relevant to the appropriate culture indicator category were captured from each data source and populated in the appropriate cell. Comparative analysis between the data source results was conducted to identify areas of commonality and discrepancy. No discrepancies were identified. Conversely, data gathered from each source revealed consistent themes for each of the five major categories of culture indicators as used in this study.

Leadership

Data triangulation revealed a distinct difference in leadership style, presence, and strength between the two companies CEO's. The CEO for Company "A" was consistently described as strong, aggressive, and focused on bottom line results and shareholder value versus customer interests with a hands-on, centralized management approached. In contrast, the Company "H" CEO was characterized as more customer focused versus shareholder focused, less results oriented, less organizational presence utilizing a more decentralized management approach.

Organizational Structure

Data triangulation revealed that organizational structures in place in both organizations differed slightly as well. Company "A" followed a more matrixed structure with dual accountabilities to both specific functional alignments coupled with operational accountability. Organizational structure in Company "A" was commonly understood both internal and external to the organization. The overall management structure was more centralized in this organization. In contrast, the organizational structure utilized in Company "H" randomly resembled a matrix structure however, due the decentralized management approach, consistent structures were not revealed across the entire organization.

Decision-Making

Triangulation revealed that decision-making likewise differed between the two organizations both in the area of speed, style, and approach. Company "A" was viewed as having fewer organizational layers and focused on speed in decision-making. Risk taking was promoted, however due to the centralized nature of the culture; true risks were minimized at the lower levels. Employees were encouraged to make decisions based on the reasonable data available with adjustments made as needed. In contrast, decision-making in Company "H" was much more cautious and conservative. The culture placed less value on speed opting instead for collaborative decision-making. Risk taking was less prevalent despite the decentralized structures. The culture was viewed as being more bureaucratic thereby contributing to reduced urgency.

Communication

Data triangulation revealed differences in communication patterns between the two organizations as well. Pre-merger communication in Company "A" was found to be adequate in terms of frequency and type but much less employee focused. Communication mediums focused almost exclusively around organizational performance goals, objectives, and results. The data revealed slightly more communication in terms of frequency than found in Company "A." While communications included organizational performance data, communication in Company "H" was found to highlight areas such as customer activity, industry activity, and community profile information. This approach was found to be more comprehensive than communication found in Company "A." While communication strategies were prevalent throughout the merger, data indicated that the content of the messages focused more on integration teams and progress updates as opposed to efforts to promote vision, direction, and philosophy. No significant changes were identified in the overall communication patterns and approaches following the merger.

People Management

Finally, data triangulation revealed that people management practices were also found to differ between the two pre-merger organizations. Approaches used in Company "A" were found to be less employee friendly given the focus on business performance, productivity, and cost containment. Organizational values focused on characteristics such as speed, agility, aggression, and youth. Less emphasis was found in the area of relationship building as a priority. While competitive, compensation and benefit programs were designed to be more adequate versus elite. Reward and recognition received less focus and attention in that environment. In contrast, Company "H" was reported as being more people focused and employee friendly. Human Resources practices and policies were found to be more lenient taking people needs more into consideration. Reward and recognition was likewise found to receive higher levels of favor and visibility in the Company "H" environment. Relationship building and collaboration were valued in lieu of speed, aggression, and individual success.

People management practices in the post-merger organization were perceived by Company "A" employees to have improved by taking on some of the management practices used by Company "H." In contrast, Company "H" employees perceived a negative change in people management practices as influenced by Company "A" management philosophy.

Quantitative versus Qualitative Results

The survey instrument was used in this study to provide an alternate means of data analysis. Survey results provided the basis for a comparative analysis of quantitative and qualitative results. Comparisons are presented for each characteristic addressed in the research. Overall, quantitative test results supported qualitative findings. No significant conflicts in data were identified through the process. In addition, there were no substantial instances of unanticipated significance identified from the test results. A summary of comparisons between the two methodologies is provided in this section along with a summary of unanticipated differences identified between the qualitative and quantitative results found in the study.

Leadership

Qualitative interview results from both respondent groups indicated a change in post-merger senior leadership. Perceptions around style, presence, and effectiveness differed between the two groups. Document reviews of external media materials highlighted similar differences between the two leadership regimes. Quantitative survey results supported these qualitative findings and confirmed a decrease in perception of leadership presence by Company "A" respondents following the merger. Company "H" employees reported no significant change in perception from the pre-merger culture. ANOVA test results support the qualitative results and show statistically significant variation in perception around the style and presence of senior leadership in the post-merger organization.

Communication

Qualitative results indicated a change in the focus and overall quality of communication efforts between the pre and post-merger organizations. Both groups reported changes in communications. Depending on the organizational affiliation, changes were viewed as either negative or somewhat positive. Average scores from survey responses support perceived changes by both groups. Company "A" employees reported a slight improvement in communication efforts in contrast to a decline in communication focus and quality by Company "H" respondents. ANOVA results revealed minimal between group variation on this variable.

Organizational Structure

Qualitative interview and document review results indicated confusion by both respondent groups around structure and accountability in the post-merger environment. Range and average chart survey results support this data. ANOVA and Paired Sample t-test results likewise show statistically significant differences between the two groups around their understanding of the new structure and the lines of accountability.

Decision-Making

Qualitative methodology yielded results indicating perceived differences between the two groups around decision-making processes in the post- merger organization. Although both groups reported changes in this variable, Company "A" respondents reported more of a change in post-merger decision-making practices than did Company "H" respondents. Results are supported by the range and average calculations performed. In contrast, ANOVA test results regarding urgency in decision-making failed to demonstrated statistical significance between the two groups.

People Management

Interviews and document reviews indicate a change in post-merger people management practices. Qualitative results from Company "A" respondents indicate a perceived increase in employee sensitivity. However, Company "H" respondents reported a decline in employee sensitivity. ANOVA and Paired Samples t-test results supported these qualitative findings by producing statistical significance between the two groups.

Employee commitment was reported as low through qualitative methodology in both organizations prior to the merger. ANOVA results supported these findings. These results indicated that neither group felt a sense of improved commitment comparable to the levels perceived prior to the merger.

Qualitative results indicate that both groups agreed to a great extent that the merger had an impact on the resulting organizational culture in the new company. Quantitative results produced insignificant variation between the groups, which means that both respondent groups perceived an impact by the merger on the post-merger organizational culture.

Unexpected Results

For the most part, qualitative results were consistent with quantitative results. The most significant difference was found with the variable of decision-making. Interview and document review results indicated a much stronger change in decision-making practice than found through the ANOVA test. Respondents spoke of significant changes in focus, urgency, and style, however, quantitative scores failed to demonstrate significant levels of differences between the two groups.

