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CORPORATE LEADERSHIP AND THE WORKING ENVIRONMENT:  
RELATIONSHIPS AMONG ORGANIZATIONAL LEADERSHIP FACTORS  
IN A CORPORATE POST-MERGER WORKING ENVIRONMENT

A DISSERTATION

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By  
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To my loving wife, Jean, who stood by me all these years with dedicated support and encouragement while I pursued this goal. I would also like to acknowledge my entire family, friends, and the great support from the leaders and all the employees of my company. I also want thank Dr. Joe Rodgers for his mentorship, motivation, patience, and leadership he gave me throughout this effort. I want to thank Dr. Barbara Greene, Dr. Young Kim, Dr. James Pappas and Dr. Cindy Simon Rosenthal for the great support they gave me on this journey. Finally, I want to thank The University of Oklahoma for providing this golden opportunity.

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## Abstract

This case study assessed actual corporate employees' perceptions of organizational health, or working environment, following a merger. The assessments in this research design evaluated the relationships between the organizational working environment, leadership factors, job performance factors, and overall factors in terms of their influences on corporate employees in a post-merger working environment. An additional goal was to develop and validate a modified survey instrument to measure employee perceptions of their pre- and post-merger working environments to support the research design. The survey developed for this study proved to be a very reliable instrument and worked well as a measurement instrument to assess employee perceptions of the pre- and post-merger working environments. Specifically the survey provided meaningful, actionable results to assess organizational change as result of a merger that potentially could be used for other corporate leaders wishing to improve the post-merger working environment.

These assessments supported addressing the overall questions of this study, which were to explore the impacts that a merger may have on the corporate working environment and to provide insights on how a merger works from the employee perspective. The results indicate that an organizational change in the form of a merger does affect employee perceptions about the health of the organization. In this particular case study, these differences are important because the employees perceive their current (post-merger) working environment less favorably than the pre-merger environment. The results specifically indicate that employee job performance may have been negatively

affected by the merger, and the employees do not think they meet the needs of the customers, employees, or stockholders as well now as they did in the pre-merger environment. This study provides evidence that organizational leaders should take the pre-and post-merger leadership issues seriously if they hope to improve the post-merger health of their organizations.

This study builds on previous organizational leadership research by focusing on an actual corporate organization that recently merged with a substantially larger organization. The study assessed the existing organizational working environment and leadership theory within the context an actual event. The study contributes to the field by demonstrating the relationship between key organizational leadership factors, as defined by current organizational leadership theory, and the influence of those factors on the corporate post-merger working environment.

## Glossary of Terms

- *Case study*: The in-depth study of instances of a phenomenon in its natural context and from the perspective of the participants in the phenomenon (Gall, Borg & Gall, 1996, p. 574).
- *Communication*: The vehicle that allows a group to move toward its goals; the process of acting on information (Beebe & Masterson, 2000, p. 373).
- *Corporate culture*: see Group culture; see also Organizational culture.
- *Decision making*: Making a choice from among several alternatives (Beebe & Masterson, 2000, p. 374). Identifying and selecting a course of action to solve a problem (Bass, 1990, p. 917).
- *Empowerment*: The sense of having both the responsibility and the authority to make decisions and achieve work results (Beebe & Masterson, 2000, p. 374).
- *Group culture*: “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).
- *Job*: A collection of tasks grouped together similarly in a number of similar positions in a given organization (Bass, 1990, p. 919).
- *Job satisfaction*: Attitudes and feelings about one’s job (Bass, 1990, p. 919).

- *Knowledge*: Appropriate cognitive understanding or accurate information about a subject—one of the elements necessary for an individual to possess in order to be competent (Beebe & Masterson, 2000, p. 375).
- *Leadership*: Behavior that influences, guides, directs, or controls a group (Beebe & Masterson, 2000, p. 375).
- *Legacy employees*: A term used in this study to identify employees who participated in the study and who joined the selected company before the merger took place.
- *New employees*: A term used in this study to identify employees who participated in the study and who joined the selected company after the merger took place.
- *Organizational climate*: Employees' attitudes toward the organization and their satisfaction with it (Bass, 1990, p. 920).
- *Organizational culture*: The norms, values, attitudes, and beliefs, evidenced in myths, stories, jargon, and rituals, that are shared by organizational members (Bass, 1990, p. 920).
- *Organizational goals*: An organization's purpose, mission, and objectives that form the bases of its strategy (Bass, 1990, p. 920).
- *Organizational health*: As used in this study, the health of the organization and the working environment are essentially synonymous, as they both refer to the cultural atmosphere in which the employees work.
- *Perception*: An immediately sensed experience of other persons or objects, modified and organized by the perceiver's personal characteristics and by social influences (Bass, 1990, p. 920).

- *Policies*: General guidelines for decision making (Bass, 1990, p. 920).
- *Productivity*: Performance relative to resources; output divided by input; quantity and quality of output in a given period (Bass, 1990, p. 921).
- *Stakeholders*: Individuals and groups who gain from the organization's successes and lose from its failures (Bass, 1990, p. 922).
- *Value*: A person's perception of what is right or wrong, good or bad (Beebe & Masterson, 2000, p. 378).
- *Working environment*: A term used in this study that identifies the corporate atmosphere and culture. As used in this study, the health of the organization and the working environment are essentially synonymous, as they both refer to the cultural atmosphere in which the employees work.

## Chapter 1

### Rationale, Significance, and Need for the Study

#### *1.1 Introduction to the Research*

Cultural understanding is essential for leaders to lead (Schein, 1992). This understanding is especially important during significant organizational change or when cultures are combined. Corporations experience such a significant organizational change during a merger or acquisition. However, research shows that on average, most mergers (or acquisitions) deliver mediocre performance outcomes (Fubini, Price, & Zollo, 2007). Further, in an environment of organizational change, studies indicate that the most frequently cited reason for failure was a neglect of the organizational culture – failure to change the organizational culture doomed the other organizational changes. According to most scholars and observers, organizational culture greatly influences the performance and long term effectiveness of organizations (Cameron & Quinn, 2006). Corporate mergers thus provide a vehicle for the study of organizational leadership and change. The purpose of this research is to develop and validate a modified survey instrument and to explore the relationships between organizational leadership factors and their influences on the pre- and post-merger corporate working environments.

#### *1.2 Statement of the Problem Related to the Post-Merger Working Environment*

Despite good intentions for corporate merger efficiency, most corporate mergers fail because of post-merger cultural issues. Carleton and Lineberry (2004) suggest that the chances to achieve success after a merger are not good. They specifically state that the main reason mergers fail is the “cultural clash” experienced by the two organizations involved in the merger. *Cultural clash* refers to the operational and cultural problems

experienced as a result of the merger. A major cause of post-merger underperformance is leaders' lack of understanding or appreciation of cultural integration issues. "The complexity of mergers and acquisitions certainly increases with the size of the companies involved, large or small, for most mergers and acquisitions fail for the same two basic reasons: (1) failure to assess the potential impact of attempting to merge and integrate the cultures of the companies involved and (2) failure to plan for systemic and systematic and efficient integration of those cultures" (Carleton & Lineberry, 2004, p.1). Four additional reasons frequently cited that may lead to failure of a merger are: (1) flawed motivations; (2) unmet economies of scale; (3) cultural incompatibility; and (4) disregard of the core business (Investopedia, 2002).

### *1.3 Statement of the Research Purpose*

Most mergers focus on pre-merger economic assessments rather than post-merger cultural interface strategies. This study provides an opportunity to assess actual corporate employees and to discover their perceptions of the organizational health, or working environment, following a merger. In this study, *organizational health* and *working environment* are used as essentially synonymous terms, as they both refer to the cultural atmosphere in which the employees work. In this sense, the health of the organization and working environment are directly related to organizational cultural theory.

The assessments of employees' perceptions in this research design evaluates the relationships between the organizational working environment, leadership factors, job performance factors, and overall factors in terms of their influences on corporate employees in a post-merger working environment. A second research purpose or goal was to develop and validate a modified survey instrument to measure employee

perceptions of their pre- and post-merger working environments, in order to support the research design. The survey data obtained was then used to explore the relationships between organizational leadership factors and their influences on the corporate working environment.

These assessments help to answer the overall objectives of this study, specifically, by providing information about the impacts that a merger may have on the corporate working environment and by yielding insights on how a merger works from the employee perspective. It is anticipated that the conclusions of this study will provide evidence that organizational leaders should take seriously the pre-and post-merger leadership issues if they wish to improve the post-merger health of their organizations.

