The Effect of Mergers and Acquisitions on Employee Morale: Implications for Human Resource Development

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Abstract
The case organization used in this study is a result of various acquisitions over the past ten years. The most recent acquisition occurred a year and a half ago. While the growth has added much to the organization, it has also had a tremendous effect on the organization's greatest asset - its people. This effect is mostly the result of communication in the organization, leadership and various cultures coming together. A literature review of these various topics set the stage for further investigation by this researcher, who conducted a consultative intervention. In the fall of 2003, an outside source administered an employee satisfaction survey in order to gauge the climate of the organization. Extant data was then used by this researcher to pinpoint areas of improvement. Focus groups and qualitative interviews were conducted in order to dig deeper into these issues. Recommendations were made based upon the findings. Some of these include talent/leadership development, improved communication skills and recruitment. Implications for HRD professionals and recommendations for future research are also discussed.

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Implications for Human Resource Development

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Master of Science in Human Resource Development Program

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ABSTRACT

The case organization used in this study is a result of various acquisitions over the past ten years. The most recent acquisition occurred a year and a half ago. While the growth has added much to the organization, it has also had a tremendous effect on the organization's greatest asset – its people. This effect is mostly the result of communication in the organization, leadership and various cultures coming together. A literature review of these various topics set the stage for further investigation by this researcher, who conducted a consultative intervention.

In the fall of 2003, an outside source administered an employee satisfaction survey in order to gauge the climate of the organization. Extant data was then used by this researcher to pinpoint areas of improvement. Focus groups and qualitative interviews were conducted in order to dig deeper into these issues. Recommendations were made based upon the findings. Some of these include talent/leadership development, improved communication skills and recruitment. Implications for HRD professionals and recommendations for future research are also discussed.
People make up their own mind based upon their experience; trust and support are gifts employees bestow on a management that’s consistent over time in its walk and its talk.

- B. Mindszenty and G. Roberts (1998)
Chapter 1

Introduction

Overview of the Problem

Organizational mergers and acquisitions are occurring more often and more rapidly than ever before. If handled correctly, they can lead to tremendous success for a company that on its own may have been mediocre at best. Statistically, however, 50 to 75% of mergers and acquisitions fail (Schneider, 2003). There are a number of reasons for this. What follows are examples of both successful and unsuccessful mergers and acquisitions that have occurred. These examples will be helpful in beginning to address some of the factors leading to a successful merger/acquisition.

Failures. Back in January 2000, AOL announced its acquisition of Time Warner (Ellis, 2003). This was an exciting time for many, as the merger would bring on brand new possibilities for two major corporations. Shortly after the merger was announced, the President of Time Warner declared that he sold because he couldn’t figure out how to utilize the power of the Internet. Ironically, he later became the CEO of AOL Time Warner (Ellis).

By 2003, the acquired Time Warner had total control of AOL Time Warner, the company was billions of dollars in debt and was losing market share (Ellis, 2003). On top of this, some products/services that both companies brought to the table were competing with each other.
Previously, in 1998, AOL had purchased Netscape, the main Internet browser on the World Wide Web. Netscape was the first company to bring the Internet into people’s homes. When the acquisition was announced, it was not welcomed by Netscape employees. Many described the company as “dead” and felt that the company that started something great was gone forever (Quittner, 1998).

Successes. Colarelli (1987) describes a successful acquisition in which a distributor and trucking company acquired a warehouse facility and operation. Colarelli goes on to describe the reasons why the acquisition was successful. It was a good financial deal, few changes were made at the beginning and departments were integrated during the first year. Even more important, the purchasers had meetings with employees both in groups and one on one in order to get to know them and give them an opportunity to ask questions. All of these factors contributed to the success of the organization.

Boardmen et al (2003) discuss another example of an excellent combination, this one a merger. In this situation, two large hospitals merged. At first, there was great concern, particularly among nursing staff. Shortly thereafter, the nursing department began having retreats. The series of retreats provided a number of opportunities. It allowed for colleagues to come together and build relationships, discuss values important to nursing, and to design strategies for dealing with change. Pre and post surveys confirmed that the experience was a positive one for the nursing department and eventually, the enthusiasm spread to the rest of the organization. This entire process was based on the theory that “change is not possible unless transition occurs” (Boardman et al, p. 48).
What have been presented are examples of mergers and acquisitions, some which have been successful and others disastrous. Regardless of the outcome, they are all good lessons in what does and does not work during an acquisition or merger.

Schneider (2003) states that one of the biggest reasons mergers and acquisitions fail is leadership conflict. Leadership compatibility is often overlooked when planning this type of business transaction. As a result, the focus of the organization and the organization itself is threatened. “In the end, the best solution comes from two factors: the agreed upon strategic focus and the ability to objectively and measurably link the required leadership and culture to the strategy” (Schneider, p.33).

According to Schein (1985), “every group, top management team or otherwise, has a unique culture that is shaped by its’ members shared history and experiences” (p. 311). This is an extremely important concept for a company to keep in mind when planning an acquisition. Cultural differences can be the main determining factor as to whether or not an acquisition will be successful (Ashkanasy et al, 2000).

Culture and leadership are extremely important to the success of the organization, particularly in that they have an effect on a company’s most valuable asset – its people. Just like the employees in the Netscape scenario, mergers and acquisitions can have a devastating effect on employees and the decline of morale can in turn contribute to the demise of the organization. Marks and Marvis (1985b) found “merger syndrome” to be common among employees experiencing an acquisition/merger. This includes employees
at all levels of the organization and occurs when fear and uncertainty lead to a breakdown in communication, which leads to more fear and rumors. With the amount of evidence of the adverse effects of cultural conflict it is difficult to believe that the human side of mergers/acquisitions is not also factored in (Weber, as quoted by Ashkanasy et al., 2000). It is the intent of this case study to examine a variety of factors important to mergers/acquisitions, with a particular focus on the effects of mergers/acquisitions on employee morale.

**Problem Statement**

There have been limited studies done on the cultural dynamics of mergers and acquisitions and how best to deal with them. More specifically, there has been little research done on the impact of mergers and acquisitions to employee morale. Understanding this impact is becoming increasingly important, however, because mergers and acquisitions are becoming more common, and their success would seem to be linked to the degree of acceptance held by employees of the acquired organizations. Kotter (as cited in Hesselbein and Cohen, 1999) states that during such events as mergers, acquisitions and restructuring, few organizations are successful at accomplishing their goals. Consequently, further research needs to be conducted on the impact on employee morale and commitment after an organizational merger has occurred.

**Purpose of the Study**

There are several purposes to this case study. The first will be to provide clarity to the findings of extant data acquired from an employee satisfaction survey recently conducted
at the case organization. The second purpose will be to learn about management’s views of the survey results. The third purpose of this study will be to design and implement interventions designed to address a few key areas for improvement.

Research Questions

1. At one-year post acquisition, what are the key areas of satisfaction and dissatisfaction indicated by the extant satisfaction data?
2. Based on interviews with senior management and employees, what factors have contributed to these results?
3. What interventions can be recommended, designed and implemented in order to address these key areas of dissatisfaction?

Significance of the Study

This case study will be significant for several reasons. As previously mentioned, there has been little research performed on the effect of mergers and acquisitions on employee morale. By performing this study, a number of groups will benefit. The case organization being examined will benefit, as the study will involve participation on the part of various employees. This experience of participation and involvement will contribute to a more positive experience for these employees. This study will present a number of opportunities for employee participation and will lead to interventions aimed at improving employee morale.
This study will also contribute to Human Resource Development (HRD) research. The study will describe and utilize qualitative methods of data gathering, and the results of those methods. From the results, there may be new ideas for future HRD research to explore. This study will also benefit HRD practitioners by providing a practical model of how to analyze extant data, conduct focus groups, and provide a case/client organization with appropriate and practical recommendations. The study will also present various suggestions for HRD professionals when faced with the challenges that an acquisition or merger brings to an organization, as well as working within a multi-national organization.

Conceptual Framework

Nadler, Gerstein and Shaw (1992) suggest three ways of viewing an acquisition. The first is a strategic perspective, which is primarily concerned with the acquisition being a sound financial choice. The second is a human resources perspective. This perspective stresses the importance of looking at how the individuals involved in and affected by the acquisition actually cope with the acquisition. The third perspective is an organizational dynamics perspective. This perspective looks at how the two former perspectives join together and blend. It is here that a movement from a “current state of affairs to a desired future state” takes place (p.63). For purposes of this project, the organizational dynamics perspective will be focused on and utilized.

In The Human Side of Change, Galpin (1996) presents the Change Management Process Model. This includes a total of nine steps used to implement organizational change. The steps include: 1) establishing the need for change, 2) developing and disseminating a
vision of the change, 3) diagnosing and analyzing the current situation, 4) generating recommendations, 5) detailing recommendations, 6) pilot testing the recommendations, 7) preparing recommendations for rollout, 8) rolling out the changes and 9) measuring, reinforcing and refining the changes (p.4). This model can be applied to any type of change implementation in an organization and will be used as a framework for this study. Examining the satisfaction survey results will identify potential areas of change. Various individuals will then be interviewed in order to obtain feedback as to why some of these results may have occurred and consequently, this model will be used to implement positive change within the organization.

Research Design Overview

Organizational development (OD) is based on action research; data is collected on a number of problems and then action is taken based upon what the data indicates (Burke, 1994).

For this OD project, data was collected from both non-managerial and managerial associates on the organization’s premises. Data from an extant employee satisfaction survey was utilized in order to design questions for both qualitative interviews and focus groups. Empirical research was conducted on the areas of the global economy, organizational culture, leadership, mergers/acquisitions, employee morale and the consultative process. This research provides insight on the current state of the organization, as well as support for recommendations provided to the client.
Definition of Terms

Acquisition – a larger, more powerful firm acquires another (Buono and Bowditch, 1989).