Another surprising result was identified through the range and average scores around leadership. Company "H" respondents remained neutral in their survey responses before and after the merger relative to the question of internal leadership presence. It was anticipated that a more significant shift would have been observed through the scores in following the merger. The final unexpected result was observed in survey scores on pre-merger communication. Company "H" employees reported more neutral scores around employee focused communication efforts than anticipated with an average score of 3.0. Pre-merger perception held that employee focused communication efforts in Company "H" were much more employee sensitive than demonstrated through respondent survey results.

Conclusions

The cultural implications of merger related activity dates back through several decades. Harvey and Newgarden (1969) reported people management issues as representing the greatest threat to merger success. According to Reh (2001), studies clearly support that effective management of people resources is a key contributor to higher levels of success. He contends that merger related events create heightened unrest among employee groups thereby impacting employee morale and satisfaction. Productivity is proportional to satisfaction. Accordingly, productivity declines due to the lack of employee focus, commitment both to the organization and from leadership, lack of communication, clear goals and objectives and a general feeling that something has been taken away, never to return (Herzberg, 1993; Katzenbach, Beckett & Gagnon, 1977). According to Baruch (1998), no basis remains for the relationship if either party is perceived to have relinquished commitment to the other. Results from this study further support a negative impact on employee satisfaction, productivity, and commitment. The negative impact is believed to have been caused by the lack of focus in these areas as observed in the interview and survey results, which compared employee satisfaction and commitment before and after the merger.

Study results indicate that the merger process between Company "A" and Company "H" did indeed result in an impact on the organizational culture in the post-merger company. Significant impacts were identified in the areas of leadership, communication, decision-making, organizational structure, and communication. Employee perception around favorable versus unfavorable impacts in each of these characteristics largely depended on which pre-merger company they worked with. Perceptions from external sources such as the media appeared to be largely driven by pre-merger affinity as well.

According to Reh (2001), leadership is the primary ingredient to facilitate successful integration. Hupfeld (1997) and Schein (1992) further emphasize the criticality of demonstrating strength and vision in leadership to realize success. The most significant contributing factor toward the unsuccessful merger in this study was found in the leadership style. Results from data triangulation using interviews, survey responses, and document reviews consistently reported less than sufficient and effective leadership style, presence, and direction by senior management throughout the merger process. Reh (2001) links effective merger success to effective people management. Triantis (1999) sites ineffective leadership, vision, and goals as key vulnerabilities to merger success. Research from this study support a perceived degradation in leadership style across the post-merger organization, which had a negative impact on the merger. The change in leadership style from a clear, firm, focused, centralized, aggressive, agile, and metrics driven approach drove limited overall success. Two organizations, accustomed to vastly different leadership styles were suddenly thrust together. The literature suggests that the lack of clear, focused leadership in merger situations may negatively impact overall merger success (Trintis, 1999).

Although the concept of “a merger of equals” is a possible strategy in merger situations, it is the least desirable approach. The merger between Company "A" and Company "H" appeared to publicly articulate this approach, however this goal and philosophy were sparsely and haphazardly communicated down through the organization. Analysis of the research data revealed that the integration efforts themselves clearly demonstrated “acquisition” style approach with expectations of assimilation by Company "H" employees. The problem was created from the conflict between public communication and true operationalized actions within the organization. The degree of incongruity created chaos, frustration and unrest within the newly joined company.

The new charismatic but less performance driven senior leadership style was rejected down through the organization of the Company "A" workforce. This particular merger was somewhat unique in that the CEO from the acquired organization assumed leadership of the merged company but the corporate staff from the acquiring organization remained in tact to actually run the business on a day to day basis. This scenario inevitably resulted in conflicting goals, direction, and philosophies. The result of this conflict manifested itself in low performance, low employee morale and productivity, and diminished organizational performance. These opposing leadership and management philosophies fostered and perpetuated chaos and prevented the ability to build cohesion between the two workforces. Evidence was not discovered to support awareness at lower levels in the organization around deployment of a comprehensive cultural integration strategy.

Triantis (1999) contends that the lack of leadership, vision, goals, objectives, are key vulnerabilities during mergers and acquisitions. Clear vision and direction are some of the most critical components of a successful integration effort. Hupfeld (1997) suggests that employee support can be gained through leaders with strong identity. Results from this study indicated the absence of strong post-merger senior level leadership strength thereby impeding organizational effectiveness. Study subjects reported more awareness of pre-merger vision and direction in their respective organizations versus the direction provided in the post-merger environment. This lack of clear post-merger vision and direction was assessed to have a negative impact on the subjects in this study. According to Schein (1992) strong vision, trust, integrity, and honesty are requisite throughout this process.

Research data indicated that the change in senior leadership through the merger resulted in some positive impacts on the new post-merger company. Favorable changes included improved communication strategies adopted from the Company "H" coupled with a more employee friendly approach to people management. However, study results also indicated issues with communication efforts. Respondents reported a shift away from employee focused communication. Merger integration communications appeared to focus more on external integration issues versus internal organizational issues. Neither comprehensive nor frequent communication efforts were observed to be effective throughout the research. According to Bate, Kahn & Pye (2000), communication efforts must be carefully planned to ensure merger success. This carefully planned approach allows the people systems to understand the vision, direction, timing and other key aspects of the change effort. McKinley & Scherer (2000) contend that communication across all levels in the organization is critical toward maintaining and preserving coherence in the organization.

Results from the study also indicated confusion by study participants around the post-merger organizational structure. This state of confusion diminished accountability with reduced clarity around structure, reporting relationships, and accountabilities. Morgan (1997) describes a system of order, which facilitates effective organizational leadership. This order includes concepts such as unity of command, chain of command, division of work, authority and responsibility, equity stability, and esprit de corps. Study results indicated the lack of a clearly designed structure based on these principles thus, contributing to the sense of confusion and lack of employee support.

The lack of a strong, visible, cohesive leadership direction at the outset of the merger was believed to negatively impact many of the remaining characteristics such as decision-making and organizational structure. Decision-making and organizational structures are strongly influenced through leadership style. Thus, the lack of swift decision-making and a clear organizational structure was perceived to exacerbate merger conflict. Issues around decision-making practices were also identified through study results. Both respondent groups reported changes in post-merger decision-making practices. Neither group felt as though their perceived changes were beneficial to the organization. Decision-making was reported to have migrated toward a slower, more participative group process in the post-merger environment. Greenberg (1999) cautions against involvement of multiple factions in the decision-making process. He contends that group decision-making may result in lower levels of quality decision-making.

The new post-merger leadership failed to take an active role toward driving the transformation in a clear direction toward a new and unified organizational culture. To the extent that it existed, the change management used was fragmented and lacked cohesion. Employees were confused by receipt of conflicting cultural cues and messages. Vision, goals, and objectives were unclear at lower levels of the organization. The differences in the cultures between the two organizations were not adequately planned for and therefore went unmanaged. The cultural clash left the newly merged company paralyzed. The impact was seen in employee unrest and reduced commitment, in addition to concerns from customers and shareholders. Market reactions to this less than stellar event were harsh and critical, resulting in a negative impact on the stock price.