The corporate organization assessed in this study underwent a merger during 2006. Although the selected corporation approved the conduct of this study, I was not permitted to mention the name of the corporation in this dissertation. The selected company's population in this study was employees, either in the Atlanta, Georgia, area or offices under the control of this area. The resulting population for this study was 71 corporate employees, including the senior leadership, who were given the survey. The company's primary function was to provide professional personnel support to military organizations. The higher headquarters of the Atlanta office was located in the Washington, D.C., area. The Atlanta office senior leadership remained unchanged during the merger process. However, the higher headquarters location did experience many senior leadership changes as a result of the merger.

I selected this company for this research because I knew the company and I was familiar with the population. Specifically, I was employed as a mid-level manager of the

company approximately two years before the merger and remained in this position during the merger, and through the entire time that the research was conducted. I received permission to conduct the research from the senior company leader in the Atlanta area. In addition, a legal review, which took nearly three months, was conducted by the higher headquarters in the Washington, D.C., area. As part of the legal review, I had to interview with the company lawyer to review my research proposal and to specifically review my survey instrument. As result of this interaction, I had to agree not to mention the name of the company in this document or to describe the company in such detail that it could be identified. Also, I was required to limit certain sections of the survey instrument. Specifically, I was limited to asking questions related to only three demographic characteristics of the employees: length of service, education, and salary levels. In addition, I had to guarantee that the employees would remain anonymous and that they had to volunteer to take the survey.

#### *1.4 Rationale and Importance of the Study*

This research offers different perspectives on organizational leadership, culture, and the working environment. It uses current organizational leadership theory to specifically determine the effects of a merger on employee performance. Employee job performance is measured in terms of employees' perceptions, both of the time needed to complete functional and administrative tasks and of job satisfaction. Also, overall assessment questions were designed to discern employee perceptions on how the pre- and post-merger working environments met the needs of customers, employees and stockholders.

Although much has been written describing post-merger success in terms of economic performance, comparatively little research specifically focuses on assessing leadership influence on the development of strong post-merger working environments. A modified survey instrument was created to measure employees' perceptions of the corporate leaders' influence on the merger process, and the pre and post-merger working environment. The analysis of the survey results of employee perceptions establishes the presence, or absence, of relationships between organizational leadership factors and their influences on the corporate working environment and employees' performance following a merger.

This study significantly contributes to knowledge by demonstrating the relationships among key organizational leadership factors, as defined by current organizational leadership theory, and their influence on the corporate pre- and post-merger working environment. It focuses on organizational change, in terms of the organizational working environment and health of a company that underwent a merger. Another contribution is the development and administration of a modified survey instrument for measuring employee perceptions of the pre- and post-merger relationships of organizational leadership, the working environment, and their influences on employees' performance. It is envisioned that the product design of such a survey instrument will be useful to other researchers in the field.

### *1.5 Research Questions and Objectives*

The research questions developed for this study focus on the effort to assess organizational change in terms of the organizational health of a company that underwent a merger. The two research questions that guided the assessment of the pre- and post-merger working environments and supported the design of the study are as follows:

Research question 1: Do differences exist between self-reported perceptions of the legacy employees and the new employees' assessments of the corporate working environment?

Research question 2: Do differences exist between the employees' self-reported perceptions of the pre-merger and the post-merger working environments?

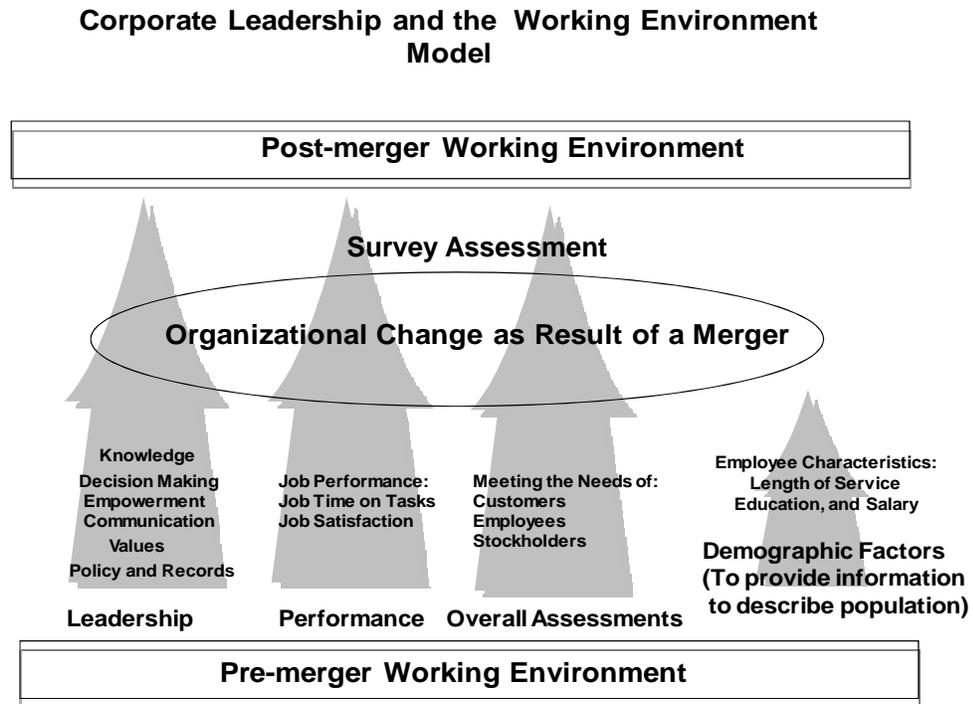
The first research question accounts for separate assessment of the legacy and new employee perceptions of the working environments, whereas the second research question provides a vehicle for assessment of the combined population's (legacy and new employees) perceptions of the pre- and post-merger working environments.

### *1.6 Corporate Leadership and Working Environment Research Model*

Figure 1.1 shows the corporate leadership and working environment model used for this research. This model represents the specific areas of interest related to the research design. The bottom of the figure represents the pre-merger working environment and the top represents the post-merger working environment. The oval in the middle of the figure represents the organizational change resulting from the merger. The four arrows identify the leadership, job performance, overall and demographic factors that were assessed by the survey. The survey was administered after the merger took place. The primary objective of the survey was to measure employees' perceptions, in order to gather data to assess the relationships among leadership, job performance, overall factors,

and the pre- and post-merger working environments. The demographic measures obtained from the survey were used to help describe the characteristics of the population of employees who participated in this study.

*Figure 1.1*



### *1.7 Chapter Summary*

This case study provides an opportunity to assess actual corporate employees and to discover their perceptions of the health of their organization following a merger. To accomplish this goal a survey instrument was developed to explore the relationships among organizational leadership factors and their influences on corporate culture following a merger. The study focuses on a corporate organization that underwent a merger with a substantially larger organization, and is intended to reveal how a merger

works in relationship to the employees. The two research questions focused the overall objectives of this study. The interpretations of these assessments will provide information about the impacts that a merger may have on the corporate working environment and the impacts of a merger from the employee perspective. In addition, the results of this study provide evidence that organizational leaders should take seriously both the pre- and post-merger leadership issues and their impacts on the working environment, to improve the post-merger health of the organization.

## Chapter 2

### A Review of the Literature

#### *2.1 Research Perspective*

This chapter is organized to present an overview of the literature related to the research design of this study. A goal of this research is to evaluate organizational change in terms of the organizational health of a company following a merger. This study considers *organizational health* and *working environment* synonymous, because they both refer to the cultural atmosphere in which the employees work. In this sense, the health of the organization and the working environment are directly related to organizational cultural theory. It is important to understand culture since many companies that have developed their individual identities by shaping values, defining the rites and rituals, and understand the cultural network have an advantage. These companies focus on the importance of values and beliefs, and not just products (Deal & Kennedy, 1982). Therefore, this chapter conducts a focused review of the scholarly literature related to the relationships of leadership, organization health, and culture in organizations that have experienced a merger. In addition, this chapter addresses literature that describes techniques to consider when assessing the post-merger working environment, to support the study goal of developing and validating a modified survey instrument to explore these relationships. The main objective of this literature review is to present the knowledge base upon which this study was built and to identify avenues to achieve positive organizational change. Finally, this chapter attempts to acknowledge past contributions related to this research design and to provide information linking past knowledge in the field with what was discovered in this research (Glatthorn & Joyner, 2005).

Kotter and Heskett (1992, p. 141) define *culture* as “an interdependent set of values and ways of behavior that are common in a community and tend to perpetuate themselves—sometimes over a long period of time.” These researchers provide a useful threefold view of how an organization’s cultural strength relates to performance within the working environment. Their first theory suggests that strong cultures have employees with high levels of goal alignment; they tend to “march to the same drummer.” Strong organizational cultures also tend to create an unusual level of motivation in employees. In addition, strong cultures provide needed structure and controls without having a formal bureaucracy that can dampen motivation and innovation. However, Kotter and Heskett also offer several case studies suggesting that one criticism of the strong-culture theory may be valid: strong cultures may lead even reasonable people astray. In these case studies, the cultures are strong, but they lead to poor organizational performance and they can negatively influence new members of the organization.