Commitment – willingness to exert on behalf of the organization and the desire to maintain membership in it (Weber, as quoted by Ashkanasy et al, 2000).

Mentor – teacher, guide, counselor, sponsor or facilitator (Hutchins, 1996).

Merger – a partnership of two companies, usually of equal size (Buono and Bowditch, 1989).

Organizational Climate – according to Denison, climate is rooted in the organization’s value system, subject to direct control, and largely limited to those aspects of the social environment that are consciously perceived by member of the organization (Ashkanasy et al, 2000).

Organizational Culture – according to Denison, culture is defined as “the deep structure of organizations, rooted in the relatively stable values, beliefs, and assumptions held by organizational members” (Ashkanasy, Wilderom and Peterson, 2000).

Organizational Development – process of fundamental change in an organization’s culture (Burke, 1994).
Protégé – an individual who utilizes a mentor in order to reach career goals.
Chapter 2

Literature Review

This case study will look at the effect of mergers and acquisitions on a company’s culture and consequently, the effect on employee morale. This chapter presents research on various areas important to this study. These include an overview of mergers and acquisitions, multi-national corporations, organizational culture, leadership, employee morale and the consultative process.

Multi-National Corporations

This case study examines a multinational corporation (MNC) based out of Europe. Consequently, it is deemed appropriate to briefly discuss MNC’s and their special needs and characteristics.

MNC’s have grown tremendously over the past thirty years. In 1969, there were approximately 7,300 MNC’s. By the year 2000, this number had increased to 63,000. Today, the 1,000 largest MNC’s account for 80% of the world’s industrial production (Melloan, 2004).

It is important to look at three specific characteristics of an MNC. One, MNC’s operate in two or more countries different in their national cultures from one another. Two, MNC’s are not committed or loyal to any of the countries in which they operate. Three, MNC’s are managed in multi-structures (Melloan, 2004).
MNC's are dynamic in their ability to develop and transfer technology, capital, methodology and advanced standards of living from the developed to the developing areas of the world. MNC's also do forecasts of how the environment will develop ten, twenty, even fifty years ahead. This is outstanding in comparison to government, which forecasts ahead ten years at best (Weinshall and Raveh, 1983).

There are discrepancies in the research as to how an MNC should function across its borders. Perlmutter (1969) discusses the transition that takes place as an MNC develops over time. The organization starts out as egocentric, in which the organization's perspective stems from the host country. Eventually, the MNC transitions over to geocentrism, where there are no constraints, including cultural constraints. This transition is debatable, however, as some organizations are successful because they have one culture to fall back on (Perlmutter).

Bartlett and Ghoshal (1998) use General Electric (GE) as an example of the challenges involved in running an MNC. GE was a leader in the electronics industry until competition from the Japanese became so severe that GE from withdrew from that particular market. The downfall was a result of manufacturing and distributing homogeneous products globally, instead of tailoring products to the various locations. Perhaps this same issue arises for every other aspect of an MNC, including culture and leadership. Is it feasible or even wise to have everything uniform across the borders? It is beyond the scope of this case study to answer the question, but a discussion of
acquisitions, mergers, culture and leadership within a multi-national corporation are crucial.

*Mergers/Acquisitions*

We live in a time where business is becoming increasingly global. Technology has allowed for business to be conducted by corporations across the globe twenty-four hours a day, seven days a week. As a result of an increasing number of global mergers and acquisitions, corporations consist of employees from different countries with different customs and languages. Aside from this, various organizational cultures come together under these circumstances. Mergers and acquisitions are often swift and more often than not, are handled incorrectly.

According to Nadler et al (2002), between 65 and 85% of mergers and acquisitions do not meet the expectations of the acquiring company. There are a variety of reasons for this. In some cases, poor timing and lack of anticipated resources are an issue. In other cases, the match is sufficient, but other factors come into play. These include “cultural incompatibility, employee stress in reaction to the acquisition and problems in combining different functions and units” (p.62). This is the human element involved in an acquisition and some degree of attention will have to be given to this aspect of a company during an acquisition or certainly success may not be possible. It is the potential for “merger syndrome”, which is the result of anxiety of employees during mergers/acquisitions that makes tending to the human element during an acquisition imperative (Nadler et al, 2002).
Nadler et al (2002), address the issue of change management and how important it is to the acquisition process. Change management requires an understanding of the current state, a vision of the future state, a grasp of the gaps between the current and future states, and attention to the problems that occur during the transitions” (p.64). The authors go on to discuss several change management problems. These include power, anxiety and control. All of these elements are apparent in the company being examined for this project.

Nadler et al (2002) present the components of integration. The first is strategic action. This process involves coming up with a game plan in order to fully implement a change. The second is business repair and maintenance, which involves taking action on any immediate problems and concerns. The third aspect is transition management, which is concerned with maintaining control over the situation by shaping the political make up of the organization, and to motivate productive behavior among employees. The last piece of this is personal support, which should be offered to those who are experiencing stress during the change. This is probably the most neglected level, and the one which will be most focused on in this research.

The next section will address the issue of culture. The goal here will be to define culture, explain the importance of culture, particularly during an acquisition/merger, as well as the importance of defining a new culture when two or more are combined.
Culture

It is imperative at this point to define what organizational culture means. More specifically, it is important to address what effect an acquisition or merger can have on an organization’s culture.

Organizational culture is defined as “a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (Schein, 1992, p.12).

Culture exists on a variety of levels. Schein (1992) presents three levels of culture. The first level includes artifacts, which are everything an individual sees when encountering a new organization. Examples include attire, rituals such as meetings and company functions, and the company’s mission statement conspicuously posted. Schein states that this level is very easy to see, but not necessarily easy to understand.

The second level of culture is that of values and beliefs. This is the explanation members give of what goes on at the first level of culture. In some cases, there may be espoused values. These values exist, according to Schein (1992), when what people often say in certain situations is different than what they actually do. There are the contradictions that often exist in an organization. For example, an organization may say an open door policy
has been implemented, but when individuals initiate conversation they are received in an unwelcome manner.

The third level of culture includes basic assumptions. Schein (1992) defines this level as the internalized, unconscious views of the world that have arisen over time as organizations cope with their environment” (p.133). This level of culture is also influenced by the larger society in which the organization operates.

The topic of culture underlies the focus of this project and is an obvious extension to the topic of mergers and acquisitions previously discussed. According to Weber (as quoted by Ashkanasy et al, 2000) culture clashes have an effect on how organizations integrate, as well as financial success and shareholder value. Consequently, top management of the buying organization should pay as much attention to cultural fit before a merger/acquisition as they do to financial and operational fit.

In the organization being focused on in this project, organizational culture and ethnic culture are both very strong influences. The company is a result of various acquisitions of U.S. based companies, but more recently, the result of an acquisition by a European-based company. Any employee who currently works for this company is either brand new, from one of several past acquired companies, or an expatriate or intern from any number of European or Asian countries. For these reasons, the presence of culture on an organizational and ethnic level is extremely important. Members still think that the way their old organization did things was the best. Aside from that, there are individuals from
different cultures that often experience stress because of unfamiliarity with the styles of other cultures within the organization.

Another issue expressed by Schein (1992) is whether or not an organization can have more than one culture. If there are certain assumptions that have a common thread throughout the organization, then the organization can be said to have one culture. However, it is also probable that various subcultures will be found throughout the organization. Interestingly enough, Schein states that a group having either a great turnover of members or leaders, or a history without challenging events may lack shared assumptions. The organization being focused on in this project has certainly had its share of challenges, but it has also had high turnover in a number of locations. While choosing individuals for qualitative surveys and interviews, a fair representation of individuals who are brand new to the organization and from the various acquired organizations were chosen. This made for fairer representation, and also helped identify what common threads are contributing to the organizational culture given the number of changes over the past few years.

Harris and Ogbonna (1998) also address the importance of subcultures in an organization by stating that many theorists call for a perspective of culture that is pluralist, as many subcultures contribute to the overall culture. By looking at and utilizing strengths of the various subcultures, there will be greater opportunity to contribute to the success of change in the organization.
Looking at the topic of subcultures is extremely important to this project. In this case organization, there are a number of subcultures on a number of levels. These include organizational subcultures, depending on what organization an employee is originally from; and ethnic subcultures, depending on what country the employee is from. Also, there are subcultures among various departments. The dynamics can be intense, and it is important to address the dynamics and bring about positive change in an organization.

The relationship between culture and leadership is also imperative to this case study. “Culture and leadership are two sides of the same coin in that leaders first create cultures when they create groups and organizations” (Schein, 1992, p.15). Furthermore, leaders must have an understanding of the culture if they are going to lead. Because this study is taking place at a time when the company is still young, any information from employees upward through the organization will help the leaders lead in a more informed manner. Furthermore, by leaders involving employees as much as possible in the change effort, the willingness to change will increase (Harris and Ogbonna, 1998). The impact of leadership on culture and the organization as a whole is imperative and needs to be addressed further.

Leadership

Schein (1992) further discusses the impact leaders have on the culture of an organization and states that even in mature companies, many of the assumptions, beliefs and values are imprinted by the founders and early leaders. It therefore stands to reason that even after
repeated mergers and acquisitions there are still beliefs based on past leaders. Therefore, emerging leaders must paint a clear picture about the goals of the organization.

Another area that leadership needs to be strong in is communication. Schein (1992) states that the anxiety involved in group formation is so high and widespread that leadership is sought by group members. If the leader, however, is not effective at easing the anxiety, informal leadership will evolve from the group.

Leaders also use communication in order to relay the assumptions and values of an organization in a clear manner (Bennis and Nanus, 1985). More specifically, leaders should possess the charisma needed to convey these messages so that members will be open to them. Unfortunately, this charisma is rare, and in many cases culture is the result of defense mechanisms that form against anxieties occurring from inconsistent leader behavior (Schein, 1992).