Harris & Ogbonna (2002) and Miller (2000) state that culture sets the tone for the way organizations and the people therein behave. This dynamic includes such things as philosophies and approaches to leadership style, communication style, customer and supplier relationships, processes, level and speed of decision-making, degree of organizational formality, tolerance for risk, and people management. Results from this study highlighted each of these cultural phenomenon found to have been impacted by this integration effort. Study results support Habeck et al. (2000) in their premise that merger success depends on the effectiveness of the integration effort, which focuses on change management. Ashkanasy, Wilderom, & Peterson, (2000) contend that change programs such as mergers often fail due to lack of consideration for the impact of the underlying culture. Merger activity brings two entities together with different personalities, norms of behavior, values, and philosophies. This activity is much like joining two new families together in a single household (Caitlin, 2001). In addition, The Change Manage Group (2000) put forth the premise that the lack of effective change management practices would result in limited merger success. Similarly, the deployment of a master change management strategy was not visible to the sample population interviewed as a part of this study. Participants reported that the confusion and lack of guidance impeded a true integration between the two organizations. Accordingly, the literature supports the findings in this study.

Conclusions drawn from this study indicated a severe lack of assimilation on the part of employees in both organizations. The failure to effectively blend the two cultures resulted in heightened frustration by both employee groups. It was concluded that the root cause for the failed cultural integration was the result of an attempt to “merge” and “blend” the better of the two cultures. As previously discussed, Miles (1997) contends that the option of “culture blending” is the least effective approach to culture integration in mergers, as shown in this study. The acquiring organization failed to assume a dominant role in setting and managing the high level vision for cultural integration down through the new company. This lack of leadership assertiveness resulted in conflicting and confusing goals, objectives, leadership styles, communication patterns, styles of decision-making, organizational structures, people sensitive practices, and decreased employee commitment from employees in both companies following the merger. Company "A" employees felt as though organizational effectiveness decreased following the merger from the adoption of select practices imposed from Company "H." Company "H" employees likewise perceived a decrease in the organizational effectiveness of the company due to adoption of Company "A" cultural norms and patterns, which they viewed as harsh and less effective. Based on research by Fraser, Kick and Barger (2002), job satisfaction and employee commitment is described as the overall perceived evaluation and quality of work experience by the employee. These authors contend that a new dynamic in the area of change is overlaid on top of the already complex nature of culture. This complexity is described as the "new workplace". At the conclusion of the merger, both groups reported significant dissatisfaction with the new organizational culture in which they worked.

The results of this study indicate that the merger between Company "A" and Company "H" failed to progress effectively through the integration stages as described by Cartwright and Copper (1996) in their analogy of mergers and marriage. The steps of assessing the pre-union environments for compatibility and development of clear go forward expectations by both parties were not readily apparent as a part of this event. Thus, the necessary contractual terms of the relationship were not fully identified and agreed to prior to execution of the merger. According to Cartwright and Cooper (1996), the result of these missed steps will lead to less than successful integration efforts as observed in this study.

In summary, the merger between Company "A" and Company "H" impacted the post-merger organizational culture. Majority perception reported an overall unsuccessful merger effort between the two companies. The infusion of the Company "H" leadership style into what was perceived to be a highly performance based organization was found to be the most significant factor that attributed to the diminished success.

The purpose of this study was to determine the impact of a recent merger on five targeted characteristics of organizational culture, both before and after the merger event. Three research questions were identified and addressed in this exercise. The research questions studied were as follows.

1. How do employees perceive the characteristics of communication, leadership, organizational structure, decision-making, and people management in the pre-merger culture in Company "A"?

2. How do employees perceive the characteristics of communication, leadership, organizational structure, decision-making, and people management in the pre-merger culture in Company "H"?

3. How do employees perceive the characteristics of communication, leadership, organizational structure, decision-making, and people management in the post-merger company?

This body of research and analysis has addressed each of these questions. Tables 13, 14, and 15 provide a summary of the findings as they relate to the research.

Table 13 Combined Data Triangulation Summary
Pre-Merger Research Question #1 Data Triangulation

Data Source	Leadership	Communication	Organizational Structure	Decision-Making	People Management
Interviews	Aggressive, largely centralized, focused, bottom-line oriented	Frequent, business oriented, less people oriented, less balance	Understood, few layers, dual reporting relationships	Short-term focused, quick, involved only critical few, low tolerance for error	Limited specific "people focus", more bottom-line focused. Limited people value demonstrated. Values known
Survey Results	Shareholder focused, dominant presence, aggressive	Fairly frequent. Primary focus on business performance and shareholder interests	Clear matrix structure, understood.	Short-term focused, quick, prone to risk, involved only critical few	Boundaries and basics provided, company interests as priority, limited employee sensitivity
Document Review	Bottom-line results oriented, direct, firm, clear goals and direction, strong presence, aggressive	Company focused versus employee focused. Frequent and appropriate business updates	Clearly defined, multiple accountabilities, few layers, large spans of control	Quick, decisive, short-term focused, shareholder benefit as priority	Basics provided no significant appearance of people value.

Table 14 Combined Data Triangulation Summary
Pre-Merger Research Question #2 Data Triangulation

Data Source	Leadership	Communication	Organizational Structure	Decision-Making	People Management
Interviews	Strong customer orientation, de-centralized, hands-off style. Little results orientation	Frequent, good blend of customer, employee and shareholder interests	Traditional business structure, largely decentralized due to hand-off leadership style of CEO	Long-term-focused, slower, multiple opinions and input sought and required	Strong "people focus", Employee "good-will" fostered. Values well known
Survey Results	Customer focused, less dominant	Frequent. More focus on customers, communities and employees	Traditional strategic business unit model with lower level accountability. Single line of accountability; little corporate level involvement or support	Long-term focused conservative, risk averse, involved input from many	Employee sensitivity fostered and supported through policies, practices, etc.
Document Review	Primary customer focus, limited leadership presence	Frequent with emphasis on customers, community	Less progressive, multiple layers, large spans of control	Lengthy, long-term focused customer benefit as priority. Lacked cohesion	Basics provided no significant appearance of people value

Table 15 Combined Data Triangulation Summary
Post-Merger Research Question #3 Data Triangulation

Data Source	Leadership	Communication	Organizational Structure	Decision-Making	People Management
Interviews	Lacked dominance, vision, direction, clarity, & cohesion	Overall slight improvement. Increased people focus	Lacked clarity. Not well understood, implementation challenging. Employee resistance	Inconsistent, conflict between speed, quality and centralization vs. de-centralization	Maintained more Company "A" characteristics. Less human focus, more results orientation
Survey Results	Lacked presence, no sense of direction	Slight improvement	Lacked clarity. Not well understood, implementation challenging. Employee resistance	Inconsistent, conflict between speed, quality and centralization vs. de-centralization	Maintained more Company "A" characteristics. Less human focus, more results orientation
Document Review	Lacked aggression, result orientation, and direction	Focus on merger progress, transition status, organizational structure	Lacked leadership, inconsistent conversion, resistance	Confused, inconsistent, slow, less aggressive	More people focus than pre-merger but still less overall people sensitivity
Direct Observation	Conflict and inconsistent philosophies	Slight increase in employee focus. Increased frequency		Assumed more Company "A" philosophies in community giving, building & landscape, etc.	Slight increase in human factor sensitivity

Recommendations

Merger activity continues to increase as a means of streamlining costs, increasing productivity, and maximizing synergies resulting in increased shareholder value. Accordingly, a critical need exists for increased effectiveness in the merger process. This final section outlines recommendations to increase merger integration effectiveness and also provides several key recommendations for future research.