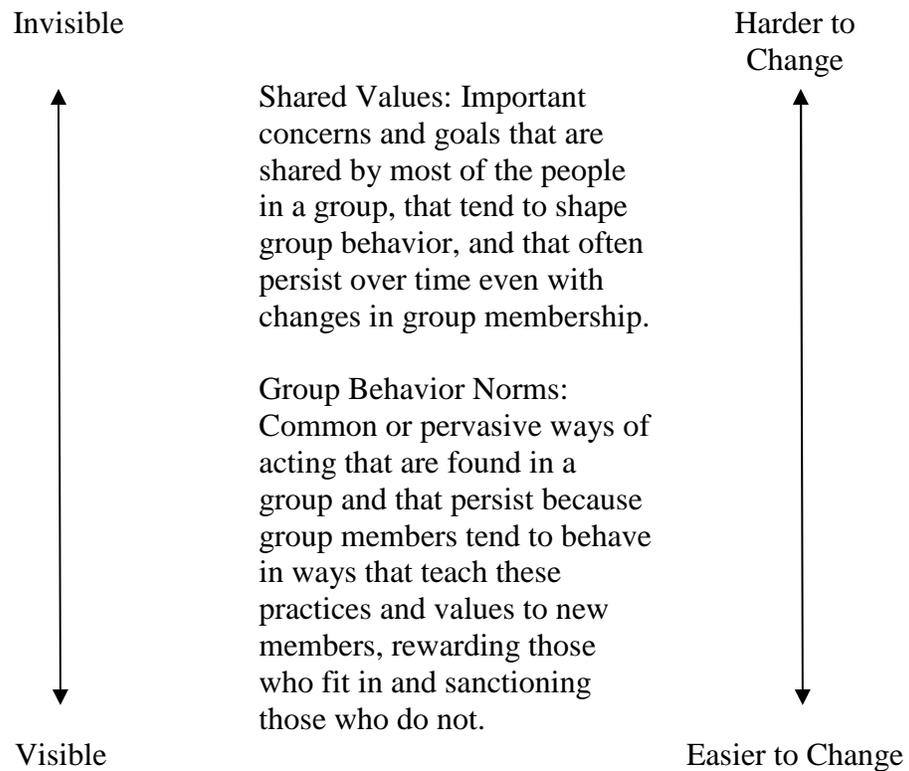
Kotter and Heskett’s second theory asserts that the content of a culture, in terms of common or shared values and behaviors, may be just as important—if not more important—than its strength. This theory suggests that only contextually or strategically appropriate cultures will be associated with excellent performance within the working environment. Their third theory focuses on the need for organizations to have adaptive cultures and leaders if those organizations are to achieve long-term success. Organizational cultures and leaders must be able to help an organization anticipate and adapt to environmental change if the organization is to achieve superior performance over extended periods of time.

In a later work, Kotter suggests that cultural change is fully implemented when it

“seeps into the very bloodstream of the work unit or corporate body” (Kotter, 1996, p. 14). Until and unless the new behaviors resulting from the change are fully realized, they may degrade as soon as the associated change efforts are lessened or removed. He further suggests that two factors are especially important to achieving new approaches to an organization’s culture. First, he recommends making an honest attempt to show individuals how specific behavior and attitudes lead to improved performance. Kotter also recommends that sufficient time be allocated to ensure that the new management really does personify the new approach required as a result of the cultural changes (Kotter, 1996).

*Figure 2.1: Shared Values and Group Behavior Norms and Organizational Culture*

Change



In Figure 2.1 (Kotter & Heskett, 1992, p. 5), the researchers describe cultures as having two levels that differ in terms of their visibility and resistance to change. At the “Shared Values” level, *culture* refers to values that people within the group share and that can persist even as the members of the group change over time. At this level, the values are less visible, and cultural change may be difficult because many group members may not be consciously aware of the binding cultural values. In contrast, at the “Group Behavior Norms” level, the behavior patterns are more visible and new employees are encouraged to follow. Although culture at this level is still hard to change, it is not as difficult as at the “Shared Values” level. Deal and Kennedy also identify this phenomenon: in short, in cases of mergers and acquisitions, cultural change is only reluctantly achieved. The old firm’s culture continues to live through the legacy employees of that firm and the vestiges of their culture will resist during times of stress. These researchers state that productivity and performance may be reduced in companies pieced together by mergers. Further, they believe that managers need to actively pursue best practices and proactively forge a new, shared culture (Deal & Kennedy, 1999). Even organizations that appear to have compatible cultures may have underlying cultural differences that can threaten coexistence when the companies try to merge.

Organizational culture is the key ingredient of successful companies such as Wal-Mart, and Southwest Airlines. Success of these companies has more to do with cultural factors (such as company values, personal beliefs, and vision) than with market forces, competition, and resources. It is difficult to identify any successful company that does not have a distinctive organizational culture (Cameron & Quinn, 2006). Corporate culture consists of a blend of an organization’s values, traditions, beliefs, and priorities.

Corporate cultures help shape management styles, operating philosophies, and practices. In part, culture determines types of behavior that are rewarded in an organization and norms and unwritten rules that guide employee actions: “It legitimizes certain behavior and attitudes while disaffirming others” (Pritchett, 1997, p. 10). Organizational culture gives an organization a particular climate or feel and can be considered analogous to a personality for an individual. A corporate culture provides a set of values, work styles, and relationships that distinguish that company from other organization (Harrison & Stokes, 1992).

Beitler provides a useful, yet simple, definition of *culture*: “The shared basic assumptions an organization teaches its new members about the correct way to behave, think, and evaluate” (Beitler, 2006, p. 125). He suggests that organizational culture is rooted in the shared basic assumptions that drive behavior throughout the organization. Edgar Schein offers the following, more comprehensive, definition of *corporate culture*: “A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptations and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as to the correct way to perceive, think, and feel in relation to those problems” (Schein, 1992, p. 12).

Schein further elaborates that this definition introduces three elements important to cultural understanding:

1. “The problem of socialization—what we think of as culture is primarily what is passed on to new generations of group members” (Schein, 1992, p. 12).
2. “The problem of behavior—the definition emphasizes that the critical assumptions deal with how we perceive, think about, and feel about things” (Schein, 1992, p. 14).

3. “Can a large organization have one culture?—the definition does not specify the size of a social unit to which it can be applied . . . . [I]f we find certain assumptions are shared across all the units of an organization, then we can legitimately speak of an organizational culture” (Schein, 1992, p. 14)”

Schein also describes the important relationships between culture and leadership as being “two sides of the same coin” (Schein, 1992, p. 15). The bottom line is that leaders create cultures when they create groups and organizations. Schein suggests that existing cultures can therefore determine criteria for selecting leaders.

Schein describes the relationship between leadership and organizational culture as one of interdependence. Further, he proposes two ways of changing culture. First, a planned and managed culture change will have greater likelihood of success if culture is no longer linked to popular leaders, founders, or family members. Second, required changes should be linked to existing cultural assumptions, rather than starting over with the announcement of a new culture. To accomplish the cultural change, Schein recommends the establishment of a cultural committee and other supportive mechanisms to facilitate the changes; if this strategy does not work, then more drastic steps may be needed. These steps could include hiring new senior leaders who have a set of values and assumptions different from those of the existing culture (Schein, 1999).

Additionally, Deal and Kennedy provide the following insights related to organizational cultures in a post-merger environment:

Although substantial cost reductions may be a primary justification for mergers, they are not among the most important effects. Mergers affect culture patterns. They do so in three critical ways, separated in time from the date the deal is announced. First, there is the look-over-your-shoulder effect. Personnel try to figure out where cuts will be made. Second, there is the winners-and-losers effect. One party to the deal almost always wins, and the other, usually the acquired, almost always loses as jobs in the new entity are allocated. Third, and most important, there is the cultural isolation effect. It occurs when survivors discover that the company they now work for is significantly different from the one they worked for before (Deal & Kennedy, 1999, pp. 121–122).

This notion is reinforced by the suggestion that to achieve effective management of mergers, the leaders must be prepared for the “emotional shake-up accompanying this kind of organizational growth” (Pritchett, 1997, p. 37).

