

Pre-merger employee experiences

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ABSTRACT— One of the most frequently discussed issues in a company life is organizational changes. Scholars and practitioner pay considerable attention to the management, processes and economic effects of organizational changes. Economic forecasts expect a rise in the number of organizational changes. As effects of organizational changes reflect on employees and the latter subsequently effect the organization, we have chosen to research in detail specific employee experiences in an organization planning a merger with another organization.

KEYWORDS: Experience, Organizational change, Job insecurity, Qualitative research, Mergers & Acquisitions

1. INTRODUCTION

Changes in an organization are inevitable as a reaction to external and internal factors. Organizational changes may be described as a trip from A to B, where the change, its efficiency and benefits are measured in B according to selected criteria. At the first glance, changes may be seen as a simple easily planned process. However, any change always involves people – employees and managers, whose reaction to changes is in most cases different. Some of the employees see changes as new opportunities while others experience negative emotions, anxiety and stress, particularly when the changes entail risk of redundancy, lower professional status, reduced income, fewer career opportunities and threats to personal development [1], [2], [3], [4], [5], [6], [7]. Since employees are part of the organization, their experiences inevitably affect their colleagues, the organization, processes within the organization and efficiency of the introduced changes. Employee reactions to changes and consequences and effects of changes attract attention of researchers and practitioners. On the other hand, organizations, that is their executives, owners and shareholders are particularly interested in the research as poorly managed or badly introduced changes may lead towards reduced competitiveness, bankruptcy or dissolution. Research reveals that employee reaction to changes may have an essential impact on the success of changes [4], [11]. Therefore, proper preparation, planning, formulation of objectives and anticipation of consequences are crucial. Because of excessive cost-cutting hoping to retain its academic staff, a university's downsizing initiative caused chaos in the academic community: the opportunity to quit the job was chosen by a bigger proportion of the staff than it had been expected, the number of teaching hours dropped, student access to administrative services became limited, the number of research advisors decreased, the university faced adverse effects on scientific achievements and academic publicity, lost its leading researchers, the administrative staff had to deal with an excessive workload causing too much stress. All this contradicted the declared mission of the university [1]. Part of the staff were made redundant as foreseen in the restructuring plan whereas failure in HR due diligence caused anxiety, demotivation and fear of redundancy in the other part and the best specialists started leaving the company. Researchers identified several reasons of the failure, including deficiencies in planning and communication, insufficient inclusion of employees into the process of changes, poor preparation for and management of changes. Apart from the undesirable loss of qualified people, all this caused a decrease in productivity, job satisfaction and employee identification with the company [2]. Another research reveals that employee intention to leave the organization during a merger may be caused by a negative perception of the fairness of the restructuring procedure formed by poor formal and informal communication. All this increases employee anxiety typically blamed on the organization as a source which has to be left to get rid

of the anxiety. [3]. A systematic analysis of publications on the impact of organizational changes on employees' wellbeing reveals that in case of downsizing both with or without planned redundancies, employees experience a sense of insecurity adversely affecting their health and they are more likely to leave the organization.

However, even when redundancies are planned, most cases of quitting are caused by health problems arising from adverse effect both on the physical and mental state. Mostly affected are ordinary employees, specialists and those with temporary contracts, which is quite typical in the education system. Researchers point out to the same typical problems: insufficient employee awareness and insufficient employee inclusion into the process of changes and decision making [4]. A survey in the level of anxiety, depression and burnout in cases of downsizing done in France, Hungary Sweden and the UK, revealed that apart from personal psychological problems, negative effects are observed in the psychological climate and job satisfaction as well [5], [6]. On the other hand, trade union members involved into change introduction feel better and experience negative consequences to a lesser degree. Similar results have been yielded both by small and large samples. Because of the aforementioned temporary contracts, implying that changes may take place any time, employees experience a sense of job insecurity, manifesting in anxiety, stress and anger [7]. Another consequence of poorly managed mergers is the loss of employees because of employee resistance to the new identity or reluctance to identify with the new company [8]. Also, one of the key factors negatively affecting employee mental health is poor and untimely communication about the ongoing changes. This has been observed in numerous surveys: failures in communication management result in rumours reinforcing employee anxiety; communication has to be an inseparable part of changes from the very beginning; communication must not be unidirectional; employees have to be listened to and given an opportunity to speak instead of just reading reports on the situation and spreading rumours [4], [9], [10] [2], [3]. However, negative effects on employee mental health can be significantly mitigated. Cognitive Appraisal Theory suggests that incentive appraisal can help foresee in advance who is going to leave the organization and who is not, who is taking the change as a threat and who is seeing it as an opportunity. The possible predictors include well managed communication about changes, procedural fairness in restructuring, change management history and anxiety about change. Basically, everything depends on communication and planning of changes [3] [10]. Along with the conventional methods of change management, Positive Psychology suggests an alternative change management model known as Appreciative Inquiry, although not very popular and saying little about how employees manage to adapt and recover psychologically [11]. Attempting to make a profile of a more flexible employee, researchers point out that managers and highly qualified employees are usually better at coping with changes [4]. It has to be noted that processes are similar both in private and public organizations. However, the scope of research is usually limited to quantitative parameters, that is standardized questionnaires or reviews of earlier studies. Since quantitative research gives limited opportunities to understand how the context of changes is perceived by the employee [4], we have decided to carry out a qualitative research with the aim to extend the scope of research and look at the issue of approaching changes through the employee's eyes. Thus, the objective of the present research is to find out what effects employees experience when the organization is planning a merger.