Sashkin and Sashkin (2003) discuss the type of leadership that is important in preventing the type of scenario just described. This is the difference between transactional and transformational leadership. The former occurs when the leader adapts to the existing context, the latter is about the leader creating the context.

Schein (1992) presents mechanisms by which leaders embed culture into an organization (figure 1). The left side represents how leaders create culture; the right side represents how a leader reinforces culture. Consistency throughout is imperative.
### Figure 1  Culture-Embedding Mechanisms

<table>
<thead>
<tr>
<th>Primary Embedding Mechanisms</th>
<th>Secondary Articulation and Reinforcement Mechanisms</th>
</tr>
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<tbody>
<tr>
<td>➢ What leaders pay attention to, measure and control on a regular basis</td>
<td>➢ Organization design and structure</td>
</tr>
<tr>
<td>➢ How leaders react to critical incidents and organizational crises</td>
<td>➢ Organization systems and procedures</td>
</tr>
<tr>
<td>➢ Observed criteria by which leaders allocate scarce resources</td>
<td>➢ Organizational rites and rituals</td>
</tr>
<tr>
<td>➢ Deliberate role modeling, teaching, and coaching</td>
<td>➢ Design of physical space, facades, and buildings</td>
</tr>
<tr>
<td>➢ Observed criteria by which leaders allocate rewards and status</td>
<td>➢ Stories, legends, and myths about people and events</td>
</tr>
<tr>
<td>➢ Observed criteria by which leaders recruit, select, promote, retire, and excommunicate organizational members</td>
<td>➢ Formal statements of organizational philosophy, values, and creed</td>
</tr>
</tbody>
</table>


Throughout the empirical research presented, one thing remains clear. Consistency in leadership is imperative to culture, particularly in the midst of an acquisition/merger. When consistency is not present, members of an organization become confused and anxious as Schein (1992) has confirmed. It is important to now transition the discussion to the effect of this confusion and resulting anxiety on employees.

**Employee Morale**

It is the human aspect of an acquisition/merger that will determine its success or failure (Feldman, as quoted by Geber, 1987). Unfortunately, the financial success of an acquisition/merger is often the main concern of management during these transitions.
Geber (1987) goes on to explain that as a result of an acquisition/merger, a company will lose the most talented first, as it is easier for them to get another job. Consequently, those that are left behind, particularly during a layoff, will look at how the laid off workers are treated as this is representative of how they will be treated in the long run. As Roethlisberger (1941) points out, behavior at the work level cannot be considered as something apart from and unrelated to the behavior of top management. Workers constantly have to accommodate themselves to changes that they do not initiate. As Corsini (2003) states, “It’s not the people you fire who give you trouble, it’s the ones you don’t” (p.77). If the company is not supportive of employees that separate from the company and those that stay, there will no doubt be a price to pay in the long run.

It is beneficial at this point to address Maslow’s hierarchy of needs. These are: physiological needs, security/safety, social needs, self-esteem needs and self-actualization (Maslow, 1956). Roethlisberger (1941) also supports this theory as well: “Most of us want the satisfaction that comes from being accepted and recognized as people of worth by our friends and work associates. Money is only a small part of this social recognition” (p.24). All of these theories confirm the importance of being aware of the effect of organizational change on employee morale and to find ways of making the experience as painless as possible.

A study by Kovach (1995) compared the top ten needs of employees to the top needs that supervisors assumed employees had. The top three needs of employees were: 1) interesting work, 2) full appreciation of work done and 3) a feeling of being in on things.
On the other hand, here were the top three needs of employees according to what supervisors thought: 1) good wages, 2) job security and 3) promotion and growth in the organization. This further establishes evidence to support Herzberg’s motivational theory and the importance of two-way communication between employees and management. It is of concern to think that there is such a discrepancy between what individuals want and those that often control what individuals receive. This is an opportunity to improve in most organizations, and communication is key.

The anxiety that occurs during organizational change is both a cause and a result of lack of communication in an organization (Swist, 1996). It is important to understand what happens when individuals feel threatened that their needs are not met. People develop habits, relationships and behaviors based on needs” (Swist, 1996, p.4). Individuals place more emphasis on their own roles and/or their own team. This results in a lack of collaboration within the organization. Consequently, the process of managing change in the organization is key.

Managing change in the organization involves bringing what Schein terms “psychological safety” (1999). Schein explains that during changes such as mergers/acquisitions, individuals experience anxiety and consequently develop defensive responses in order to deal with the anxiety. The organization should provide various resources that will support this safety for employees (figure 2).
Figure 2  Psychological Safety

1. A compelling positive vision (Senior Management is key here)
2. Involvement of the learner
3. Formal training
4. Informal training of relevant family groups and teams
5. Practice fields, coaches and feedback
6. Positive role models
7. Support groups
8. Consistent systems and structures

Looking deeper into the issues around the prior acquisitions at the case organization will help determine which of the above will help improve the morale of the affected employees. This leads to a discussion of organizational development.

Organizational Development

This case study was an organizational development (OD) intervention. Defining OD and discussing the various theories behind it is the focus of this section.

Burke (1994) defines OD as the “process of bringing to the surface those implicit behavior patterns that are helping and hindering development” (p.11). Furthermore, Burke states that change involves organizational members more in decisions affecting them and their work environment. OD is based on the theory of action research, where
research is conducted and then action is taken based upon what the data collected indicates (Burke). Action learning and research is imperative to individuals solving problems in new, unknown situations (Revans, 1971). This theory supports the research methods discussed in Chapter 3, which included focus groups and qualitative interviews. It was also important to utilize this same mindset when planning the actual interventions.

Argyris (1962) stresses the relationship between the individual and the organization. Argyris states that the organization must be willing to adjust its value system toward helping its members to be more psychologically healthy and less dependent on the organization. In turn, the individual must become more open with others and more committed to the organization’s goals. This is challenging on both sides, especially in this day and age when things change so quickly and individuals, groups and organizations still struggle with change.

Lewin (1958) designed a three-step process of bring change into the organization (figure 2). The first phase is “unfreezing”. In this phase, there is an acknowledgement or new awareness of issues. For this case study, the employee satisfaction survey, focus groups and qualitative interviews all contributed to bringing to light various issues in the organization.

The second phase is “moving” and involves taking action that will change the level of behavior to a new level. The interventions recommended and utilized for this case study would be relevant to this phase. It is important to stress, however, that this does not
complete the process. Interventions may be integrated into an organization, but there is no guarantee that they will become a permanent part of an organization. This is where the last phase comes in.

The last phase is “refreezing” and involves establishing a process that will fully integrate the new behavior into the organization and protect it from extinction. In this case study, it is imperative to get buy in from the organization, and more specifically, to make it clear to upper management why the change is important. Tying the change to the strategic plan of the company is key, and will be addressed further in Chapter 5.

**Figure 3** Procedure of Change

<table>
<thead>
<tr>
<th>Lewin’s Three-Step Process</th>
<th>Schein’s Elaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfreezing</td>
<td>➢ Need</td>
</tr>
<tr>
<td></td>
<td>➢ Guilt/anxiety</td>
</tr>
<tr>
<td></td>
<td>➢ Psychological safety</td>
</tr>
<tr>
<td>Moving</td>
<td>➢ Role models</td>
</tr>
<tr>
<td></td>
<td>➢ Environmental scanning</td>
</tr>
<tr>
<td>Refreezing</td>
<td>➢ Integration of changes</td>
</tr>
<tr>
<td></td>
<td>➢ Relational refreezing</td>
</tr>
</tbody>
</table>


Schein (1987) elaborated on Lewin’s (1958) three-step process (figure 2). In the “unfreezing phase”, Schein discusses the fact that in order for change to occur, individuals must first feel a certain level of discomfort. This discomfort motivates individuals to consider change. This need combined with a safe environment for individuals to explore change, will lead to the second phase.
Schein (1987) refers to the second phase as “cognitive restructuring”. Schein states that if an individual has a role model that has adopted a certain behavior, that individual is more likely to adopt it as well. On top of this, looking outside the organization for new examples of behavior will also help integrate change on the inside. This is where a positive relationship with a respect consultant can come into play.

In the last phase of this process, Schein (1987) refers to “personal refreezing”. In this stage, helping the client integrate the changes in a comfortable manner is important. Aside from this, “relational refreezing” needs to occur. This is the process of getting significant others to buy into the process in order to ensure the process will be accepted and thrive. This usually means working with the upper level management in the organization. If people do not understand the “why” behind something, they will not embrace the change. Again, this is another reason why a respected consultant can often make the difference. Getting the people to understand the “why” is often not an easy task and sometimes an objective outside source is necessary. This leads to a discussion of the consultative process and roles.

**Consultant**

It is important to look at the role of the consultant in regards to the process of change management in an organization. More specifically, it is important to look at the role of the internal consultant. Considering this researcher is in the internal consultant’s role, it is imperative that the effect this has on the process and the organization be addressed.
Block (2000) addresses the five phases involved in the consultative process (figure 4). The first phase is the entry phase. This occurs when the consultant initially enters an organization and performs a consultation. In this case study, the researcher was already a part of the organization, but the entry did in fact occur shortly before the project began, and the need discovered a short time after. A proposal was presented to the client during this phase.

Figure 4 Phases of OD Practice

- Entry
- Contracting
- Diagnosis
- Feedback
- Planning change
- Intervention
- Evaluation


Phase two is the discovery/dialogue phase. In this phase, according to Block (2000), the consultant begins to get a feel for the issue(s) and begins to formulate a plan around what the issues are, who is/should be involved, and a possible plan of action. Data is also collected. Depending on the issue at hand, this could be interviews, focus groups or surveys, just to name a few.
At this point, the consultant moves into phase three of feedback and the decision to act. Data and the interpretation of that data are provided to the client. This is a phase that could be tricky for the consultant, depending on what the results are and how the client responds to those results. Once the results are covered, discussions of possible interventions take place. Buy-in is imperative before these interventions can be implemented.