The remainder of this chapter includes a review of the scholarly literature associated with organizational culture and the post-merger working environment, the leader’s role in developing the post-merger working environment, assessment of the working environment, research implications, and a chapter summary. The goal of the section on organizational culture and the post-merger working environment is to further describe and give examples of organizational culture and how it relates to the health of an organization. Next, literature related to the leader’s role in developing the post-merger working environment is identified and discussed. This section outlines scholarly literature that discusses the organizational leader’s important role in fostering healthy organizations, with a focus on the post-merger working environment and support of employees who experience the merger. Also, a section in this chapter addresses the literature describing techniques to consider when assessing the post-merger working

environment. The last section of this chapter summarizes the significant literature, explains and describes how the literature supports this study's research questions, and sets the stage for a full review of the methodology necessary to advance the goals of this study (see Chapter 3).

## *2.2 Organizational Culture and the Post-Merger Working Environment*

Significant questions exist today as to the relationship between the corporate leader's role and the post-merger cultural working environment. Assessments of corporate post-merger working environment provide an excellent vehicle through which to research organizational change in terms of the organizational health of a company. Additionally, there is interest in various approaches to the development of organizational theories and new ways of looking at leadership and cultural influences within organizations. This search includes looking for models to help improve the use of human resources and obtain a more adequate understanding of decision making (Selznick, 1984).

Administrative organization has its formal system of rules and objectives, and organizations are designed as a "technical instrument for mobilizing human energies and directing them toward aims" (Selznick, 1984, p. 5). Organizations suggest a certain simple and focused system of coordinated activities that require the perspective of the organization's culture, as well as the individuals'. However, organizations not only need to have procedures for product and business development, they also must also improve their culture. Specifically, organizations need both an innovative business process and an innovative culture. In other words, the business development process must have a culture that supports the process. A large body of research indicates that the culture must support, encourage, and foster innovation if the company is to succeed (Oden, 1997).

There are several key approaches to better understanding organizational culture and the corporate working environment. Schein (1992) states that organizational culture can be analyzed at three levels: (1) visible artifacts; (2) espoused values, rules, and behavior norms; and (3) tacit, basic underlying assumptions. The underlying assumptions are often buried deep within the organization, but it is necessary to discover them Before trying to decipher the artifacts, values, and norms. Harris (1993) suggests that some structure and coordination are required for an organization to achieve its goal (that is, the specific purpose for its operation).

Similarly, according to Barzelay, good organizations need to develop a culture that is more customer-driven and service oriented. This type of organization typically displays three characteristics: customer service, empowering front-line employees to resolve problems, and selectively introducing market forces within the organization. Figure 2.2 is adapted from Barzelay’s discussions on formulating an alternative and more innovative organization, in which he compares the differences between a bureaucratic agency and a customer-driven agency (Barzelay, 1992).

*Figure 2.2: The Bureaucratic Agency versus the Customer-Driven Agency (Barzelay, 1992)*

<b><u>Bureaucratic Agency</u></b>	<b><u>Customer-Driven Agency</u></b>
1. Built on its own needs	Customer needs and perspectives
2. Roles & responsibilities of its parts	Whole organization functions as a team
3. Defines itself by the amount of resources	Defines itself by the results for & tasks it performs for the customer
4. Controls cost	Creates value

5. Sticks to routine	Modifies its operation in response to changing demands
6. Fights for turf	Competes for business
7. Insists on following standard procedures	Builds choice into its operating systems
8. Announces policies and plans	Two-way communication
9. Separates work of thinking from that of doing	Empowers front-line employees to make judgments about how to improve customer service

Along with the growth and development of modern organizations came the need to effectively manage the large groups of people within those organizations. One theory that describes the effective management of large groups of people in an organization is the *scientific management* theory. This theory suggests that people will be most effective in a highly structured organization, where predictability and control through careful organizational design are emphasized (Harris, 1993). In contrast, *human relations management* theory stresses the importance of managers focusing on and paying greater attention to human needs, motives, and relationships within their organizations (Harris, 1993). Effective leadership is a critical component of both human relations management and successful organizational change. Likewise, according to Yukl, leading change is one of the most important and difficult leadership responsibilities. For some theorists, it is the essence of leadership, to which everything else is secondary. Effective leadership is needed to revitalize an organization and facilitate adaptation to a changing environment (Yukl, 1998).

Bolman and Deal's *Reframing Organizations* (1997) is a valuable tool for helping managers and leaders to better understand the role of leadership and cultural influences in

both public and private organizations. Their work offers a management philosophy that allows managers and leaders to analyze their organization's culture to achieve a more harmonious, effective, and productive working environment. Specifically, Bolman and Deal offer four models or approaches, which they call *frames*, to be used as management tools. The authors suggest that these four frames, when properly applied, will allow managers and leaders to improve (reframe) their organizations.

Bolman and Deal state that the main purpose of their book is to help managers and leaders enrich the ideas and approaches they bring to their work. "Too often, psychic prisons prevent seeing old problems in a new light or finding more promising tools to work on perennial challenges. Effectiveness deteriorates when managers and leaders cannot reframe" (Bolman & Deal, 1997, p. 5). They explain frames as follows: "Frames are both windows on the world and lenses that bring the world into focus. Frames filter out some things while allowing others to pass through easily. Frames help us order experience and decide what to do. Every manager, consultant, or policy maker relies on a personal frame or image to gather information, make judgments, and determine how best to get things done" (Bolman & Deal, 1997, p. 12).

Bolman and Deal offer additional information on the importance of organizational culture, as well as insight to model development. The following summarizes their four frames:

1. The *structural* frame emphasizes goals, specialized roles, and formal relationships, which are commonly depicted by organization charts and are designed to fit an organization's environment and technology. This frame focuses on the social aspects of work groups rather than individuals, and then on forming

the groups into working units. The organizational assumptions behind the structural frame include:

- The purpose of the organization is to achieve its objectives.
- People work best when they respond to rationality over personal preferences.
- The structure should be designed to fit the organizational circumstances.
- Specialization and division of labor will enhance the organization's performance.
- Proper controls and coordination are required to ensure that individuals work to achieve the organizational goals.
- Restructuring the organization can resolve performance issues arising from structural deficiencies.

The structural frame is useful when goals are clearly defined, relationships are understood, there is little conflict, and the legitimate authority of the organization is well defined.

2. The *human resource* frame sees an organization as much like an extended family; a key challenge from this viewpoint is to tailor organizations to individuals so that employees get the job done while feeling good about what they are doing. This frame views the organization as a collection of individuals who have specific needs, feelings, skills, and limitations. The leader's challenge is to merge the individuals' needs so they feel good about what they are doing and job performance improves. Individuals are considered the heart of the organization, and therefore, to gain commitment and loyalty, human resource leaders should be responsive to individuals' needs.

3. The *political* frame sees organizations as arenas, contests, or jungles with different interests competing for power and scarce resources. This frame recognizes that the work environment may have high levels of conflict, compromise, bargaining, and coercion. Political-frame organizations consist of various individuals or interest groups, and each of these interest groups may have a different view of the organization; these differences, and scarce organizational resources, may lead to conflict between groups and cause power to become a primary focus.
4. The *symbolic* frame sees organizations as cultures, propelled more by rituals, ceremonies, stories, heroes, and myths than by rules, policies, and managerial authority. This is a powerful frame, as it builds the culture of the organization with unique cultural characteristics. As opposed to being driven by rules, authority, or policy, symbolic organizations focus on developing high-performing and effective teams as the network driven by their established culture. This approach works well when goals and information are unclear and there is high cultural diversity within the organization.

Leaders and managers who understand these principles will enrich the ideas and approaches they bring to work. These approaches, in the form of four different lenses through which to view the working environment, provide options to help managers generate creative responses to the many issues they encounter every day (Bolman & Deal, 1997).

### *2.3 The Leader's Role in Developing the Post-Merger Working Environments*

Fubini, Price, and Zollo emphasize the importance of sound leadership in creating

healthy mergers. Specifically, they describe how leaders need to define and energetically tackle leadership challenges. One of the identified challenges is leaders' need to focus on the performance culture required for the new company's working environment. Cultural integration is a complex topic, and there is no consensus about what constitutes best practice in this situation. Too often leaders focus on the business goals of the integration, with limited or no discussion of the cultural influences on the working environment. These researchers offer an alternative recommendation that leaders focus on the "performance culture": the critical set of attitudes and behaviors that are required to create value in the merged company (Fubini, Price, & Zollo, 2007).

Along these lines, Weston notes that cultural factors can be a major challenge to merger success. According to Weston, corporate cultures may be articulated in formal statements of values and aspirations, or expressed through informal relationships and networks. Specifically, corporate culture may be conveyed by the kinds of behavior that are rewarded in an organization. He argues that a firm must manage its own corporate culture effectively before engaging in merger activities (Weston & Weaver, 2001).