2. Method

Study participants. When the media informed about a merger of two public educational institutions, one of the institutions agreed to carry out a qualitative survey in one its units. As the head of the unit consented, the deputy head arranged a meeting to introduce the survey to her colleagues. 10 people or 80 % of the unit employees, all female, agreed to take part in the survey. The unit was not chosen at random: an equivalent

unit was present in another institution, which means that only one was likely to survive the merger. The sampling was purposive, i.e. all survey participants took part in the changes. Profiles of the survey participants are given in the table below. The course of data collection. The data was collected during interviews and according to a schedule agreed with head of the unit and the participants. Having presented the survey to each participant individually, explained researcher's confidentiality obligations, responded to participant's questions and on receipt of the participant's written consent, the participants were asked to take part in individual semi-structured interviews with the researcher held in a quiet room within the organization's premises. Real names of the respondents have been changed. The duration of interviewing totalled to 9 h 45 min.

Table 1. Study participants.

No.	Respondent	Age	Marital status	Education	Job and number of years in the institution	Interview duration in min.
1.	Rima	55	Married	Higher	Administrative employee >30	49:19
2.	Ada	N	Married	Higher	Head of Unit, 6.5	48:04
3.	Kristina	42	Married	Higher	Technician, 3	35:46
4.	Laima	35	Married	Higher	Technician, 11	34:47
5.	Agnė	55	Married	Higher	Senior technician >30	75:06
6.	Dew	44	Married	Higher	Manager, 12	41:53
7.	Diana	50	Married	Higher	Technician, > 20	101:16
8.	Milda	29	Single	Higher	Technician, 5	45:15
9.	Dalia	32	Married	Higher	Deputy Manager, 7	111:00
10.	Neda	44	Divorced	Higher	Technician, 8	42:59

Data analysis. The thematic analysis comprises 6 steps:

- (1) To get familiar with the data produced. The objective of this stage is not only to get closely acquainted with the data, but to also note the information related to the research problem.
- (2) To generate data revealing the initial codes. This step is completed when codes are generated for the data, which help grasp the variety of information, its structure and examples.
- (3) Look for themes. This step is a transition from the codes to broader generalizations of the parts of information – the themes, when the analysis receives a clear form.
- (4) To carefully look through the research problems. The objective of this step is to check the quality of the problems by carrying out two tasks: first, to verify the links of each theme and its codes, secondly, to verify the links between the problems and all the data.
- (5) To identify and name the problems, by providing a more detailed analysis of them. In this step, a data analysis may be completed, the main question of which by interpreting the data is “So what?” By answering it, not only the identified and called themes are provided, as well as their association with the data and the research problem is provided, but also the aspects that are important and relevant in the entire analysis are shown, and the themes identified have to be informative, concise and easily perceived/understood.
- (6) To prepare a report. Analytical work which is started by coding the data, in this step acquires a complete form. The objective of the report is to provide a convincing narrative which is based on the data, and which meets the requirements of a scientific work.

3. Findings

Four themes were identified in the thematic analysis: "Negative emotions and thoughts", "Communication on the changes", "Perception of changes as opportunities" and "Resources used in the situation of changes".