The analysis conducted in this study has identified a direct impact on organizational culture and performance as a result of merger related activity. Triangulated data sources indicate that the merger effort was neither executed effectively nor did it achieve the forecasted resulted. A direct linkage can be made to the role of people in the merger formula for success.

Several key strategies typically found to increase merger success were not identified as a part of this integration. These strategies include such efforts as development of a comprehensive merger integration, change management, and culture integration strategy. Additional strategies recommended for success include development of a clear vision, goals, and objectives coupled with robust and cohesive communication efforts. Data analysis indicates that these strategies were not present throughout this merger effort. Consequently, the absence of these key activities impeded the overall success of this merger effort.

Upon review and analysis of a variety of data, several recommendations for increased merger success are provided. First, given the significance of cultural dynamics, employee interests and needs should be carefully anticipated, planned, and managed throughout this type of process. Thus, the human resources function should be included at the outset in merger discussions and negotiation process to ensure representation of the people resources within the affected organizations.

Next, cultural assessments should be made in both organizations to determine the degree of commonality and identify where gaps in cultural norms may exist. The assessments should include such indicators as researched in this study to include for example, leadership styles, communication patterns, people management practices, employee temperament, organizational structures and decision-making. Strategies and action plans should be developed and executed to drive the desired cultural outcome.

The integration approach to be used should be carefully analyzed, decided upon, and communicated in a broad and consistent manner prior to the initiation of integration efforts. These approaches include a decision as to whether this marital activity will be carried out in the form of a merger or integration. Furthermore, decisions should be finalized and strategies developed for execution to effectively manage the ensuing culture transition. Decisions should be clarified to set the course for either adoption of the acquiring entity’s culture, adoption of the acquired entity’s culture, or the third option of creating a new culture using best practices from both organizations.

Robust and continuous communication programs should be developed and deployed in a timely manner throughout the merger process to provide accurate information to employees, customers, shareholders, and other stakeholders. Sustained communication minimizes rumors and provides management with the opportunity to manage the process.

Senior leadership must also set the tone for shaping the resulting organizational culture profile to be adopted in the merged organization. Employees must develop a clear understanding around who will provide leadership and commit to follow the leader on the journey.

Employees should be invited and encouraged to participate in the merger process. Involvement breeds buy-in and ownership. Task teams provide an effective means by which employee involvement can be incorporated into the process. Resources dedicated to the merger process can provide significant benefits to the organization.

Management must be trained to enable effective leadership during merger periods. This training should include culture integrations, typical employee merger fallout behavior along with ways to identify symptoms and behavior in addition to strategies to positively manage the behavior toward the desired direction.

Employees across the merging organizations must be sufficiently trained in change management to effectively respond to the changing dynamics of their workplace. Given their critical impact in merger success, employees should be provided the tools needed to effectively navigate through this stressful process as well.

Transition processes must be developed and deployed to ensure smooth transition into the new merged environment. This activity includes such things as management appointments, staffing processes, pay and benefit programs, clarification of human resource policies and practices, etc.

The final recommendation for merger integration contends that post-merger follow-up and assessment is also critical to ensure longer-term merger success. This activity will ensure follow-through on merger goals and objectives and provide a means to measure merger success.

Recommendations for future study design and methodology are provided in this section. The results of this study indicate a significant impact on organizational culture from merger and acquisition activity. Consequently, additional work can be done to analyze this phenomenon further. First, each of the characteristics analyzed in this study (leadership, communication, organizational structure, decision-making, and people management) have the potential to serve as individual research constructs in their own right and provide in depth information about these critical dynamics.

The phenomenon of organizational culture can be analyzed in greater detail from multiple aspects not specifically addressed in this study. Additional areas of study include employee satisfaction and morale, customer satisfaction, turnover, measurement of organizational productivity, absenteeism and employee health.

Next, aggressive use and analysis of employee and customer satisfaction surveys might provide meaningful quantitative data to assess satisfaction levels before, during, and after integration activity. Focused analysis of reasons for turnover might also provide valuable data for future learning. Turnover data can be segmented between the general employee population, management, and senior leadership to isolate patterns unique to each group. Robust exit data can facilitate identification of trends and common themes to highlight opportunity areas for improvement.

The capture and analysis of employee and organizational productivity metrics might also provide key data to correlate with the timing of integration activity. This data can be used to then provide a basis for analysis of core financial impacts on the organization.

The next area focuses on how employees internalize and cope with the impact of integration activity. These impacts can be studied through the use of absenteeism data, mental and emotional counseling provided by employee assistance program data, and medical health utilization rate data. Focused study on these dynamics may also provide insight into employee stress levels and coping mechanisms to identify improvement areas for future integration efforts.

Additional recommendations are provided focused on data gathering and analysis. Employee and customer satisfaction, turnover, productivity, absenteeism, and employee health statistics provide metric oriented data, which lends itself to the use of more quantitative analysis. Data captured, before, during, and after integration activity enables comparative analysis and also segments various dynamics, which may be unique and manifest themselves at different points throughout the integration process. A larger study sample size may also enable more generalizable results based on statistical analysis. Post-merger longitudinal studies may be conducted to analyze changes and adjustments in cultural integration over longer periods of time. A path analysis may be effective toward analyzing the direction of variables.

This study focused primarily on feedback from both management and non-management employees even though other external sources such as news articles were also incorporated into the process. However, expanded use of qualitative methodology may enable the gathering of more and different types of data. An example includes interviews with external organizations and constituents impacted by the integration.

Each of these recommendations has been provided in an effort to increase merger integration effectiveness and to provide suggestions for further study through increased application of quantitative and qualitative methodologies. Given the increasing rate of mergers and acquisitions, the impact of this phenomenon of organizational culture will inevitably drive additional studies in this area.