To further understand the leader's role in developing the post-merger corporate working environment, it is also important to understand significant leadership styles and behavior. Yukl broadly groups leadership behavior as transformational or transactional leadership, with each of these having four subcategories. The subcategories of transformational behavior are:

1. Idealized influences—Use charismatic leadership traits that tend to generate strong follower emotion and identification with the leader.

2. Individual consideration—Provide support, encouragement, and coaching to the follower.
3. Inspirational motivation—Communicate an appealing vision, using symbols to focus subordinate effort, and focus on modeling appropriate behaviors.
4. Intellectual stimulation—Provide higher-level cognitive stimulation in the environment.

The subcategories of transactional leadership behavior are:

1. Contingent reward—Clarifies work required to obtain rewards and uses incentives to supply or influence motivation.
2. Active management by exception—Monitors subordinates and takes corrective action to ensure that the work is carried out effectively.
3. Passive management by exception—Uses punishments and other corrective action in response to obvious deviations from accepted performance behavior.
4. Laissez-faire leadership—A hands-off approach to leadership behavior that shows indifference about the task and the subordinates (Yukl, 1998, pp. 325–326).

Yukl further describes the charismatic leader as being able to influence people through the perception that the leader possesses exceptional qualities or inspired abilities. Charismatic leaders tend to have high self-confidence and strong convictions, and may demonstrate their abilities to impress followers. These leaders also provide a vision of a better world to their followers, and clearly explain the ideological goals of the mission and how the group's values relate to that mission. Charismatic leaders set the example and they communicate high expectations of and confidence in followers. "Leaders are more likely to be viewed as charismatic if they make self-sacrifices, take personal risk,

and incur high cost to achieve the vision they espouse” (Yukl, 1998, 33p. 302).

Yukl also notes a clear distinction between the transformational leader and the charismatic leader. Both types attempt to influence followers by arousing strong emotions and identification with the leader. Charismatic leaders obtain their power by having weak and dependent followers. These leaders attempt to instill personal loyalty rather than commitment to ideals. In contrast, transformational leaders seek to empower followers. They will coach, teach, and mentor the follower with the goal of elevating and improving the follower’s self-worth (Yukl, 1998). In addition, transformational leadership practices may positively influence merger or acquisition acceptance, supervisor-rated performance, and job satisfaction (Nemanich & Keller, 2007).

Bennis realizes the importance of organizational leaders’ properly developing personnel and improving the overall effectiveness of their organizations. An understanding of subordinates’ capabilities means that one can better motivate and employ them within their capabilities. This further requires that the leader be honestly concerned with empowerment and releasing the full potential of everyone in the workplace. This belief also underscores the important role that leaders have in the workplace, which is another area of concern for Bennis, who offers invaluable advice to leaders on becoming more effective and better organizational change agents.

While serving as president of the University of Cincinnati, a blinding flash of the obvious hit Bennis: He was not leading the university, he was managing it. He was being prevented from truly inflicting needed change and supplying vision for his organization. He realized, at that point, that routine work drives out non-routine thinking and efforts and smothers creative planning and fundamental change. Bennis realized that he needed

to break the “unconscious conspiracy” of the daily routine syndrome and focus on becoming a better leader. His definition of a better leader is a person who is a conceptualist and has an entrepreneurial vision about the destiny of the organization. To this end, he created an environment that fostered the education of key support people, established policies to differentiate between leadership and management duties, and established a system of measurable goals (Bennis, 1989).

Leaders must hire the best and most creative people and give them the time, money, and leeway to do their best. Bennis also found that effective leaders expect dissent, disagreement, and truth from their associates. In other words, real leaders are unwilling to settle for anything less than the best in themselves, their organizations, and their employers. In addition, Bennis offers key factors to be considered by leaders who serve as organizational change agents:

1. Recruit people to the change with scrupulous honesty; be careful not to build false expectations in the minds of the recruiter or the recruits.
2. Guard against the crazies. Change-oriented administrators should be very sure that the new members they recruit to the organization are change agents and not agitators.
3. Build support among like-minded people, whether or not you recruited them. Even with a handpicked crew, a leader cannot build a new organization without the vision and support of others.
4. Have a clear understanding of *how* to change as well as *what* to change; have a solid conceptual plan regarding how and what to change. It is easier to plan a change than to implement a change.

5. Don't settle for rhetorical change; real change cannot simply be decreed. All organizations have both a structure defined on paper and one that actually exists within a complex set of relationships.
6. Don't allow those who oppose the change to appropriate basic issues. The successful change agent ensures that new members and legacy members of the organization are not afraid of the future changes.
7. Know the territory. Know your organization and its history and content; learn everything there is to know about the organization.
8. Appreciate environmental factors. No matter how beneficial the proposed change appears to be, a change that causes discomfort in the organization will probably fail; therefore, watch out for anxiety and discomfort caused by the change.
9. Avoid further shock. Don't forget your past or neglect the present as you move toward the future; otherwise, employees may oppose the change.
10. Change is usually most successful when those who are affected by the change are involved in planning it (Bennis, 1989, pp. 147–151).

Phillips provides an excellent illustration of the important idea that leaders need to find and empower outstanding subordinates, with his discussion on how Abraham Lincoln kept searching until he found his Grant. Phillips describes a process that should cause leaders to realize that they cannot do everything on their own; they must have subordinates who will do what is necessary to ensure success. “Those subordinates who will take risk, act without waiting for direction, and ask for responsibility rather than reject it, should be treated as your most prized possession. Such individuals are exceedingly rare and are worth their weight in gold” (Phillips, 1992, p. 135). According

to Phillips, the following are some of Lincoln's principles and techniques for selecting and managing subordinates that are also important for present-day organizational leaders:

1. Choose as your chief subordinates those people who crave responsibility and take risks.
2. Go out into the field with your leaders, and stand or fall with the battle.
3. If employees gripe about one of your chief supervisors, and the complaints are true, do not be afraid to remove him.
4. Give your followers all the support you can, and act on the presumption that they will do the best they can with what you give them.
5. Provide your managers a three- to five-month grace period to see if they will take action and perform adequately.
6. If they do not perform adequately, ease them out of power gradually, always giving them ample time to turn it around.
7. Beware of subordinates who keep piling up information without ever really accomplishing anything.
8. Coach and counsel a new executive so that he or she may get off on the right foot.
9. Do not forget that aggressive leaders tend to choose employees in their own image (Phillips, 1992, p. 136).

Phillips describes Lincoln as being the "essence of leadership," emphasizing Lincoln's knowledge that true leadership is often realized by exerting quiet and subtle influence on a day-to-day basis and treating people at all levels with courtesy and respect. He was able to lift people to higher levels of performance while maintaining "a respect for the dignity of all people at all times" (Phillips, 1992, p. 173). In developing successful

post-merger corporate working environments, it is important for all leaders to understand that they have a key role in the process. Success in mergers or acquisitions is dependent on competent leadership at all levels and divisions of the organization, before, during, and after the merger (Yukl & Lepsinger, 2004).

Section 2.2 provided examples and further described organizational culture and how it relates to the health of an organization. This section identified and discussed the important literature related to the leader's role in developing the post-merger working environment. These sections reviewed the scholarly literature to present the knowledge base to support the research design of the current study, with a specific focus on the organizational leader's important role in fostering healthy organizations. This review provided the theoretical framework for the research design through which we assessed actual corporate employees' perceptions of their leaders' influences on the organizational health of a company following a merger. Section 2.4 reviews concepts to consider when conducting an assessment of the post-merger working environment.

#### *2.4 Assessing the Post-Merger Working Environment*

This study required the development of both a pilot and a final edition of a survey to measure employees' perceptions, so facilitate exploration of the relationships among organizational leadership factors and their influences on the pre- and post-merger corporate working environments. To support the research design and ensure that the surveys developed for this study were reliable, it was important to understand key principles of survey design. This section addresses literature that describes some of the principles and techniques to consider when developing such assessment surveys. According to Hopkins et al., "Diagnosing corporate culture requires collecting data, and

the survey approach is probably the most frequently used data-gathering device” (Hopkins, Hopkins, & Mallette, 2005, p. 99). However, employee perceptions are complicated to track and a great amount of time, energy, and money are expended in conducting employee surveys. Many surveys are designed to enhance organizational communication, and to measure employee views on a wide range of work-related topics, with a goal of improving employee engagement. The survey is an important first step in building a value chain that can lead to improving the organizational environment, making it one that supports and contributes to organizational success (Sanchez, 2007).