The first topic comprises a range of negative emotions experienced by the employee. Most of the respondents said the changes were unexpected and caused a sense of instability, pain and anger. They also mentioned their colleagues became more competitive during the change.

Table 2. Theme No. 1 with sub-themes and illustrating examples

Theme No. 1. Negative emotions and thoughts
<p>Subtheme No. 1. Shock and surprise</p> <p>Imagine you are sailing a boat which hits an iceberg and gets a hole in the body... Now, what does the crew opt for? Some are panicking while others are looking for a lifeboat. (Ada)</p> <p>Well, you can say it was shocking, as it was...[sighing] yes, it was shocking, a shocking situation <...> When we learned the merger is actually taking place <...> (Diana).</p>
<p>Subtheme No. 2. Insecurity</p> <p><...> instability, uncertainty about the future, actually the very close future <...> (Laima).</p> <p><...> uncertainty, I'd say the emotions kinda go down (Rima).</p>
<p>Subtheme No. 3. Pain and anger</p> <p><...> it hurts mostly because of what has been achieved and tested, err... publicly acknowledged is now about to be destroyed (Agnė).</p> <p>Well, sometimes it really makes you angry [smiling]. Sometimes you think: "That's why we have terrorism" [laughing]. I mean, you feel mistreated. It's not fair." (Daina)</p>

The second theme reveals that most of the respondents get information about the change from the media in the first place while the information submitted by the organization is incomplete and inaccurate.

Table 3. Theme No. 2 with sub-themes and illustrating examples

Theme No. 2. Communication on the changes
<p>Subtheme No. 1. Information about changes comes from the media.</p> <p><...> my colleague calls me and says: "Have you hear the news? We're merging" but first you learn from the media and only then they tell you the bad news at work (Ada).</p> <p>"Yes, you all are going to keep your jobs. Nothing is going to change". Well, that's the official statement, that's what the managers tell you <,...>. When suddenly <...> in the course of about two weeks, you come across a great article in the media, which says 200 redundancies in the two organizations (Milda).</p>
<p>Subtheme No. 2. Lack of information</p> <p>Actually, nobody gives you specific information on what is going on and what to expect tomorrow. In fact, full information is still absent. An I'm not sure if somebody has it.</p> <p><...> people tell what they know <...> the information is not approved. It is not accurate. Just rumours (Kristina).</p>
<p>Subtheme No. 3. Changes in communication among colleagues (competition)</p> <p>As for the colleagues, well, you know there is a certain... well, they are in the same boat as you and they sure have their interests and whatever you expect, there's competition out there. You just can't pretend its absent <... > (Laima).</p> <p>Now I can see it [friendly relations] is gone, because, you know, struggle for existence. Everybody's just...on their own...and hope to survive (Diana).</p>

The third theme is about opportunities in changes and shows that employees are able to understand positive aspects of changes, assess advantages and drawbacks of their jobs, consider possible alternatives, communicate with people from the other organization and see opportunities.

Table 4. Theme No. 3 with sub-themes and illustrating examples

Theme No. 3. Perception of changes as opportunities

<p>Subtheme No. 1. Positive approach to changes. <...> on the other hand, we <u>need</u> changes, we need to move on, we need a kind of a push. It somehow forces people to move and maybe <...> encourages to think, to reconsider... (Rima). Changes are inevitable. And... take the oriental philosophy for example. "Changes are always for the better. It means I'm still alive. I grow up, I change and that's great (Ada).</p>
<p>Subtheme No. 2. Assessment of advantages and drawback of the job. <...> actually, it's only part time job as a manager of unit x and only y € before taxes. Now, does it really make a big deal? <...>. A matter of honour. The business card seems to be the only thing I'm about to lose. But... as I'm not really going to miss it, it's not the end of the world. What I'm going to miss is not the office or the title. Most of all I'm going to miss the work (Ada). The wages here are not impressive <...> I love the job; I believe in what I'm doing and I think it's really important (Diana).</p>
<p>Subtheme No. 3 Consideration of job alternatives. <...> I spent 15 years in business and, and I can be back in business again (Ada). <...> I started checking job advertisements. Some EU institution, perhaps, depending on the position (Neda).</p>
<p>Subtheme No. 4 Communication with employees of the organization to be merged with. We've been keeping in touch almost since the first day we learned about the merger <...> and I can actually see the benefit for the state here (Agnè). <...> from the other organization, and there are good friends and contacts...and we say: „Hope, it's going to have a stronger potential after the merger <...> There will be more people to develop projects with “(Neda).</p>

Finally, the fourth theme "Resources used in the situation of changes" shows that employees get the necessary support from their families. They also do their best to take control of their thoughts and emotions and maintain a positive approach.