The next phase is engagement and implementation. In most cases, the consultant would design and implement the intervention. For example, if training were appropriate, the consultant would design and conduct the training sessions.

The last phase is the evaluation of the process, and the decision to continue or terminate the client/consultant relationship. At this point in time, a tool is used to evaluate the process to determine, what if anything, changed as a result of the intervention. For example, another satisfaction survey may be conducted, or productivity may be measured. Based upon the results, there may be continuation or termination.

Block (2000) addresses the unique situation involved when the consultant is internal. The internal consultant undoubtedly ends up in a triangular relationship, where the consultant, client and the consultant's boss all enter into agreement with one another (figure 5). This represents, according to Block, a sometimes tricky situation in that what the boss wants and what the client wants may conflict.
Figure 5  A Triangular Contract


Block advises the internal consultant to be very clear about the expectations of both the consultant and the consultant’s boss. Consequently, a proposal was put together specifically for this project that was reviewed and approved by the researcher’s manager before any data was collected for the project (Appendix A). The purpose of this document was to make clear the expectations on either end in terms of the relationship between consultant and client, as well as deliverables. The proposal also clarifies the role of the consultant, which will be discussed further.

Consultative Roles

Block (2000) discusses the various roles of the consultant. The first is that of “expert”, when the consultant comes in and takes over on the process of investigating and resolving a particular problem. The manager in this scenario is very inactive. An example of this may be a manager who feels that the morale is low, but doesn’t know why. The consultant would be asked to come in to investigate and resolve the issue.
The second role presented by Block (2000) is called “pair of hands”. This role is very passive for the consultant; the manager in this case has the upper hand. The manager has already determined what is wrong and what needs to be done about it. For example, the manager may have come to the conclusion that diversity awareness training is needed. The manager may ask the consultant to come in and do the training and then depart from the organization, with little or no follow up. The danger here is the manager may have jumped to conclusions and asked for an intervention that is not actually appropriate and/or does not do the appropriate follow up to gage for actual effectiveness. The last role, according to Block, is the most effective.

The third role is the “collaborative” role (Block, 2000). The roles of client and consultant are integrated and work hand-in-hand. In this case study, this was the role fulfilled by the researcher. In various stages of the process, this researcher had discussions with various members of the organization in trying to determine the biggest issues and what could be done about them. Any interventions suggested by this researcher actually took place only when the client could be convinced that the intervention would add value to the organization.

Various topics and theoretical models have been presented in this chapter. The topics covered included mergers and acquisitions, culture, leadership, employee morale and the consultative process. All of these topics present the theoretical framework for the rest of this case study. The next chapter will address methodology used.
Chapter 3

Methodology

This chapter explains how the research was conducted. This includes participants used, how they were selected, questions asked, and how the questions were administered. The method of data analysis will also be addressed.

Site and Sample

The Company being utilized in this study is a company with corporate offices in Rochester, NY. This company stems from a conglomerate that operates throughout the world and consists of a variety of subsidiaries and product lines. The case organization is a subsidiary of the European based conglomerate and provides intrusion, fire and access systems, as well as closed circuit television systems, to customers worldwide. The case organization is a result of various acquisitions that began occurring in 1996. As a result of these acquisitions, some functions have been moved between Rochester and another office in Pennsylvania. Also, another location previously located in California was shut down. Employees located in this California office were either laid off or transferred to the Rochester location or a new and smaller California facility. Other functions have also been moved from Rochester to Pennsylvania. This has left some employees feeling insecure about whether their job will be next. It has also left a number of individuals concerned about the stability of the company. The concern stems not only from the uncertainty of the financial state of the company, but also from the ongoing flux that may occur as the company continues to acquire new companies in the future.
For the purposes of this case study, the research and interventions will occur at the Rochester facility. As previously mentioned, this is the corporate office. This is the location of the President and a number of vice presidents in the organization. The remainder of the employees provide administrative, research, engineering and customer service functions.

The company is still in transition from this acquisition and no doubt will continue to be for quite some time. The various changes have had a profound effect on every aspect of the company. The company stems from a global conglomerate, and this has had a tremendous effect on the organizational culture. Change occurs faster than ever before, and this has resulted in anxiety and confusion among employees as the company attempts to develop a new culture. This has been a challenging process for a number of reasons. The case organization is the result of three companies with their own cultures. The resulting subsidiary is now attempting to develop its own culture, under the umbrella of its acquirer. Many individuals are struggling with this, as they still believe that their former company's way is still the best way. This has resulted in culture clashing which has further added to tension and anxiety among employees, which in turn has had a tremendous impact on employee morale. This effect needs to be addressed and dealt with positively in order to avoid further negative consequences to the organization.

**Methodology**

Recently, the company administered a satisfaction survey in order to gage the climate at the various divisions. The results of the survey served as a basis for this project. By
identifying both strong and weak areas in the survey, it will be determined what interventions should be utilized in order to improve on the targeted areas. The strong areas will be used as a baseline for what is currently working well in the division. This researcher will then act as internal consultant and perform an intervention that will attempt to improve employee morale post acquisition.

Focus Groups

In order to follow up on extant data from an employee satisfaction survey and get further explanations of the results from employees, two focus groups were conducted. A focus group is a qualitative interview of several respondents at once (Oishi, 2003). These groups consisted of eight people each, all non-managerial associates of the company. Qualitative interviews were also conducted with six managers in the organization.

Follow up to the employee satisfaction survey via focus groups is extremely important for a number of reasons. Simpson (2002) states the importance of satisfaction surveys in an organization, particularly after a merger or acquisition. The survey gives the company information on problems that can be addressed and hopefully, resolved. According to Haspeslaugh and Jemsion (as cited in Ashkanasy et al, 2000) the key to managing the process of integration is to “obtain the participation of the people and create an atmosphere that can support capability transfer” (p. 310). In the future, when the company decides to do another satisfaction survey, the response rate will likely increase, as employees will realize that their opinions will be acted upon. Organizations not
prepared to take action as a result of a survey should not attempt it in the first place (Buono and Bowditch, 1989).

Simpson (2002) states that following up with focus groups make employees feel more committed to the company and encourages employees to think in more productive ways. The more opportunities employees have to voice their opinion before, during and after the process of merger/acquisition, the more satisfaction an employee may experience. This will also contribute to higher levels of commitment. A high level of commitment is vital to the organization, as studies have shown that low levels of commitment are associated with high rates of turnover (Weber, as cited in Ashkanasy et al, 2000). Allowing employees to voice their opinions and contribute to organizational improvement will also help decrease the tension and negative attitudes that often result from the experience of living through an acquisition/ merger.

Focus groups are also important in that an opportunity is presented to employees to participate in company change and attempt to resolve areas of conflict. Communication is opened up, and employees who normally do not interact begin sharing ideas. Roethlisberger (1941) uses the story of a primitive tribe to make this point. In this tribe, the belief is that by maintaining social relationships, the economic issues will take care of themselves. This is the opposite of what our culture believes, and no doubt a difficult concept for many individuals to grasp. When one looks at the lack of communication between individuals and groups, it is overwhelming to imagine how much more effectively a company would run if more avenues of communication were opened.
Individuals would be empowered to resolve conflict and find better ways to be productive as a team. Conflict during an acquisition/merger is certainly a given and therefore is important to address. Positive social interaction and management of conflict is essential to an organization's success. Unfortunately, dealing with conflict between individuals and groups is an area that makes most individuals feel uncomfortable.

Mary Parker Follett (as cited in Graham, 1995) addresses the issue of conflict and looks at three ways of dealing with conflict. The first way is domination, which is the easiest method to implement, but in the long run, is ineffective. The second way is compromise, in which both sides give up something in order to have peace. The third way is integration, in which neither side gives up anything. In this scenario, the individuals involved put their cards on the table, and bring conflict out in the open. Individuals then proceed to look at the individual demands, and decide how all involved can get what they want without sacrifice. As Follett explains, the anticipation of others' response is very important. Companies spend time doing this with customers; they would be well advised to do the same with employees.

Follett's (as cited in Graham, 1995) theory demands a certain level of creativity if individuals are going to be successful at coming up with ways to reach a common goal without making great sacrifices. It is important for organizations to provide an environment in which this type of creativity can be fostered. Maurzy and Harriman (2003) state that if an organization wants a certain climate, an environment must be provided in which that climate can flourish. Consequently, if the organization wants to
benefit from repeated employee surveys, the message must be sent to employees that their efforts in responding to a satisfaction survey will be utilized and not simply a means of going through the motions. Furthermore, the more groups are able to interface and share personal information, the more tensions are likely to decrease and contribute to a successful merger (Brown and Humphreys, 2003).

Data Collection
This researcher conducted qualitative surveys with four to five members of management. A series of five questions was asked of the individuals in order to gather information on the possible reasons for the results and what the interviewees would have preferred seeing for results. Also, two focus groups consisting of employees was conducted in order to gain more insight into the current climate of employee morale. An intervention was then be designed and implemented in order to address some of the key areas of dissatisfaction. The results of the interviews and description of the intervention will be presented in chapter 4.

All data was collected on the company premises, either in meeting rooms or offices. Whenever possible, the room chosen was without inside windows, to allow for a psychologically safe environment. Because of the nature of the questions, it was of concern that participants would not feel safe if they could be seen by other employees through the window. The same set up was used for both focus groups.
In order to choose the participants, this researcher met with the Director of Human Resources and two high level employees from quality assurance. A meeting was held in order to choose participants for both the qualitative interviews and focus groups. The groups had to be diverse in a number of areas. They had to be cross-functional, ethnically diverse, as well as diverse from the standpoint of company of origin. The focus groups consisted of non-managerial employees, while qualitative interviews were conducted with management. Overall, the individuals chosen for both methods were those who would be outgoing enough to contribute, and would do so in a constructive manner.