Fink defines a *survey* thus: “A survey is a system for collecting information to describe, compare, or explain knowledge, attitudes, and behavior” (Fink, 1995, p. 1). The following is his outline of points to consider when preparing and conducting surveys (Fink, 1995, pp. 79–80):

1. Identify the survey objectives. Conduct focus groups to develop survey objectives. Obtain necessary approvals and review appropriate literature to define terms and to justify the theory supporting the survey questions.
2. Design the survey. Choose an appropriate survey design and determine the sample population that will support the survey objectives.
3. Prepare the survey instrument. Contact other surveyors and search the literature to find existing surveys that may accomplish the research goals. Otherwise, prepare an entirely new instrument or adapt some questions from existing surveys.
4. Pilot-test the instrument. Identify the pilot-test population and obtain necessary permissions to conduct the pilot test. Revise the pilot edition of the survey based on the data and feedback.

5. Administer the final edition of the survey. Monitor the quality of the administration of the survey and follow up as required.
6. Organize the data. Code responses as required and enter the data in a computer to conduct a preliminary analysis.
7. Analyze the data. Develop an analysis plan and analyze the survey results.
8. Report the results. Write a report of the results and prepare to present the report.

It is important to note that there are many limitations on the results obtained from survey procedures. For example, because survey data is based solely on subjects' responses, these results can be inaccurate if participants do not answer the survey questions honestly. In addition, the participants may misunderstand the survey design or improperly construe the survey questions. To improve the chances of administering a successful survey, Sanchez offers the following suggestions and cautions:

1. Project planning. Begin with careful planning; the project management team should be selected carefully.
2. Communications. Employee surveys often lack the support of a well-developed communication plan; the objectives of the survey must be communicated clearly.
3. Questionnaire design. Content of the survey may only address the issues known to the project management team; it may fail to cover employee concerns. The relationship between the survey results and business performance may be unclear.
4. Timing. The timing of the survey often fails to take into account employee availability.
5. Prioritization of issues. Managers often have difficulty in identifying and prioritizing issues for follow-up action.

6. Engagement of senior management. Presentation of survey results to senior managers can be difficult to accomplish, with their busy schedules. To engage the senior management, survey results should be presented to them within two weeks.
7. Data delivery. The format in which data are delivered should support the organization's requirements and the needs of end users of the survey.
8. Follow-up support. Survey administration can lead to expectations of positive outcomes, and therefore a survey follow-up strategy is required. A good strategy is to establish organizational improvement goals, rather than setting targets on the basis of changes in survey scores.
9. Monitoring and accountability. Monitoring must be planned and structured to ensure that recommended actions resulting from the survey are reviewed and implemented. This should include allocation of resources to do so and a communication plan to reinforce the importance of the survey at all levels of management.
10. Linking of survey results to business outcomes. The survey results and related goals to improve the organization should become integrated change initiatives and link with business outcomes (Sanchez, 2007).

In analyzing data from surveys, the scales must be determined; then theoretical relationships among the scales can be analyzed (Jablin & Putman, 2001). "At the simplest level, scale quality is assessed through face validity and a consideration of scale consistency such as Cronbach's alpha" (Jablin & Putman, 2001, p. 141). For this research, Cronbach alpha is used to measure of the internal consistency of the survey categories or scales (that is, leadership, job performance, and overall assessment survey

questions) used to assess each of the research questions. With a high (greater than .70) Cronbach alpha for a particular scale, that section can be considered to yield reliable results. Section 2.5 discusses research implications as result of the literature review for this study.

### *2.5 Research Implications Resulting from the Review of the Scholarly Literature*

This chapter presented an overview of the literature related to the study research design. The literature provides a review of past contributions from researchers in the field and points to areas that are in need of additional research. For example, some research designs related to the post-merger working environment focus on management and financial considerations, whereas this study assesses the perceptions of actual corporate employees. Also, many past studies focused on merger efficiency defined in relationship to pre-merger assessments and predictions of increased profit margins as a result of the merger. There are fewer studies that assess post-merger results and the organizational cultural influences on the working environment, yet these cultural organizational changes may in fact have the most significant impacts on potential post-merger employee performance.

In addition, this review of the literature provided a substantial foundation for the exploration of additional research on the post-merger health of organizations, the working environment, and the relationship of these elements to the cultural atmosphere in which employees work. Specifically, the review of literature raises questions and suggests the importance of additional research to assess employees' perceptions, to provide additional knowledge about the relationships between the organizational working environment, leadership factors, job performance factors, and overall assessment factors, in terms of

their influence on corporate employees in a post-merger working environment. Also, information was provided to develop and validate a survey instruments for the purpose of measuring employee perceptions of their pre- and post-merger working environment.

As noted in Section 1.5, the following research questions were developed to explore the research implications identified as result of the review of the literature.

Research question 1: Do differences exist between self-reported perceptions of the legacy employees and the new employees' assessments of the corporate working environment?

Research question 2: Do differences exist between the employees' self-reported perceptions of the pre-merger and the post-merger working environments?

The literature suggests that pre- and post-merger leadership issues are extremely important in improving the post-merger health of organizations. This study's two research questions allowed assessment of both the pre-merger and the post-merger working environments, and thus constitutes a good vehicle through which to validate existing literature and to potentially discover new information related to the impacts of a merger on employees.

## *2.6 Chapter Summary*

This chapter included a review of the literature relating to organizational culture and the post-merger working environment, the leader's role in developing the post-merger working environment, and assessment of the working environment; it specified research implications as a result of the literature review. In the context of this review, we identified and discussed examples of organizational culture and how culture relates to the health of an organization, along with literature related to the leader's role in developing

the post-merger working environment. Also, the chapter reviewed techniques to consider in assessing the post-merger working environment. As result of this review of the literature, it appears that assessing the relationships between leadership and the corporate post-merger working environment, and the influence of leadership factors on employee performance, are worthy goals. Research that is based on sound theory and proven organizational models can provide insight into various questions about corporate leaders' influence on the post-merger working environment. This chapter summarized the significant literature and explained how the literature supports the study's research questions. In Chapter 3, the methodology necessary to achieve the goals of the research design is presented.

## Chapter 3

### Research Method

#### *3.1 Summary of the Study*

In this study, pre-merger and post-merger working environments were assessed as a function of the employees' perceptions of the organizational leaders' understanding of the organization's working environment. The selected corporation provided a good subject for this study, as it had organizational leadership factors, working environment factors, and employee performance characteristics similar to those of many other corporations. For example, the company included typical sections within its organizational structure, such as management, human resources, finance, security, and so on. The organizational structure, along with the embedded leadership, maintained a traditional relationship between the leaders and employees. The leaders provided the direction, goals, and vision of the company—with the associated guidance and the establishment of company policy—that the employees with each functional section were expected to follow. As in many other companies, the leaders needed to communicate effectively and display sound decision making, knowledge, and values with the employees to effectively accomplish the company objectives. Given these factors and characteristics, the assessment of the subject corporation in this study, and the study results, should apply to many other private organizations as well. The researcher also believes that many government organizations could benefit from this study. Ultimately, this study could be a model for future research that applies the same research techniques to other organizations, whether in the governmental or private sectors.

In general, the study focused on organizational change in terms of the organizational health of a company that underwent a merger, but the study design and findings may have important implications for other organizational-change environments as well, such as leadership and mission changes. Significant leadership changes or mission changes may influence the leader-employee relationship and employee job performance in a manner similar to changes experienced during a merger.

This case study provided an opportunity to assess corporate employees who actually experienced a merger and to assess their perceptions of the organization's health. The major goal of these assessments was to evaluate the relationships among the organizational working environment, leadership factors, job performance factors, and overall factors in terms of their influence on corporate employees in a post-merger working environment. An additional goal was to develop and validate a modified survey instrument to measure the employee perceptions. This approach served the overall objectives of this study, which were to explore the impacts that a merger may have on the corporate working environment and to gain insights as to how a merger works from the employee perspective.

### 3.2 *Research Design*

This was a descriptive correlation study, as outlined by Gall, Borg, and Gall (1996). This design permitted analysis of the relationships among a large number of variables and helped to provide information on the degree of relationship between the variables being studied. This research was planned to use the opportunity for a case study of an actual corporation that underwent a merger (with the researcher experiencing the merger as well). As defined by Gall, Borg, and Gall, a *case* is a particular instance of a

phenomenon of interest to the researcher, and a *case study* is the in-depth study of instances of a phenomenon in its natural context and from the perspective of the participants in the phenomenon (1996, p. 574).