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Appendix A

INTERVIEW REQUEST LETTER

Dear Colleague:

I am a doctoral student at Capella University and also work with the company as a Human Resources Director. In order to fulfill my requirements for a doctoral degree, I am conducting a study of the impact of our recent merger on the resulting organizational culture here in the company. My interest in this topic is driven by the low success rates associated with mergers and acquisitions coupled with an understanding of this activity as a key growth initiative for the company.

In order to increase the effectiveness of these efforts in our company, I am asking for your participation in this study. Participation will be in the form of individual interviews. Participation is strictly voluntary. Your decision to participate or not will not affect your job in any way. All published information will be kept confidential. Data will be reported as group data. You will not be identified in the study. No one will know of your participation unless you provide that information to them. You will be free to withdraw from the study at any time with repercussion.

Enclosed is a copy of the questions that will be asked as a part of the interview. Individual face-to-face interviews will be conducted using a semi-structured format. Only one interview session will be conducted with each candidate. Interviews should last between 60-90 minutes. Your honesty in responding to these questions is of utmost importance.

I would appreciate your participation and support in this project. Please feel free to contact me should you have any additional questions regarding this study or require any additional information at (913) 712-3148 or **winifred38@aol.com.** You may also contact Dr. Susan Saxton who is serving as my committee chairperson at **drsesaxton@aol.com**.

I will contact you within the next few days to receive your response to this invitation.

Thank you very much in advance for your support.

Sincerely,

Winifred L. Williams

Appendix B

INTERVIEW GUIDE FOR MERGER STUDY
COMPANY "A" PARTICIPANTS

Date: ______________________________

Participant Name: ______________________________

1. Describe the key aspects of the position you held immediately during the merger in 2000.

____
____
____
____

2. How did your position enable you to participate in and/or observe the integration activity?

____
____
____
____

3. How would you describe the organizational culture that existed prior to the merger in Company "A" as it relates to the elements of leadership, communication, organizational structure, decision-making, and people management?

____
____
____
____

4. How would you describe the organizational culture that existed prior to the merger in Company "H" as it relates to the elements of leadership, communication, organizational structure, decision-making, and people management?

5. Describe the level of employee commitment demonstrated by employees prior to the merger (very satisfied, content, apprehensive, concerned, etc).

6. Describe the level of commitment demonstrated by employees following the merger (very satisfied, content, apprehensive, concerned, etc).

7. What was the impact of the merger on employees immediately following the integration to present as it relates to the climate in the organization?

8. In your perception, what was the impact of the merger in the areas of leadership, communication, organizational structure, decision-making, and people management?

____

____

____

9. Discuss the culture integration strategies deployed to facilitate the integration of the two organizations that worked well.

____

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10. Discuss the culture integration strategies that were deployed to facilitate the integration of the two organizations that did not work well.

____

____

____

11. How has the culture either helped or hurt the company's economic performance?

____

____

____

12. What recommendations would you provide to improve the effectiveness of future merger integration initiatives?

____

____

____

Interviewer: ______________________________

Appendix C

INTERVIEW GUIDE FOR MERGER STUDY
COMPANY "H" PARTICIPANTS

Date: ____

Participant Name: ____________________________________

1. Describe the key aspects of the position you held immediately during the merger in 2000.

2. How did your position enable you to participate in and/or observe the integration activity?

3. How would you describe the organizational culture that existed prior to the merger in Company "A" as it relates to the elements of leadership, communication, organizational structure, decision-making, and people management?

4. How would you describe the organizational culture that existed prior to the merger in Company "H" as it relates to the elements of leadership, communication, organizational structure, decision-making, and people management?

5. Describe the level of employee commitment demonstrated by employees prior to the merger (very satisfied, content, apprehensive, concerned, etc).

6. Describe the level of commitment demonstrated by employees following the merger (very satisfied, content, apprehensive, concerned, etc).

7. What was the impact of the merger on employees immediately following the integration to present as it relates to the climate in the organization?

8. In your perception, what was the impact of the merger in the areas of leadership, communication, organizational structure, decision-making, and people management?

____

____

____

9. Discuss the culture integration strategies deployed to facilitate the integration of the two organizations that worked well.

____

____

____

10. Discuss the culture integration strategies that were deployed to facilitate the integration of the two organizations that did not work well.

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____

____

11. How has the culture either helped or hurt the company's economic performance?

____

____

____

12. What recommendations would you provide to improve the effectiveness of future merger integration initiatives?

____

____

____

Interviewer: ______________________________

Appendix D

DIRECT OBSERVATION DATA GATHERING

Date	
Observer	
Location	
Nature/Type of Activity Observed:	
Key Tie Back To Merger Study	

Appendix E

DOCUMENT REVIEW DATA GATHERING

Article Date	
Document Type	
Document Name/Title	
Data Source	
Author	
Key Contents	

Appendix F

SURVEY INSTRUMENT FOR COMPANY "A" EMPLOYEES

Participant Name: ________________________

Instructions:
Please indicate the extent to which you agree or disagree with the following statements by circling your response. Assessments should be made using the time period immediately prior to the merger, where requested, and within the first year following the integration, where requested.

1. Senior Leadership style in Company "A" commanded a strong presence inside of the organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

2. Company programs and strategies were largely driven from the corporate level in Company "A":

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

3. Communication efforts in Company "A" were balanced among employee interests, customer interests, and shareholder interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

4. Communication efforts in Company "A" were focused more on employee interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

5. Communication efforts in Company "A" were focused more on customer interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

6. Communication efforts in Company "A" were focused more on shareholder interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

7. The Organizational Structure in Company "A" clearly described lines of accountability:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

8. The Organizational Structure in Company "A" was easily understood by employees:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

9. Decision-Making in Company "A" exhibited a sense of urgency:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

10. Decision-Making in Company "A" was often centralized at high levels in the organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

11. People Management practices in Company "A" were employee sensitive:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

12. People Management practices in Company "A" valued diversity:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

13. Employee Commitment was high in Company "A" prior to the merger:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

14. Senior Leadership style in the merged company commanded a strong presence inside of the organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

15. Senior Leadership style in the merged company commanded a strong presence outside of the organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

16. Communication efforts in the merged company were balanced among employee interests, customer interests, and shareholder interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

17. Communication efforts in the merged company were focused more on employee interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

18. Communication efforts in the merged company were focused more on customer interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

19. Communication efforts in the merged company were focused more on shareholder interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

20. The Organizational Structure in the merged company clearly describes lines of accountability:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

21. The Organizational Structure in the new company was easily understood by employees:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

22. Decision-Making in the merged company exhibited a sense of urgency:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

23. Decision-Making in the merged company was often centralized at high levels in the organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

24. People Management practices in the merged company were employee sensitive:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

25. People Management practices in the merged company valued diversity:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

26. The Organizational Climate was positive in the merged company prior to the merger:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

27. Employee Commitment was high in the merged company:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

28. The merger significantly impacted the culture in the new organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

29. Effective cultural integration strategies were deployed to manage the merger:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

30. The culture in the new organization positively supports the company's business performance:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

Appendix G

SURVEY INSTRUMENT FOR COMPANY "H" EMPLOYEES

Participant Name: ________________________

Instructions:
Please indicate the extent to which you agree or disagree with the following statements by circling your response. Assessments should be made using the time period immediately prior to the merger, where requested and within the first year following the integration, where requested.