*Background of Senior Management Used*

There were six members of management chosen for qualitative interviews. Four individuals were at the managerial level, two of them Vice Presidents. Just like the focus groups, the managers chosen had to be from various areas within the company. Some of them were newer to the company, and others had contributed years of service through one of the previously acquired companies.

*Qualitative Approach*

The purpose of the qualitative approach is to describe and interpret experience (Oishi, 2003). The one-on-one interviews and focus groups used in the case study are examples of qualitative research. The qualitative approach involves direct interaction with the researcher and the respondent(s) (Oishi, 2003). The respondent is asked open-ended questions and can speak freely during the interview. During the six interviews with managers conducted for this case study, the answers were either recorded or notes were
taken. At the beginning of the interview, respondents were told that they could refuse to answer any question. At the end, they were free to add any additional comments if needed.

**Benefits of Qualitative Research**

There are a number of advantages to utilizing qualitative research. According to McClelland (1988) open-ended questions provides a much more realistic assessment of employee attitudes. Quantitative approaches are often utilized and very helpful, but do not often get to the “why” behind the issue.

Focus groups were held in conference rooms at the far end of the building, where associates could have optimal privacy. Confidentiality was guaranteed at the beginning of the focus groups in order to minimize reluctance to speak freely (Greenbaum, 1994). Just like the one-on-one interviews, respondents were told that if they were called upon to answer a particular question, they did not have to answer. Both examples of qualitative methods used for this case study ensured respect and confidentiality of the respondents.

**Data Analysis**

The researcher conducted the data collection and analysis. Various comments were recorded. For some questions, the answers consisted of “yes” and “no”, along with various comments. In this case, the answers could be easily compiled and various comments attached. In other cases, there were a variety of different answers given and the compilation became more cumbersome. Answers in this case were similar, but not
identical in that they could be combined. It is important during data compilation of qualitative interviews to avoid making assumptions. After the data was compiled, overall themes were identified from each subject area. This information would be presented to the Human Resources Director and two members of the quality assurance team.

Data Collection Methods

Data for this research was collected in two different ways. First, two focus groups of eight employees each were formed and questionnaires were distributed to participants upon their arrival. It was explained that the focus groups were being utilized as a direct follow up to the employee satisfaction survey conducted in the fall. The participants then answered one question at a time by filling in the space available. Then, before moving on to the next question, two to three participants were asked to give their answer to the particular question. It was explained that if anyone did not feel comfortable answering a question, they did not have to. Also, the researcher explained that everything discussed during the meeting was to remain confidential. Each focus group ran approximately two hours. At the end of the meeting, everyone placed their questionnaire into an envelope. It was explained that the researcher would take the envelope off premises to compile the data and that after the project was completed, the data would be destroyed. All participants were told that when the data was available, they would have access to it.

The second means of collecting data was through qualitative interviews. One on one interviews were conducted with six managers within the company. The researcher took notes as each question was answered. It was first explained that the interviews were
being conducted as a direct follow up to the employee satisfaction survey conducted in the fall and that their answers would remain confidential.
Chapter 4

Research Findings

Introduction

This chapter summarizes the qualitative data gathered from both the focus groups and the six qualitative interviews conducted at the Rochester facility. Results are grouped by focus group responses and then by qualitative interview responses. Overall responses given for various topics will then be indicated for each. The responses will first be summarized in a table and then summarized for both focus groups and qualitative interviews. For each group, the results will be summarized under “positive”, where strengths were indicated, and “challenges” where room for improvement was indicated (figure 7).

Extant Data Utilized

In the fall of 2002, an employee satisfaction survey was administered to all associates utilized for this case study. Associates were asked to respond to a variety of statements where 1 = strongly disagree and 5 = strongly agree. The results of the satisfaction survey were referred to and utilized in order to develop questions for this case study. Areas which indicated opportunities for improvement (M < 4.0) were used to design questions in order to “dig deeper” into possible reasons for the results (figure 6).
Figure 6    Areas for Improvement

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>My contribution to the organization is recognized</td>
<td>M = 3.6</td>
</tr>
<tr>
<td>Policies are consistently enforced</td>
<td>M = 3.42</td>
</tr>
<tr>
<td>There are sufficient opportunities for personal development</td>
<td>M = 3.72</td>
</tr>
<tr>
<td>Training is a priority</td>
<td>M = 3.77</td>
</tr>
<tr>
<td>My supervisor holds regular, effective group meetings</td>
<td>M = 3.72</td>
</tr>
<tr>
<td>The company regularly communicates performance and objectives</td>
<td>M = 3.38</td>
</tr>
<tr>
<td>My next level manager generates improvement ideas and embraces change</td>
<td>M = 3.72</td>
</tr>
<tr>
<td>My next level manager makes clear decisions and effectively implements them</td>
<td>M = 3.67</td>
</tr>
<tr>
<td>There is effective teamwork between groups</td>
<td>M = 3.49</td>
</tr>
<tr>
<td>I feel confident that actions will be taken as a result of this survey</td>
<td>M = 3.42</td>
</tr>
<tr>
<td>My next level manager gives fair and constructive criticism</td>
<td>M = 3.74</td>
</tr>
<tr>
<td>My next level manager delegates tasks and gives clear authority</td>
<td>M = 3.76</td>
</tr>
<tr>
<td>My next level manager keeps us informed in an open and honest manner</td>
<td>M = 3.66</td>
</tr>
</tbody>
</table>


Figure 7    Focus Group/Qualitative Interviews Positives and Negatives

<table>
<thead>
<tr>
<th>Positives</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town Hall meetings</td>
<td>Progress should be reported at Town Hall</td>
</tr>
<tr>
<td>Training/tuition programs</td>
<td>Leadership is &quot;more talk than action&quot;</td>
</tr>
<tr>
<td>Communication of a few departments: Human Resources, Facilities group</td>
<td>Culture clashes</td>
</tr>
<tr>
<td>Associates desire more input and working in cross-functional teams</td>
<td>Hiring practices need to improve</td>
</tr>
<tr>
<td>Associates want more interaction with each other in order to build collaboration</td>
<td>Decisions are made at the last minute</td>
</tr>
<tr>
<td>Accountability is wanted</td>
<td>Deadlines impact commitment to quality</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>Acquisitions</td>
</tr>
</tbody>
</table>
Focus Groups

Positive

Communication was an area that was described as both positive and negative according to the extant data from the employee satisfaction survey. The reasons for this were discussed during the focus groups. Overall, employees seem to benefit from Town Hall meetings, which the company has every quarter. During this process, the entire company gathers and the President and other members of management address the group and give updates on a variety of organizational issues. Other forms of communication, such as job postings, were also seen as positive. Employees desire more ways to communicate with and contribute to the organization as a whole.

Training. Most associates feel they are getting an adequate amount of training. For the minority that did not feel this way, the situation is apparently due to lack of time and/or budget. Overall, most associates felt they have the resources necessary to do their job. A few stated they need more hours in the day or are in need of equipment that is costly.

Challenges

Communication. Overall, the groups felt that there are substantial gaps in communication between both management and associates, as well as between teams. Within the teams themselves, most associates stated that they do not have regular, effective meetings. Associates desire more information on a number of issues, including product information, the direction the company is headed, and the financial state of the company. It was also stated that it is important to get information that is consistent and accurate, as associates
often feel that information is contradictory, and that directions change too quickly. Associates also have an interest in socializing with other associates away from the pressures of work. The feeling is that this will add to collaboration and teamwork.

*Leadership.* Associates desire more interaction with their next level managers. They also feel that management should not be a “yes” man to the next level. From management as a whole, associates would like to be acknowledged and respected. They desire clear direction and guidelines for planning and corrective action. “Walk the talk”; when management says they are going to do something, they should do it. Also, associates have a desire to please the customer and recommend that management be sure that the customer is in fact pleased.

*Professional Growth/Development.* Some associates feel rewarded, while others do not. Overall, there is a need to contribute and be rewarded with acknowledgement of ideas, professional growth and promotions. Associates recommend that accountability be brought to the table and success rewarded. It is also recommended that associates work in cross-functional teams and be empowered to make decisions that will not be overridden.

*Acquisition/merger.* Overall, associates feel that there are still divisions and power struggles on various levels in the organization. This includes conflict among the acquiring organization and the organizations acquired over the past eight years. Also, the
conflict is stated as being between the New York and Pennsylvania offices, as well as between the whole subsidiary and the corporate owners overseas.

**Qualitative Interviews**

**Positive**

*Communication.* Overall, it was felt that the Town Hall meetings are effective. Also, there are several departments that are very good at communication. These departments excel at communication both within their own team and with the rest of the organization. One example would be Human Resources and the communication of events such as open enrollment and new hires. Other examples would be the Facilities group that does an exceptional job at communicating to the organization and the Product Management Group that has excellent means of communicating both within and outside their own team. The Product Management group has a support guide that associates can use to contact other associates for certain needs. This is extremely important for a group responsible for new products in a global organization.

*Acquisitions.* It was felt that for the most part, the past acquisitions were handled appropriately. Communication was described as swift and effective. The acquisition itself was also appropriate, in the fact that the product lines meshed nicely. This is important in an acquisition, unlike the situation with AOL Time Warner, which ended up with a leader not understanding the acquired’s business. It was also stated that cross-functional teams have been formed since the most recent acquisition, and that trust among groups has improved.
Challenges

Communication. Various suggestions for improvement of communication were offered. It was stated that accountability and ownership should be present when decisions are being made. Discussions/ideas should be clearly communicated and documented.

The timing of communication was also addressed. For example, merit increases were announced months before they were actually granted. The overall feeling is that when upper management makes a decision, action should be quick. Instead, it is felt there is often “more talk than action”.