Table 5. Theme No. 4 with sub-themes and illustrating examples

<p>Theme No. 4. Resources used in the situation of changes</p>
<p>Subtheme No. 1. Sources of support. „<...> I just have a very nice family, which is really important and... and today's changes, questions of survival in the labour market are by any means inseparable from the family, where you can get support to counterbalance the bad news or factual problems <...> (Laima). <...> speaking of the family, err... I really get <u>strong</u> support from my children (Agnè).</p>
<p>Subtheme No. 2. Optimism and self-control. I just try not to think about it. At first, it was really difficult <...>. I tried reading books. You know, self-education and the like. And they say: " is it because you know the routine by heart? It is very usual for us to do the same things every day, but try catching the moment to stop", and I think: "How?" That's impossible" (Ada). "Yes, I'm trying to take it optimistically and stay optimistic in whatever I do" (Neda).</p>

4. Discussion

Having learned about the university merger, participants of our research experienced negative emotions, including shock, a sense of insecurity, pain and anger. Results of the research resemble results of previous research where changes introduced in universities caused negative effects on the employees (overworking, stress) [1] and the employees accepted the changes as a threat and intended to leave their jobs because of the negative perceptions of their future prospects in the organization [3]. Restructuring of the organization reinforced the sense of insecurity, deteriorated health and encouraged employees to leave their jobs independently of the planned redundancies [4]. Participants of our survey also experienced a threat of redundancy, which was likely to reinforce negative emotions. The participants referred to poor

communication on changes, where information about changes was rendered primarily by the media, information received from the organization was incomplete and the employees noticed stronger competition among colleagues. The results correspond to the findings of other research, which show that the quality of communication is very important to the employee and informing just in a written form is usually insufficient since employees expect a personal conversation and live meetings and discussions, and that employee intercommunication deteriorates in the face of changes [2]. Participants of our research also stated that communication with colleagues worsened in the course of changes and they noticed stronger competition within the organization. The results also revealed that poor communication and anxiety reinforces negative emotions and the sense of threat [3], whereas unidirectional communication considerably contributes to employee resistance to changes and, to the contrary, two-way communication encourages a positive approach to changes [10]. Participants of our research mostly faced unidirectional and insufficient communication, which was likely to reinforce their negative reaction. The participants also acknowledged positive aspects of the change, assessed advantages and drawbacks of their jobs, considered possible job alternatives and communicated with people from the organization to be merged with. However, the majority of surveys reveal negative effects of organizational restructuring on employee well-being whereas positive effects, such as job satisfaction, have been found only in several publications [4]. On the other hand, research reveals that imposed changes always result in negative emotions, including fear, anger and anxiety whereas planned changes can entail positive reactions, such as excitement and hope, as well [10]. Our research was done in an imposed change and the participants experienced mostly negative emotions although the expected change was communicated a year in advance and the employees technically had an opportunity to get ready psychologically, consider their situation and evaluate alternatives. Research shows that negative effects of restructuring are primarily experienced by low qualification employees [4]. All participants of our research were highly qualified and thus in a position to consider possible job alternatives. The participants stated that in the face of the change they had to rely on the support from their families and self-control. Most of researchers recommend giving the employee psychological assistance in the course of organizational changes [5]. Our research has disclosed how an approaching merger is experienced by employees. The research sample involved only female respondents as women constituted the majority in the chosen unit. Further research should be extended to involve male respondents and a bigger number of organizational units.

5. Conclusion

The approaching merger of two organizations caused strong negative emotions among their employees, including shock, anger and anxiety. However, most of the employees managed to see positive aspects of the change, assess advantages and drawbacks of their jobs and consider available job alternatives. The biggest difficulty for the employees was the poor quality of communication and insufficiency of information about the change. The employees received no support from the organization and had to rely on the support of their family members and their inner resources, e.g. optimism and self-control.

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