1. Senior Leadership style in Company "H" commanded a strong and aggressive presence inside the organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

2. Company programs and strategies were largely driven from the corporate level in Company "H":

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

3. Communication efforts in Company "H" were balanced among employee interests, customer interests, and shareholder interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

4. Communication efforts in Company "H" were focused more on employee interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

5. Communication efforts in Company "H" were focused more on customer interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

6. Communication efforts in Company "H" were focused more on shareholder interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

7. The Organizational Structure in Company "H" clearly described lines of accountability:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

8. The Organizational Structure in Company "H" was easily understood by employees:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

9. Decision-Making in Company "H" exhibited a sense of urgency:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

10. Decision-Making in Company "H" was often centralized at high levels in the organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

11. People Management practices in Company "H" were employee sensitive:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

12. People Management practices in Company "H" valued diversity:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

13. Employee Commitment was high in Company "H" prior to the merger:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

14. Senior Leadership style in the merged company commanded a strong presence inside of the organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

15. Senior Leadership style in the merged company commanded a strong presence outside of the organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

16. Communication efforts in the merged company were balanced among employee interests, customer interests, and shareholder interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

17. Communication efforts in the merged company were focused more on employee interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

18. Communication efforts in the merged company were focused more on customer interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

19. Communication efforts in the merged company were focused more on shareholder interests:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

20. The Organizational Structure in the merged company clearly describes lines of accountability:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

21. The Organizational Structure in the new company was easily understood by employees:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

22. Decision-Making in the merged company exhibited a sense of urgency:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

23. Decision-Making in the merged company was often centralized at high levels in the organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

24. People Management practices in the merged company were employee sensitive:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

25. People Management practices in the merged company valued diversity:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

26. The Organizational Climate was positive in the merged company prior to the merger:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

27. Employee Commitment was high in the merged company:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

28. The merger significantly impacted the culture in the new organization:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

29. Effective cultural integration strategies were deployed to manage the merger:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

30. The culture in the new organization positively supports the company's business performance:

1-Strongly Disagree 2- Disagree 3 -Neutral 4- Agree 5-Strongly Agree

Appendix H

INDIVIDUAL INTERVIEW SUMMARY TEMPLATE

Study Participant #______

1. Pre-merger culture in your company as it related to:

- Leadership
- Communication
- Decision-making
- Organizational Structure
- People Management

2. Post-merger culture in the merged company as it related to:

- Leadership
- Communication
- Decision-making
- Organizational Structure
- People Management

3. Pre-merger employee commitment:

4. Post-merger employee commitment:

5. Effectiveness of integration strategies:

6. Impact of merger on the organizational culture:

7. Impact of culture on business performance:

Appendix I

MEMBER CHECK LETTER

September 29, 2003

Dear ________

Thank you for participating in the interview and survey research project for my doctoral degree. As explained at the beginning of the interview, the study that I am conducting is primarily qualitative in nature; however a survey was incorporated into the project to strengthen the more subjective results and to allow for quantitative analysis.

In an effort to ensure that I have captured and interpreted your responses correctly, I have prepared a summary of the responses that I recorded from your interview session. Please review and edit the summary, as needed, and return to my attention. I will update my notes and associated data to reflect your edits and return the summary to you for final approval. If upon initial review you feel that your comments were captured accurately and require no further editing, please advise with confirmation. Your additional assistance in this step of the process will help to ensure the validity of the study results.

Upon receipt and review, please feel free to contact me should you have questions or require any additional clarification.

Once again, I appreciate your support and participation as a subject in my research effort.

Sincerely,

Winifred L. Williams

Appendix J

COMBINED DEMOGRAPHICS-CENTRAL TENDENCY

Company		Age	Gender	Service	Education
Company A	Mean	46.33	1.333	11.50	1.6667
	N	6	6	6	6
Std. Deviation		5.465	51640	7.662	.51640
Company H	Mean	42.83	1.5000	11.00	1.6667
	N	6	6	6	6
Std. Deviation		3.656	.54772	2.191	.51640
Total	Mean	44.58	1.4167	11.25	1.16667
	N	12	12	12	12
Std. Deviation		4.795	.51493	5.379	.49237

Appendix K

PERSONAL DEMOGRAPHICS DATA - COMPANY "A" PARTICIPANTS

Variable		Frequency	Percentage
Gender			
	Male	4	66.7%
	Female	2	33.3%
	N=6		
Highest Degree Held			
	Bachelor's Degree	3	50.0%
	Master's & Above	3	50.0%
	N=6		
Age			
	30-39 Years Old	1	16.7%
	40-49 Years Old	3	50.0%
	50-59 Years	2	33.3%
	N=6		
Length of Service			
	1-10 Years	4	66.7%
	11-20 Years	1	16.65%
	21-30 Years	1	16.65%
	N=6		

Appendix L

PERSONAL DEMOGRAPHIC DATA - COMPANY "H" PARTICIPANTS

Variable	Frequency	Percentage
Gender		
Male	3	50.0%
Female	3	50.0%
N=6		
Highest Degree Held		
Bachelor’s Degree	4	66.7%
Master’s & Above	2	33.3%
N=6		
Age		
30-39 Years Old	2	33.3%
40-49 Years Old	4	66.7%
50-59 Years	0	
N=6		
Length of Service		
1-10 Years	3	50.0%
11-20 Years	3	50.0%
21-30 Years	0	
N=6		

Appendix M

DATA GATHERING THEMATIC CODING CHART
INTERVIEW RESULTS – COMPANY "A" RESPONDENTS

Respondent	Leadership	Organizational Structure	Decision-Making	Communication	People Management
1W	Dominant, aggressive, clear, centralized	Matrixed. Clear. Multiple accountabilities	Quick, short-term focused	Adequate. Focused on shareholders & bottom-line	Shareholder and Cost Reduction valued most.
2F	Clear, strong, authoritative, aggressive	Strong tie between operation & functions.	Swift, bottom-line focused.	Frequent. Focused on organizational performance	Fair treatment. People as resources.
3W	Aggressive, dominant, very clear	Matrixed with functional excellence focus	Quick, minimal information, adjust later, short-term focused	Key priority-bottom-line results	Fair, progressive practices and benefits.
4R	Strong, domineering, leading edge	Multiple reporting relationships between operations & functions	Good for size of company. No “fluff”, informational in nature.	Fair practices, but skewed toward company’s interests.	
5J	Bold, dominant, intimidating	Matrixed with 2-3 bosses			
6W	Commanding, bold, dominant	Non-traditional. Matrix style			