Assessments were conducted to discover relationships among employees' perceptions of the organizational working environment and organizational leadership factors of knowledge, decision making, empowerment, communication, values, and policies and records. Also, assessments were done to find links between employees' perceptions of job performance and corporate leadership influences. Job performance was assessed in terms of time to complete functional and administrative tasks and job satisfaction. In addition, the survey used four questions to obtain employee demographic information on education, length of service with the company (used to distinguish legacy and new employees), and salary range. Also, one question asked if the participants found the survey questions easy to understand and to answer. Finally, the survey requested each participant to provide written suggestions for improving the survey, as well as general comments on their work experience or the working environment. This proved to be an appropriate design, as a major goal of this study was to describe the relationships between leadership factors, as a component of the organizational working environment, and the influences of leadership factors on corporate employees' performance following a merger.

### 3.3 *Research Questions, Research Hypotheses, and Null Hypotheses*

The research questions and related hypotheses focused this study to assess organizational change in terms of the organizational health of a company that underwent a merger. Specifically, two research questions and related hypotheses guided the

assessment of the pre- and post-merger working environments and supported the design of the study. The first research question and its related hypotheses mandated separate assessment of the legacy and new employees' perceptions of the working environments. The second research question allowed an assessment of the perceptions of the combined population (both legacy and new employees) of the pre- and post-merger working environments.

To support investigation of the two research questions, I developed and validated a modified survey instrument, which was used to explore the relationships among organizational leadership factors and their influences on the corporate working environment following a merger. The survey was designed to obtain data with which to evaluate the relationships between the organizational working environment and leadership in terms of their effects on the selected company's employees. Pre- and post-merger working environment measures were assessed as a function of the employees' self-reported perceptions of the organizational leaders' understanding of the organization's working environment.

The first research question, and its associated hypotheses, are:

Research question 1: Do differences exist between self-reported perceptions of the legacy employees and the new employees' assessments of the corporate working environment?

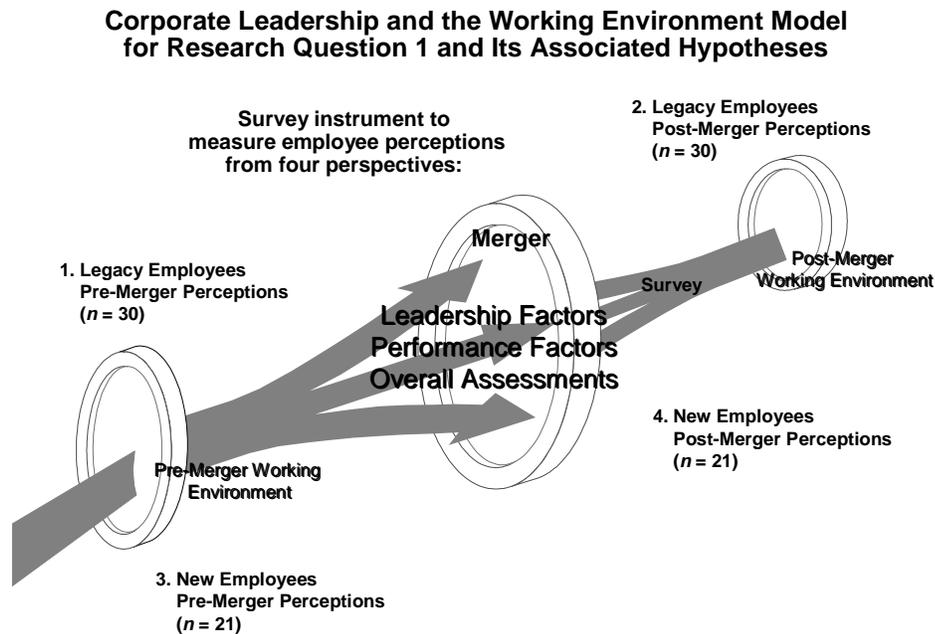
Research hypothesis 1: There are differences between self-reported perceptions of the legacy employees and the new employees' assessments of the corporate working environment.

Null hypothesis 1: There are no differences between self-reported perceptions of the legacy employees and the new employees' assessments of the corporate working environment.

These hypotheses do not specify a direction, and therefore are non-directional or two-tailed hypotheses, as this study is interested in whether there is either an increase or a decrease between the self-reported perceptions of the legacy employees and the new employees' assessments of the corporate working environment due to the influences of the dependent variables.

Figure 3.1 shows the corporate leadership and working environment model used for this research to assess Research question 1 and its associated hypotheses. This model is presented to graphically represent the four specific areas of interest related to the first research question.

*Figure 3.1*



The second research question and its associated hypotheses are:

Research question 2: Do differences exist between the employees' self-reported perceptions of the pre-merger and the post-merger working environments?

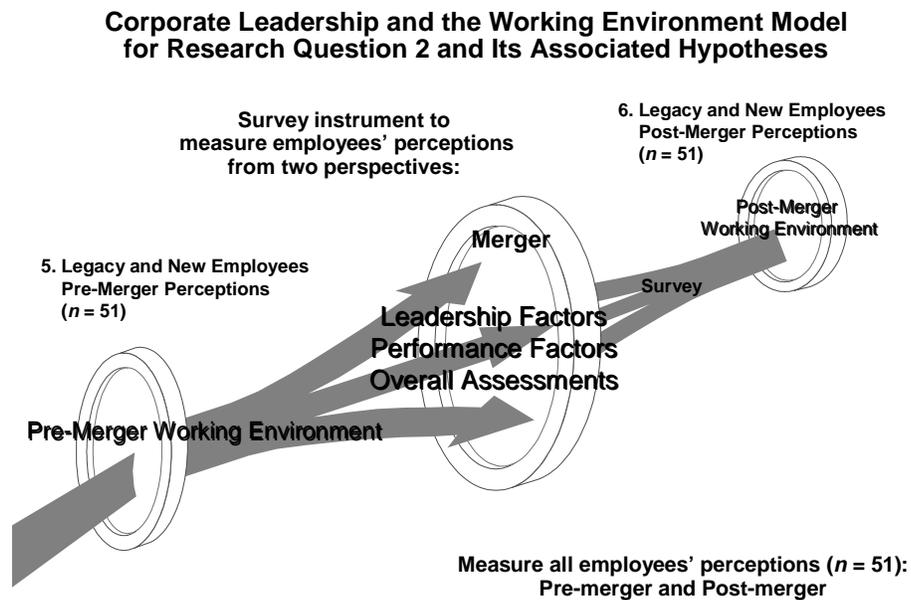
Research hypothesis 2: There are differences between the employees' self-reported perceptions of the pre-merger and the post-merger working environments.

Null hypothesis 2: There are no differences between the employees' self-reported perceptions of the pre-merger and the post-merger working environments.

These hypotheses do not specify a direction, and thus are non-directional or two-tailed hypotheses, as this study is interested in whether there is either an increase or a decrease between the employees' self-reported perceptions of the pre-merger and the post-merger working environments due to the influence of the dependent variables.

Figure 3.2 shows the corporate leadership and working environment model used for this research to assess Research question 2 and its associated hypotheses. This model is presented to graphically represent the two specific areas of interest related to the second research question.

*Figure 3.2*



The pre-merger company selected for this research, and its higher headquarters, operated in the same location, with generally the same leadership for well over two years prior to the merger. The merger of the selected company and its higher headquarters took place during the summer of 2006. The survey instrument used for this research was

administered to company employees during the winter of 2008, more than two years after the merger. (The delay in administering the survey was a result of the time required for the researcher to identify objectives, obtain necessary approvals, and develop the research design.)

The survey objective was to measure employees' perceptions as a basis for assessing the relationships among corporate leadership and the pre- and post-merger working environments, and their influence on corporate employees' performance following a merger. The survey was designed to assess these perceptions in terms of leadership, performance (time on tasks and job satisfaction), and overall factors. To obtain data for this study, survey questions were developed using a five-point Likert-type scale. The following are examples of survey responses: from *very little* = 1 to *very much* = 5; or from *to a very little extent* = 1 to *a very great extent* = 5. Table 3.1 identifies the four focus areas for the first research question and the related survey questions that were used to obtain data to assess each area.

Table 3.1 *Four Focus Areas and the Related Survey Questions for Research Question 1*

	Pre-Merger	Post-Merger
Legacy Employees (n = 30)	Focus Area 1	Focus Area 2
	Leadership Factors: 1–6 Job Performance Factors: 7–10 Overall Assessment: 11–13	Leadership Factors: 14–19 Job Performance Factors: 20–23 Overall Assessment: 24–26
	Focus Area 3	Focus Area 4
New Employees (n = 21)	Leadership Factors: 1–6 Job Performance Factors: 7–10 Overall Assessment: 11–13	Leadership Factors: 14–19 Job Performance Factors: 20–23 Overall Assessment: 24–26

As mentioned earlier, survey questions were developed to measure legacy and new employees’ perceptions, with four major focuses for Research question 1. *Legacy employees* are those who were with the company prior to the merger, whereas *new employees* began working for the company after the merger. Results are presented on the relationships between legacy and new employees’ perceptions of the pre- and post-merger working environments. The four areas were:

1. Legacy employees’ pre-merger perceptions
2. Legacy employees’ post-merger perceptions
3. New employees’ pre-merger perceptions
4. New employees’ post-merger perceptions

Table 3.2 identifies the two focus areas for the second research question and the related survey questions that were used to obtain data to assess each area.