Better communication of goals and work processes was also stressed. There was frustration expressed throughout these interviews over the fact that on more than one occasion two different groups are working on the same project and don’t even know it. Also, decisions are sometimes handed down at the last minute, and then everyone else has to react quickly.

Finally, more information on overall company performance was stressed as important. This includes the overall financial state of the company. It was also noted that more information may be helpful about the President’s decisions, but on the other hand, maybe this does not need to be communicated. It was suggested that when issues are presented at the Town Hall meetings, progress should be communicated during future meetings.
Leadership. The topic of leadership was addressed on a number of levels. The first was leadership and planning. Repeatedly, there was a common frustration of leadership stressing quality, but at the same time pushing deadlines. This is obviously a contradiction, and one not easily resolved. It was felt that overall, associates are inundated with too many projects. It was also stressed that global strategic planning should improve.

Leadership of associates in the organization could be improved overall if leaders could better deal with change themselves. Leaders could then set a better example. Leaders should be clear about the expectations they have of their associates, and also clear about the consequences of meeting and not meeting those expectations. On top of this, leaders should be able to test and validate the comprehension of employees. Overall, it was stressed that leaders should “walk the talk”.

A lack of time was also an overall theme for leadership. It was stated that new supervisors and managers should be trained on these skills and have time to utilize them in the course of the day. This includes more time for meetings with associates, and less time spent communicating with email. This is particularly crucial for executive management, who are so busy traveling and attending meetings, and often do not have time for associates. It was also mentioned that hiring practices for both supervisors and managers could improve, as it appears to be more important to have a degree than relevant experience.
Associates. Another topic of discussion during the qualitative interviews addressed how associates could improve. Overall, it was felt that many associates could display a more positive outlook, redevelop trust in management, and contribute their ideas more frequently. Associates should take pride in what they do and strive to make the customer happy through good communication skills and team approaches. Associates should also take more advantage of training and tuition opportunities.

Acquisitions. The acquisitions were presented as being both positive and negative. It is felt that there have been a number of power struggles between the various acquired companies and the acquirer. It appears that when a new company is acquired, new efforts are adopted from that company with a sense of urgency. As a result, associates are moving in different directions and no one knows who is really in charge. At the same time there are too many quality efforts going on at once. At one point, a company that was acquired was shut down after it was announced this would never be the case. This situation has affected the level of trust between associates and management.

Culture. Overall, it is felt that the company has not developed its own culture since the latest acquisition. There are various old cultures from the acquired companies still clashing. Some associates, for example, exhibit inappropriate behaviors in order to have their ideas accepted, instead of really trying to plan with the organization. This stems from an old company culture. It has also been suggested that a clearer picture of how the acquirer operates is needed. The vision is viewed as positive, but the mission and values do not make sense, as they appear to contradict actual behaviors. For example, time to
market does not support the commitment to quality. There are still different processes at the various locations in the United States.

Future surveys. The response rate should be increased in the future. The survey should attempt to dig deeper into various issues, instead of just touching the surface. Other issues such as climate and culture, upward communication, and other supervisory levels beside direct supervisor and next level manager should be addressed. Results should be presented to associates sooner.

The purpose of this chapter was to present data compiled from both focus groups and qualitative interviews. The next chapter will present suggested interventions and theoretical support for improvement of various challenges indicated during data collection.
Chapter 5

Recommendations

Introduction

The purpose of this chapter is to present the recommended interventions in response to challenges indicated by the focus groups and qualitative interviews. Recommendations will also be made based upon the strengths indicated by the research. This chapter will also lead to the overall conclusion of this case study.

Communication

As initially indicated by the employee satisfaction survey, communication within the organization was described as both positive and negative. Possible reasons for this were explored as part of this case study. As Roethlisberger (1941) states, "if communication/collaboration between groups are to be effective, it is important for top management to understand and appreciate the behavior of people at the bottom level; people at the bottom level should understand the logical/economic objectives of the top level. Human interaction should be considered when figuring efficiency, costs, etc." (p.87). This statement stresses the importance of two-way communication in an organization. There are some good examples that already exist in the organization, but there is room for improvement.

Town Hall Meetings. These meetings were found to be a positive influence in the organization. It is not clear if the President realizes this, and this researcher intends to communicate this in the consultant’s report to the organization. Also, it was
recommended that issues brought up at these meetings should be presented at future meetings so that individuals are aware of the progress.

*Bridge Building.* Bridge building was recommended as a means of opening up communication between various levels of the organization. In this scenario, a select group of associates would gather and come up with a list of questions and a list of perceptions for upper management. Once the list is completed, the management would then be asked to join the group in the room and then collectively address the questions and respond to the perceptions. This can be an excellent method of opening up communication between various levels of the organization.

*Team Meetings.* Results of this study showed that for those groups that even bother to have regular meetings, the meetings were often ineffective. Not only was it recommended that meetings become an integrated part of all groups in the organization, but recommendations for effective meetings were made.

Engleberg and Wynn (2000) discuss the three elements of an effective meeting (figure 5). The first element is schedule and this means that a meeting begins and ends based upon a particular time frame. This time frame should be a motivator for participants to create and follow a specific agenda. Unfortunately, this is often not the case. A group needs to have a team leader that will ensure that this occurs.
The second element of a meeting is structure, which Engleberg and Wynn (2000) define as the “organization of discussion topics and tasks to facilitate the achievement of a group’s goal” (p. 285). An agenda should be carefully thought out so that the group stays on track and continues to work toward the overall goal.

Figure 8 Three Essential Elements of a Meeting

Schedule △ Structure

Chairperson

Finally, the third element of a successful meeting is a chairperson. This individual is not necessarily the leader, but is someone responsible for keeping the group on track (Engleberg and Wynn, 2000). The role involves various tasks before, during and after all meetings.

Having consistent and effective meetings is crucial for a team and unfortunately, a number of teams in this organization are either having ineffective meetings or none at all. Meetings are an important form of communication on both a group and organizational level and coaching management on this process is recommended.
Cooperation between Teams

Cooperation between teams was another issue brought to light by the employee satisfaction survey. Mowday et al (1982) discuss the topic of task interdependence and how it contributes to the overall commitment of employees to the organization. When task interdependence occurs, employees are aware of how they rely on one another in the performance of their jobs. In the case study used in this organization, there is a substantial amount of frustration from associates because a lack of awareness on the part of other associates of various procedures. For example, there is a procedure for completing a purchase order. As simple a procedure as this is, it is often a source of frustration for new associates because they are not trained on the procedure to begin with. In turn, the recipient of the purchase order has to spend even more time completing and correcting purchase orders that should have been done correctly to begin with. This lack of efficiency with procedures occurs on various levels throughout the organization.

Orientation. The case organization used in this study has a very basic orientation process that touches just a few areas in the organization. Human resources covers benefits and policies on the associate's first day, and the supervisor covers other basics. However, there are a number of procedures and information not covered that the new associate is expected to learn on their own. This further contributes to the lack of efficiency throughout the organization.

A task force is recommended in order to address this issue. This task force should be cross functional in order to include a number of departments throughout the organization.
that are facing the frustrations previously mentioned, or that at least oversee processes that all associates should be aware of. Human Resources would oversee this process and continue to ensure that it is streamlined throughout the organization. Since orientation occurs in the early days of an associate’s time with a company, the orientation process should be as participative and friendly as possible.

*Lunch-n-Learn.* This is an activity utilized from time to time in the organization, particularly at the Pennsylvania location. This is an opportunity for associates to get together, have lunch and listen to a member of the organization talk about a specific procedure. As a result of this case study, it is recommended that this activity occur at the Fairport facility on a regular basis, and that each session be assigned to a particular department. During this time, the department would have an opportunity to present its purpose and focus to the rest of the organization. On top of this, it would be an opportunity to ask for support by reminding others of their obligations to the particular department presenting at that time. Activities such as these will further contribute to the team effort in the organization and give employees a sense of pride in their team efforts. It will also give associates exposure within the organization.

Blanchard (1996) discusses the importance of individuals in an organization being able to share and receive information. This builds trust and accountability. Furthermore, Blanchard states that the vision comes alive when everyone sees how their contribution makes a difference. The lunch-n-learn sessions would contribute to this effort.
Talent Development

The strategic development of talent is key in today’s ever-changing world. Rothwell and Kazanas (2003) define the strategic development of talent as the following:

The process of changing an organization, stakeholders outside it, groups inside it, and people employed by it through planned and unplanned learning so that they possess the competencies needed to help the organization achieve and sustain competitive advantage at present and in the future (p. 28).

Results from the research performed for this case study indicated a concern that the appropriate talent was not being hired and developed within the organization. This is another procedure that starts at the top, and must tie into the strategic plan of the organization in order to be embraced and effective (figure 9). Consequently, the case organization needs to make the development of talent part of the strategic business plan. Just as it is important to look at competencies in order to prepare for behavioral interviewing, it is important to do this in order to gage how well the talent within the organization is contributing to the goals and what can be done to fill the gaps. Furthermore, it is imperative that an organization looks at its current talent pool and compares that to what will be needed in the future. According to Collins (2003), more than half of the organizations used in a 2000 study did not have formal development plans, which is critical for the next generation of leadership.
Competencies. Pritchard (1997) discusses the importance of an organization developing competencies for positions within an organization. Pritchard defines competencies as the “knowledge, skills, abilities, personal characteristics and other person-based characteristics that help distinguish superior performance from average performance under specified circumstances” (p.1). These are what enable an individual to contribute to the organization by delivering a particular output.