Appendix N

DATA GATHERING THEMATIC CODING CHART
INTERVIEW PROCESS –COMPANY "H" RESPONDENTS

Respondent	Leadership	Organizational Structure	Decision-Making	Communication	People Management
7O	Hands-off, politician style, decentralized	Traditional structure. Mini-businesses with autonomy	Quality vs. speed. Multiple data points. Inclusive	Appropriate balance between employees, customers & business	Employee sensitive
8F	Absence of senior leader presence in lower level businesses. Strong customer focus.	Empowered strategic business unit (SBU) model. Independent management	Long-term focused on overall interests of the company	Frequent and adequate. Included blend of customer, company & employees	Employee friendly and sensitive. Competitive programs and policies.
9F	Charismatic, politician style	Traditional structure	Multiple levels and players involved. Risk averse	Frequent and appropriate	Fair, progressive practices and benefits.
10S	Favorable presence, respectable, likeable	Traditional single lines of reporting and accountability. Business unit style model.	Cautious with quality focus. Long-term impacts as priority	Good, conveyed value of customers and employees	Fair. Employee friendly.
11K	Respected, well liked. Good external relationship builder	Inconsistent across businesses. Not very clear.	Collaborative with high level of involvement. Decentralized down to business unit level	Company focused. Bottom-line results and processes.	Basic. No employee good-will
12C	Commanding, bold, dominant	Non-traditional. Matrix style.	Centralized for major issues. Speed as priority. Short-term focused	Basic information only.	Fair, but lacking employee sensitivity

Appendix O

SURVEY RESULTS

Leadership

		Company A						Company H					
Question Set		1A	2A	14A	15A	29A	30A	1H	2H	14H	15H	29H	30H
Respondents	1	5	5	4	4	3	2	2	2	2	2	2	1
	2	5	5	2	2	3	3	4	2	4	4	3	4
	3	4	4	4	4	2	2	2	1	4	3	2	4
	4	5	5	1	3	1	2	4	4	3	3	2	4
	5	4	4	4	3	2	3	2	2	2	1	2	2
	6	5	4	2	2	2	2	3	2	2	2	2	2
Sum		28	27	17	18	13	14	17	13	17	15	13	17
Average X		4.7	4.5	2.8	3.0	2.2	2.3	2.8	2.2	2.8	2.5	2.2	2.8
Range, R		1	1	3	2	2	1	2	3	2	3	1	3

Communication

		Company A								Company H							
Question Set		3A	4A	5A	6A	16A	17A	18A	19A	3H	4H	5H	6H	16H	17H	18H	19H
Respondents	1	4	3	3	3	4	3	3	3	4	2	4	2	2	2	2	4
	2	5	3	3	3	3	4	3	3	5	3	4	2	2	2	2	5
	3	2	1	3	5	3	2	4	3	4	2	2	2	2	2	4	4
	4	3	2	4	2	4	2	3	2	4	3	4	3	2	1	2	5
	5	5	3	3	3	3	4	3	4	4	4	5	2	2	3	3	4
	6	2	2	3	5	3	3	4	3	4	4	5	3	2	2	3	4
Sum		21	14	19	21	20	18	20	18	25	18	24	14	12	12	16	26
Average X		3.5	2.3	3.2	3.5	3.3	3.0	3.3	3.0	4.2	3.0	4.0	2.3	2.0	2.0	2.7	4.3
Range, R		3	2	1	3	1	2	1	2	1	2	3	1	0	2	2	1

Decision-Making

		Company A				Company H			
Question Set		9A	10A	22A	23A	9H	10H	22H	23H
Respondents	1	5	2	2	3	3	2	1	5
	2	5	4	2	2	3	4	4	4
	3	4	3	3	3	4	2	2	2
	4	5	2	4	2	4	4	4	4
	5	4	4	2	4	2	2	2	4
	6	5	4	3	3	1	2	2	1
Sum		28	19	16	17	17	16	15	20
Average X		4.7	3.2	2.7	2.8	2.8	2.7	2.5	3.3
Range, R		1	2	2	2	3	2	3	4

Organizational Structure

		Company A				Company H			
Question Set		7A	8A	20A	21A	7H	8H	20H	21H
Respondents	1	5	5	3	2	4	4	1	2
	2	5	5	2	2	4	4	4	4
	3	4	4	4	4	2	2	4	4
	4	2	5	2	4	3	2	2	2
	5	4	4	3	2	2	2	1	1
	6	4	3	3	3	3	2	1	1
Sum		24	26	17	17	18	16	13	14
Average X		4.0	4.3	2.8	2.8	3.0	2.7	2.2	2.3
Range, R		3	2	2	2	2	2	3	3

People Management

Question Set		Company A								Company H							
		11A	12A	13A	24A	25A	26A	27A	28A	11H	12H	13H	24H	25H	26H	27H	28H
	1	4	5	4	4	5	4	3	5	4	4	4	1	2	4	2	4
	2	4	4	5	4	3	3	3	4	5	5	3	3	4	2	2	4
	3	2	3	3	3	3	3	3	3	4	4	5	2	4	2	2	2
	4	1	5	1	3	4	2	2	4	3	5	4	1	4	3	4	5
	5	4	5	5	3	3	4	3	5	4	4	4	2	2	1	1	5
	6	2	2	3	3	3	4	2	5	4	5	5	2	2	1	1	5
Sum		17	24	21	20	21	20	16	26	24	27	25	11	18	13	12	25
Average X		2.8	4.0	3.5	3.3	3.5	3.3	2.7	4.3	4.0	4.5	4.2	1.8	3.0	2.2	2.0	4.2
Range, R		3	3	4	1	2	2	1	2	2	1	2	2	2	3	3	3

Appendix P

ONE WAY ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Q1	Between Groups	10.083	1	10.083	16.351	.002
	Within Groups	6.167	10	.617		
	Total	16.250	11			
Q2	Between Groups	16.333	1	16.333	25.789	.000
	Within Groups	6.333	10	.633		
	Total	22.667	11			
Q3	Between Groups	1.333	1	1.333	1.290	.282
	Within Groups	10.333	10	1.033		
	Total	11.667	11			
Q4	Between Groups	1.333	1	1.333	1.818	.207
	Within Groups	7.333	10	.733		
	Total	8.667	11			
Q5	Between Groups	2.083	1	2.083	3.049	.111
	Within Groups	6.833	10	.683		