**Figure 9  A Model for the Strategic Development of Talent**

1. **Clarify the purpose of the Talent Development Effort**
2. **Assess present conditions**
3. **Scan the external environment**
4. **Compare present strengths and weaknesses to future threats and opportunities**
5. **Choose a long-term strategy for Talent Development**
6. **Implement the organizational strategy for Talent Development**
7. **Evaluate the Talent Development Strategy**


Looking at the competencies of the individuals in this organization is imperative, particularly now when the organization is young. Also, because the organization is a product of various other organizations, it is important to look at competencies throughout the organization and use them as a basis for a number of human resource efforts. In the
past, some of the organizations rewarded different behaviors in different ways. By confirming what is successful for performance in various positions, expectations can become clearer and easier to fulfill. This would also satisfy a lot of the confusion around expectations indicated by associates during the research.

Interviewing. There is not a defined procedure for recruiting in the New York office. The Human Resources Department is asked to post job openings and process resumes, but interviewing is left up to the hiring manager. Managers have their own way of interviewing. This has resulted in a lack of consistency in hiring practices, as well as ineffective recruiting. The company is young and in a period of growth. Consequently, the organization needs to be able to dip into the talent pool and obtain the best candidates available. Training managers and supervisors on a more effective means of interviewing will contribute to reaching this goal.

Sommer (1998) defines behavioral interviewing as “a thorough, planned systematic way to gather and evaluate information about what candidates have done in the past to show how they would handle future situations” (p.1). The process of behavioral interviewing does not begin when the applicant arrives. The preparation begins long before the interview.

In order to implement behavioral interviewing, human resources should meet with the line manager in order to assess knowledge, skills, abilities and competencies critical to success. These factors are then used to develop the questionnaire used during the interview. (Sommer, 1998). Each candidate is asked the same questions. The questions
are designed so that each candidate must articulate how they previously handled a certain situation. For example, a candidate may be asked, “Tell me about a time when you had to handle a poor performer on your team?” By asking the candidate for past behaviors, the interviewer can get a more realistic view of how the individual may handle future situations.

Given the fact that culture has been a predominant topic in this case study, it is advisable to follow the advice of Bliss (as quoted in Babcock, 2004). Bliss states that employers should conduct cultural-fit interviews. Questions should be based upon the values the company holds. Questions around values would be an excellent addition to a behavior-based interview in order to obtain the best candidate for the organization.

Technology. In this particular case organization, technical talent is particularly important. Cluff (1998) states that technical applicants are interested in jobs where they can work on interesting, new products using state of the art technology. Cluff goes on to recommend what an organization can do to attract the best applicants in the technical field. First, an excellent website with job openings easily accessible is recommended. The web site should also be linked to other popular employment sites on the Internet. This case organization has a website with career listings, but an effort should be made with the owner of this site to tie into other sites such as Monster.

Interns. Cluff (1998) also discusses the importance of college relations programs and technical associations. This is another means of tapping into the best talent available, as
well as contributing to the company’s positive image in society. Currently, the case organization does use the community’s top technical college for the internship program, but it is very sporadic. Also, Cluff recommends having representatives from the organization present at colleges. The internship program at the case organization needs to be formalized in order to obtain the best talent and increase the company’s exposure in the community.

*Mentoring.* Mentoring is a program that should be seriously considered as research shows what a positive influence it can have on an organization. According to Poe (2000) employees who have the opportunity to work with a mentor have higher retention rates and are more productive than those who employees who have not had this experience. Poe goes as far as saying that a good mentoring program can be more cost-effective than training and development courses.

When developing a mentoring program, the needs of the company should be looked at. It is important to design the program based on these needs, and to be sure that mentors understand how the program ties into these needs (Poe, 2000). The mentors should be individuals who are successful, well connected and demonstrate good communication skills (Poe).

Poe (2000) goes on to state that it is up to the organization as to whether the individuals involved in the program should be able to choose their mentor. An alternative would be to match the mentor with the protégé, based upon goals and interests. It is also
recommended that a small expense account be generated so that the mentor and protégé can have time away from the office for an occasional lunch so that issues can be discussed away from the workplace.

A mentoring program is great for combating turnover and rewarding key employees (Poe, 2000). There is a tremendous amount of talent within the case organization, as well as a desire on the part of the associates to contribute more. This would be an excellent means of doing this. Also, this would be a tremendous addition to the orientation process already mentioned. As Rothwell states, (as quoted in Babcock, 2004) newcomers are often welcomed into the organization by those individuals with the worst attitudes. By pairing new employees up with successful, positive individuals, the new employee and the organization will have a better chance at success.

Leadership

There was an overwhelming response from participants involved in this research in the area of leadership. More specifically, associates desire to see consistency between what leaders say and what they actually do. As DiGeorgio (2002) states, “top leaders need to have open dialogue about the behavior needed to succeed and they need to walk the talk”. Consequently, the case organization would benefit from looking at leadership competencies and integrating means of ensuring that the behaviors come to fruition. A crucial first step in this process is to present this feedback to the upper management where the behaviors are stemming from. Also, the various recommendations in this study also need to be presented in order to take action on concerns indicated by associates.
This will contribute to the important issue of consistency in leadership. The leaders have asked for feedback; now they need to follow up.

*Development.* Some of the major areas of confusion in the organization involved leadership as well as the vision, mission and values of the organization. There is a tremendous emphasis on having the vision, mission and values posted throughout the organization. However, they are not necessarily understood by the associates and furthermore, inconsistent behaviors from leaders also confuse associates.

While deciding on various interventions for this case study, it was brought to the attention of this researcher that the case organization is part of a large conglomerate with other subsidiaries much more mature and established. By interfacing with the human resources team, it was discovered that a leadership development program exists that could be introduced into the case organization. The program utilizes ten competencies in order to measure the success of the company’s leaders. These competencies support the values and goals of the organization. According to Sashkin and Sashkin (2003) leaders build cultures that enable the organization to achieve its goals effectively. The leadership development program would support this effort by bringing consistency between values and behaviors. Consequently, it will also help develop the trust in leadership that is very much needed. This is a program that has since been looked at by the case study’s human resources department and will be rolled out over the next year.
Trust. Marks and Mirvis (1998) state that “only twenty percent of employees trust what senior management tells them; this has created what the New York Times in 1996 called the greatest insecurity since the depression” (p. 269). This is another issue that came up in the survey results and is crucial to the success of the organization. Some of the processes already discussed will help contribute to the improvement of trust. For example, a leadership development program and overall consistency between what is said and what is actually acted on will help this issue.

There is another issue related to trust that should be addressed. During the focus groups, a number of the associates expressed the lack of acknowledgement often received from upper management. This could be as simple as when an associate says hello to a member of management and does not get a response or when an associate offers a suggestion about a procedure and it labeled as uncooperative. Further research would no doubt uncover various other examples of behavior that are contributing to the lack of trust within the organization.

The topic of emotional intelligence has become very popular over the last decade. Emotional intelligence is defined as “an ability to perceive, to process, to understand and to manage emotions in self and others” (Ashkanasy, 2002, p.15). Many view emotional intelligence to be as important, if not more important, than mental intelligence. Certainly, the level of emotional intelligence exhibited by upper management is having an effect on the level of trust and needs to be addressed. The recommendation is that emotional intelligence training be introduced throughout the entire organization, starting
at the top. This training would bring attention to a topic some members of the management team may know nothing about. It may not change an individual's behavior, but it will certainly bring awareness to the real effect a leader's behavior will have on others in the workplace.

Opportunities for Future Research

Mergers and acquisitions

Mergers and acquisitions are occurring more than ever before, and while practice makes perfect, it would be wise for organizations to learn from their mistakes and be sure not to repeat them. The case organization used for this research will no doubt continue to make acquisitions in the future and will have hopefully learned what has worked and what hasn't. Certainly, this is an area for future research that this case study did not look into; is the preparation for the next acquisition going to be sufficient for the people it will affect?

Culture

The issue of culture was a predominant theme throughout this research. In this case organization, the issue of culture is occurring on a number of levels. The first level is organizational culture and the second involves cultures of various countries. While conducting interviews, this researcher found that associates have different views of what "culture" means. Going forward, the organization should be clearly thinking about this while considering an acquisition and should be prepared to deal with differences of culture within the organization.
Equality

The case organization in this study is one of two locations in the United States. The other location, which is located in Pennsylvania, has other programs specifically geared toward employee input and recognition. There has been an attempt to utilize these programs in the New York office, but progress has been slow. Future research on recognition and equality among locations could perhaps convince the organization that these types of programs need to occur.

Implications for HRD Practice

This research indicates a number of implications for HRD practitioners. The most important implication is for HRD professionals to include themselves in the planning stages of mergers/acquisitions. As the research has indicated, HRD professionals are often excluded when planning mergers/acquisitions. As a result, many of the important issues around culture and employee morale are ignored until it is too late.

HRD professionals must also have an understanding of the dynamics of working in a global organization. As the global economy continues to expand, organizations must insist on employees with an appreciation for cultural diversity. HRD professionals play a key role in providing awareness and education around cultural issues and implementing policies that will support an environment based on respect and equity.

Overall, HRD professionals must also have a strong hand in facilitating conversation among all levels of the organization. Often, during mergers and acquisitions,
breakdowns occur in communication throughout the organization. Strong HRD professionals can use various tools to help open up lines of communication. The focus groups and qualitative interviews used in this case study are just a couple of examples.

Conclusion

The case organization used is a very young organization that will face many more challenges ahead. When acquiring new organizations in the future, the case organization needs to learn from their mistakes and continually improve on the process. This includes making the right choice about what to acquire, and including culture as part of that analysis.

As a result of this process, many recommendations for improvement have been discovered. These include communication, talent/leadership development, performance management and trust. What was also obvious as a result of this study was the amount of talent within the organization and the desire of that talent to contribute more. In order to do this, they are in need of more support from upper management. This support should come in many forms, including information, acknowledgement, direction, expectations and clear goals.

The consultant handling this case study is an internal consultant, and will be a part of this case organization for an indefinite period of time. What this means is that as part of the consultant’s ongoing role, obtaining support in order to drive the recommended interventions throughout the organization will continue. There is a strong challenge
ahead in order to gain this support. The main reason for this challenge is that the client in this case was the Human Resources Director located in the Pennsylvania facility. Therefore, the Director and this internal consultant have many challenges ahead in order to change the mindset of the New York location. It is imperative that this occurs, however, particularly because the New York location is the corporate office and consequently has the upper hand in most of the decision-making. In the very near future, this consultant will be sitting down with the President in order to address some of these concerns and obtain buy-in from the President as to how to implement effective change within the organization.

This has been a very rewarding project for the consultant because of the energy and drive of the individuals who participated. The challenge going forward is to obtain buy-in from senior management and show that the input from everyone who participated was taken seriously. For the future success of surveys and the organization as a whole, this must occur.
References


Appendix A

To: Director of Human Resources

From: HR Representative

Date: February 1, 2004

Re: Proposal for Employee Survey Follow up

This document will outline all steps to be taken in regards to follow up on the employee satisfaction survey administered in October of 2003.

Problem Statement: The study will initiate follow up on several areas of improvement indicated by the employee satisfaction survey. These issues include communication and employee relations with supervision and management. Pennsylvania employees will not be focused on in this study.

Objectives: One objective of the study is to collect further data on some of the issues indicated by the employee survey. A second objective is to offer solutions to some of the issues that will be addressed. A third objective is to uncover important issues that may have not been brought to light by the employee satisfaction survey.

Information Needed: In order to complete the project, I will need to have qualitative interviews with four to five members of management and one to two focus groups with various associates throughout the Rochester location. The questions to be utilized for each of the respective groups are attached.

My role: My role in this project is to collect data through qualitative surveys and focus groups and report these results back to the organization in a confidential manner. Further, I will make recommendations for follow up on issues indicated by the data.

Product to be delivered: Data will be collected from both qualitative interviews and focus groups. This data will be compiled and presented in a report. Along with this data will be analysis of what was found, along with recommendations for improvement.

Support needed from the Client: You have agreed to include this project into the overall work plan for the organization. Your support will be needed for choosing appropriate participants for qualitative and focus groups and in ensuring that the minimal time needed for these groups is granted. Your support will also be needed in communicating the results of the study back to the organization.

Time Schedule: All focus groups and qualitative interviews need to be completed by February 29, 2004. Final results will be delivered by March 15, 2004.
Confidentiality: The data will be delivered in such a manner that the specific responses given by participants will not be discernible. The report will be delivered directly to you when finalized. If it is decided at that time that the report must be delivered further throughout the organization, that will certainly be an option.

Feedback: Considering that I am an inside consultant, the opportunity for feedback will be very flexible.
Appendix B

IRB Proposal

Submitted to: St. John Fisher College Institutional Review Board
From: Beth Marr – GHRD590

Introduction

According to Schein, “every group, top management team or otherwise, has a unique culture that is shaped by its’ members shared history and experiences” (Ashkanasy, Wilderom and Peterson, 2000). This is an extremely important concept for a company to keep in mind when planning an acquisition. Cultural differences can be the main determining factor as to whether or not an acquisition will be successful (Ashkanasy et al, p. 311).

The Company being utilized in this study is a company based out of Europe. This company operates throughout the world and consists of a variety subsidiaries and product lines. In late 2002, the company acquired yet another division with the acquisition of a local company located in Rochester, NY. Previously, this Rochester, New York Company had recently acquired two other locations from different areas in the United States. Some functions have also been moved between Fairport and the one of the other U.S. division, which has left some employees feeling insecure about whether their job will be next. The company is still in transition from this acquisition and no doubt will continue to be for quite some time. These occurrences have resulted in a culture clash throughout the organization. Consequently, the various changes have had a profound
effect on employee morale and this effect needs to be addressed in order to avoid further negative consequences to the organization.

Problem Statement

There have been limited studies done on the cultural dynamics of mergers and acquisitions and how best to deal with them. More specifically, there has been little research done on the influence of mergers and acquisitions on employee morale. Understanding this process is becoming increasingly important, however, because mergers and acquisitions are becoming more common. Kotter states that during such events as acquisitions, mergers and restructuring, few organizations are successful at accomplishing their goals (Hesselbein and Cohen, 1999). Consequently, there needs to be further research done on the impact on employee morale and commitment after an organizational merger has occurred.

Purpose of the Study

There are several purposes to this study. The first will be to provide clarity to the findings of extant data acquired from a satisfaction survey recently conducted at the Company. The second purpose will be to learn about management and employee views of the survey results. The third purpose of this study will be to make recommendations designed to address key areas for improvement.
Research Questions

1. At one-year post acquisition, what are the key areas of satisfaction and dissatisfaction indicated by the extant satisfaction data?
2. Based on interviews, what factors have contributed to these results?
3. What interventions can be recommended in order to address the key areas of dissatisfaction?

Significance of the Study

This study will be significant for several reasons. As previously mentioned, there has been little research performed on the effect of mergers and acquisitions on the culture of an organization, and more specifically, on employee morale. By performing this study, a number of groups will benefit. The Company will benefit, as the study will involve participation on the part of various employees. This experience in itself will attempt to contribute to a more positive experience of various employees at the Company. This study will present more opportunities for employee participation and an intervention that will attempt to improve employee morale.

This study will also contribute to the field of Human Resource Development (HRD) in the areas of research and practice. The study will contribute to the area of research by describing the qualitative methods to be utilized and the results of those methods. This study will benefit HRD practitioners by adding to the minimal research that has been done on the effect of mergers and acquisitions on culture and employee morale. The
study will also present various suggestions for HRD professionals when faced with the consequences that an acquisition or merger brings to an organization.

Methodology

Recently, the Company administered a satisfaction survey in order to gage the climate at the New York division. The results of the survey will serve as a basis for this project. By identifying both strong and weak areas in the survey, it will be determined what changes should be utilized in order to improve on the targeted areas. The strong areas will be used as a baseline for what is currently working in the division. This researcher will then act as internal consultant and perform an intervention that will attempt to improve employee morale post acquisition.

This researcher will conduct qualitative surveys with four to five members of management. A series of five questions will be asked of the individuals in order to gather information on the possible reasons for the results and what the interviewees would have preferred seeing for results. Also, one to two focus groups consisting of Company employees will be conducted in order to gain more insight into the current climate of employee morale. Recommendations will then be made in order to address some of the key areas of dissatisfaction. The results of the interviews and description of the recommendations will then be presented to the Director of Human Resources.
Confidentiality and Anonymity of the Survey

Interviewees will be asked to sign consent forms, in which they will understand the purpose of the study and the fact that they are able to withdraw from the study if need be. These consent forms will be the only thing with a name on it. Company names will not be used within the data, nor will HR professional's names be used. If interviewees would like a copy of the information found in this study that will be possible.

Dissemination

The information obtained in this study will be used for research purposes for use in the Graduate Human Resources Development masters program. The information will also be given to the Director of Human Resources at the Company. This will be a summary of the responses given, with no reference to individuals who participated.

Disposition of Data

After the research is completed, the notes accompanying each interview and focus group will be kept with the researcher. There will not be any names attached to the data or the research paper and the consent forms will be disposed of after two years.
Appendix C

St. John Fisher College Institutional Review Board
Informed Consent Statement Form
Project Title: The Effect of Mergers/Acquisitions on Employee Morale

Study Purpose: You are invited to participate in a research study entitled The Effect of Mergers/Acquisitions on Employee Morale.

Procedure for the Study: For this study, I am conducting interviews of five managers in the organization and one to two focus groups of employees (non-managerial). In the survey and focus groups, questions will pertain to organizational communication and management interaction with employees.

Confidentiality: You are free to refuse to answer any questions or to stop answering the questions at any time. However, I do not expect you to have the desire to do so. The questions I am asking are about perceptions of communication and management styles. All of the data is for research purposes only, and will only be accessible by members of the research team. No data that can identify you will be available to the team.

Risks and Costs of Participating in the Study: There are neither risks nor costs associated with participating in the study.

Contact Person and Findings: If you have questions regarding the study, call Beth Marr at 585-421-4221.

Subjects Consent: In consideration of all of the above, I give my consent to participate in this research study. I understand that I may drop out of or be withdrawn from the study without fear of penalty. I acknowledge receipt of a copy of this informed consent statement.

Subject’s Signature ___________________________ Date __________

Signature of Researcher ___________________________ Date __________
Appendix D

Questions for Focus Group

Communication

1. As a result of the employee satisfaction survey, communication was described as both a positive and a negative. Why?
2. What do employees want to know more about?
3. Who do employees want to hear information from?
4. What is the best way for employees to give their input?

Leadership

1. My department has regular, effective group meetings. True or false. Please explain.
2. How can direct supervision improve?
3. How can your next level manager improve?
4. How can management improve (VP and up)?
5. If you were a member of Executive Management, what would you do to enhance the quality of our products and services?
6. If you were the President, what would you do differently?

Overall

1. My contribution to the organization is valued and appreciated. Why or why not?
2. I have the resources necessary to do my job. Why or why not?
3. I get a sufficient amount of training in order to do my job. Why or why not?
4. How can teams work more effectively?
5. Are there any lingering issues in regards to the acquisition that management should be aware of?
6. What other important issues did the survey not address that should be addressed? Please be specific.
Appendix E

Qualitative Interviews

1. What are examples of effective communication in the organization?
2. What could be communicated more effectively and how?
3. How can supervision improve in the organization?
4. How can middle-level management improve in the organization?
5. How can top management improve in the organization?
6. How can non-managerial associates improve in the organization?
7. Has the company handled the acquisition effectively?
8. Do you feel the company has established a culture after the acquisition? Why or why not?
9. What did the survey not address that should be addressed?