	Total	8.917	11			
Q6	Between Groups	4.083	1	4.083	4.623	.057
	Within Groups	8.833	10	.883		
	Total	12.917	11			
Q7	Between Groups	3.000	1	3.000	3.000	.114
	Within Groups	10.000	10	1.000		
	Total	13.000	11			
Q8	Between Groups	8.333	1	8.333	9.615	.011
	Within Groups	8.667	10	.867		
	Total	17.000	11			
Q9	Between Groups	10.083	1	10.083	12.347	.006
	Within Groups	8.167	10	.817		
	Total	18.250	11			
Q10	Between Groups	.750	1	.750	.738	.411
	Within Groups	10.167	10	1.017		
	Total	10.917	11			
Q11	Between Groups	4.083	1	4.083	3.769	.081
	Within Groups	10.833	10	1.083		
	Total	14.917	11			
Q12	Between	.750	1	.750	.789	.395

	Groups					
	Within Groups	9.500	10	.950		
	Total	10.250	11			
Q13	Between Groups	1.333	1	1.333	.930	.358
	Within Groups	14.333	10	1.433		
	Total	15.667	11			
Q14	Between Groups	.000	1	.000	.000	1.000
	Within Groups	13.667	10	1.367		
	Total	13.667	11			
Q15	Between Groups	.750	1	.750	.789	.395
	Within Groups	9.500	10	.950		
	Total	10.250	11			
Q16	Between Groups	5.333	1	5.333	40.000	.000
	Within Groups	1.333	10	.133		
	Total	6.667	11			
Q17	Between Groups	3.000	1	3.000	5.000	.049
	Within Groups	6.000	10	.600		
	Total	9.000	11			
Q18	Between Groups	1.333	1	1.333	2.857	.122
	Within	4.667	10	.467		

	Groups					
	Total	6.000	11			
Q19	Between Groups	5.333	1	5.333	16.000	.003
	Within Groups	3.333	10	.333		
	Total	8.667	11			
Q20	Between Groups	1.333	1	1.333	.976	.347
	Within Groups	13.667	10	1.367		
	Total	15.000	11			
Q21	Between Groups	.750	1	.750	.529	.484
	Within Groups	14.167	10	1.417		
	Total	14.917	11			
Q22	Between Groups	.083	1	.083	.077	.787
	Within Groups	10.833	10	1.083		
	Total	10.917	11			
Q23	Between Groups	.750	1	.750	.529	.484
	Within Groups	14.167	10	1.417		
	Total	14.917	11			
Q24	Between Groups	6.750	1	6.750	16.200	.002
	Within Groups	4.167	10	.417		

	Total	10.917	11			
Q25	Between Groups	.750	1	.750	.789	.395
	Within Groups	9.500	10	.950		
	Total	10.250	11			
Q26	Between Groups	4.083	1	4.083	4.016	.073
	Within Groups	10.167	10	1.017		
	Total	14.250	11			
Q27	Between Groups	1.333	1	1.333	1.818	.207
	Within Groups	7.333	10	.733		
	Total	8.667	11			
Q28	Between Groups	.083	1	.083	.082	.780
	Within Groups	10.167	10	1.017		
	Total	10.250	11			
Q29	Between Groups	.000	1	.000	.000	1.000
	Within Groups	3.667	10	.367		
	Total	3.667	11			
Q30	Between Groups	.750	1	.750	.738	.411
	Within Groups	10.167	10	1.017		
	Total	10.917	11			

Appendix Q

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Q13	3.8333	12	1.19342	.34451
	Q27	2.3333	12	.88763	.25624
Pair 2	Q3	3.8333	12	1.02986	.29729
	Q16	2.6667	12	.77850	.22473
Pair 3	Q1	3.7500	12	1.21543	.35086
	Q14	2.8333	12	1.11464	.32177
Pair 4	Q7	3.5000	12	1.08711	.31382
	Q20	2.5000	12	1.16775	.33710
Pair 5	Q8	3.5000	12	1.24316	.35887
	Q21	2.5833	12	1.16450	.33616
Pair 6	Q9	3.7500	12	1.28806	.37183
	Q22	2.5833	12	.99620	.28758
Pair 7	Q10	2.9167	12	.99620	.28758
	Q23	3.0833	12	1.16450	.33616
Pair 8	Q11	3.4167	12	1.16450	.33616
	Q24	2.5833	12	.99620	.28758

Appendix R

DOCUMENT REVIEW DATA CODING CHART

Data Source	Leadership	Communication	Organizational Structure	Decision-Making	People Management
Press Release	$25B deal designed to enhance growth and revenue. New leadership for merged company announced				
Computer World: How Company "A" and Company "H" merged IT with 90 days to plan and 90 days to do it			Highlighted differences in business structure (centralized versus decentralized)		Emphasized cultural differences between the two companies
Wall Street Journal: Deals & Deal Makers: Big Mergers of the 90's Prove Disappointing to Shareholders	Highlighted "softer issues" as challenge for merger. Merging company vulnerability				Emphasized cultural integration issues as key challenge for the union between Company "A" and Company "H"
Business Journal: Coming Together: Merged Company's Big Job Ahead: Mapping New workforce, culture		Reviewed need for "robust" communications toward managing employee fear and anxiety. Reviewed integration team approach			

Business Week "The Corporation"	Deemed union between Company "A" and "H" as “failed merger” due to poor CEO leadership. Addressed significant culture clash		
Communications Department in Merged Company		Integration staffing process communication. Provided Questions & Answers on go forward integration strategies until deal officially closed	
Minnesota Employment Review: Minnesota Department of Economic Security	Post-merger assessment rendered results of failure and financial vulnerability		
Communications Department in Merged Company	Set stage for swift transition citing that successful mergers transition quickly		
Internal Training Material: Making Our Merger A Success: A Guide For Leaders	Leadership checklist to prioritize transition activities	Stressed communication of new organizational structures	Addressed criticality of organizational chart development

Appendix S

DIRECT OBSERVATION THEMATIC CODING CHART SUMMARY

Data Source	Leadership	Communication	Organizational Structure	Decision-Making	People Management
Company "A"	Strong CEO presence felt by employees. Priority focus on shareholder value. Minimal community involvement and support. Stringent, domineering leadership approach. Buildings and grounds met minimal standards. Limited signage	Priority focused on operational activity and performance updates	More centralized programs and processes to drive consistency. Matrixed models with dual accountability to functional and operational excellence. Less bureaucratic	Heavy corporate level involvement in field activities and direction	Good compensation and benefits programs. Less value perceived for people resources. Limited to no company pride reported. Employee moral and satisfaction levels reported as low. No “class” system in place
Company "H"	Less “presence” felt. Customer priority and focus widely known. Widespread community involvement. More lenient leadership approach. Buildings and grounds well maintained. Prominent signage	Employee oriented communication observed through newsletters, table tents, posters and other related signage	Traditional business model. More stand alone decision-making, less consistency across larger organization. Hierarchical structure in place. More bureaucratic. Open door policies		Company pride observed through widespread corporate clothing and insignia. High level of employee morale and satisfaction. “Class system” used for parking and cafeteria services. Company sponsored events to build employee good-will