Table 3.2 *Two Focus Areas and the Related Survey Questions for Research Question 2*

	Pre-Merger	Post-Merger
	Focus Area 5	Focus Area 6
New and Legacy Employees ( <i>n</i> = 51)	Leadership Factors: 1–6	Leadership Factors: 14–19
	Job Performance Factors: 7–10	Job Performance Factors: 20–23
	Overall Assessment: 11–13	Overall Assessment: 24–26

For the second research question, the two focus areas and related survey questions were used to measure all 51 employees’ perceptions of the pre- and post-merger working environments. The two focus areas were:

1. Legacy and new employees’ pre-merger perceptions
2. Legacy and new employees’ post-merger perceptions

Specifically, survey questions were designed to obtain data from each of the focus areas to allow measurement of employees’ perceptions of company leaders’ application of leadership, job performance, and overall factors that contributed to an effective working environment. The survey instructions requested the participants to think of leadership broadly and not of any particular person. Pre- and post-merger questions were designed to assess each of the following leadership factors: knowledge, decision making, empowerment, communication, values, and policies and records. This resulted in a total of 12 leadership questions, of which 6 were for the pre-merger and 6 for the post-merger working environments. Job performance was assessed in terms of time to complete

functional and administrative tasks and job satisfaction. Two pre-merger and two post-merger questions were developed to assess time to complete tasks. Two pre-merger and two post-merger questions were used to assess job satisfaction. Three pre-merger and three post-merger questions were used to assess overall factors.

In addition to these focus areas, the survey obtained employee demographic information in the following areas: education, length of service with the company, and salary range. Four survey questions were used to obtain population demographic data. Also, one question was used to assess if the participants found the survey questions easy to understand and to answer. Finally, the survey requested each participant to provide written responses with suggestions to improve the survey, as well as their general comments on their work experience or the working environment. The final survey used for this research is found in Appendix D.

### *3.4 Description of the Population*

The population of interest for this study was all the selected corporation's employees, either in the Atlanta, Georgia, area or offices under the control of this area. The higher headquarters of the Atlanta office are located in the Washington, D.C., area. The Atlanta office senior leadership remained unchanged during the merger process. However, the higher headquarters location did experience many senior leadership changes as a result of the merger. The Atlanta office of the selected company provided the population for this study, which resulted in a sample size of 71 corporate employees, including the senior leadership, who were given the survey. Selected survey questions were designed to obtain demographic information on employee length of service, education, and salary levels.

### 3.5 *Variables*

The independent variables were the selected corporation's pre-merger and post-merger working environments, and the difference between legacy and new employees. For this study, the working environment was defined as a function of employees' self-reported perceptions of the following dependent variables: leadership, job performance, and overall assessment factors. The leadership factors included knowledge, decision making, empowerment, communication, values, and policies and records. Job performance was assessed in terms of job satisfaction and time to complete functional tasks. The overall questions were designed to assess employee perceptions on how the pre- and post-merger working environments met the needs of the selected corporation's customers, employees, and stockholders.

For the first research question and its related hypotheses, the variables tested were employees' perceptions of the organizational working environment, to determine if there were significant statistical differences between self-reported perceptions of the legacy employees and the new employees. Likewise, for the second research question and its related hypotheses, the variables tested were employees' perceptions of the organizational working environment, to determine if there were significant differences between all the employees' self-reported perceptions of the pre-merger and post-merger working environments.

### 3.6 *Measures Obtained by the Survey Instrument*

The survey and consent form and format were based on the communication feedback model (Ledlow, 1999; Morrison, 2002). Although designed for military populations, when properly modified to satisfy the characteristics of employees in a corporate environment, this survey instrument became an excellent tool for this study. In addition, this modified survey instrument facilitated access into a corporate population with a University of Oklahoma IRB-approved approach to consent forms. As Peter Sanchez suggests, one of the challenges for leaders of large organizations is to learn about and act upon the views of employees. He also suggests that surveys can be used to assess employee perceptions and can be useful in building a value chain that leads to organizational environments that support and contribute to organizational success (Sanchez, 2007, p. 48). The survey objective for this study attempted to support this approach by measuring employees' perceptions in order to gather data to assess the relationships between corporate leadership and the pre- and post-merger working environments, and their influence on the health of the organization. Specifically, the survey for this study measured the organizational health of the organization in terms of leadership, job performance, and overall assessment factors. The pilot survey is found in Appendix C and the final survey actually used for this research is found in Appendix D.

In August 2008, the pilot survey in Appendix C was administered to nine employees in order to determine whether the survey instrument was reliable and valid. Because the overall study population was relatively small, only nine employees participated in the pilot survey assessment. Statistical test for significance was not included as part of the pilot survey. However, as a result of the feedback from the

participants in the pilot survey, and feedback received by the researcher's committee, several questions were reworded or reformatted to provide additional clarity in the final version of the survey. Restructured survey questions were added to the final survey document to improve the research design. Specifically, questions 7 through 12 were added to the pre-merger section of the survey. The purpose of these questions was to provide pre-merger measurements (time on tasks, job satisfaction, and overall assessments of the pre-merger working environment), which were evaluated in relation to the similar post-merger measurements in questions 19 through 24 of the final survey. The final edition of the survey was specifically designed to measure pre- and post-merger legacy employee perceptions (those who worked for the old company and were currently working for the new company). In addition, the survey obtained measures of the pre- and post-merger new employee perceptions (those who joined the company after the merger).

The final survey was administered during October and November 2008.

Permission to distribute questionnaires to the selected corporation's employees was obtained from the Atlanta area vice president. The vice president assisted the researcher by identifying a volunteer to serve as a point of contact to facilitate the research. The researcher contacted the point of contact to schedule a specific time and location for the researcher to come to the corporate headquarters to distribute questionnaires. Prior to administration of the final survey, the vice president of the selected company sent out the following email: "Charlie Steelman is working on a research dissertation. He will be here this Friday morning to give each of you a confidential survey that he will put in your distribution box. He is requesting that you volunteer to take this survey for his research project that studies the relationship between organizational leadership factors and their

influences on the corporate working environment and employees' performance following a merger. Please take a few minutes to complete this survey in order to help Charlie with his project. When you complete the survey, please return to Bill [last name removed]—he is collecting the completed surveys for Charlie. Thanks for your support.”

### 3.7 Data Analysis

The primary goal of the data analysis was to test each of the two hypotheses. To control for the probability of making a type 1 error (rejecting the null hypothesis when it is actually true), a 0.05 significance level ( $\alpha$ ) was used for this study. The two hypotheses discussed in Section 3.3 do not specify a direction and are therefore non-directional or two-tailed hypotheses, as this study is interested in whether there is either an increase or a decrease in differences between the dependent and independent variables.

For the first research question, the independent group  $t$  test was used to assess whether there was a statistically significant difference between the legacy and new employees. For the second research question, the paired  $t$  test was used to assess whether there was a statistically significant difference between the pre- and post-merger working environments, using respondents who provided both responses. In addition, Pearson's correlation coefficient ( $r$ ) was used to measure the strength of the linear relationships between the pairs of variables being assessed in this study. Although the correlation information does not help to evaluate the hypothesis, this part of the analysis is provided for informational and exploratory purposes. Gall, Borg, and Gall (1996, p. 767) defined *correlation coefficients* as a mathematical expression of the direction and magnitude of the relationship between two measures that yield continuous scores. The SPSS statistical

analysis program was used to calculate the *t* test and correlations used in this study.

### 3.8 *Ethics and Human Subjects Issues*

Several procedures were utilized to ensure that subjects' rights were protected. The researcher obtained permission from the selected corporation's Atlanta area vice president to conduct this research and to administer the survey instrument to the employees; this permission was granted after a process that included a corporate legal review. In addition, the study proposal was approved by the University of Oklahoma Institutional Review Board (IRB) of the Norman campus on April 28, 2008. The final edition of the survey contained an information and consent cover sheet that provided detailed information to the survey participants; it included an introduction to the survey, the purpose of the research study, the length of participation, risks and benefits of being in the study, a statement on compensation, the voluntary nature of the study, and assurances of confidentiality. Contact information and details of where to obtain answers to questions related to the research were also included.

Questionnaires were anonymous and coded so that scores on each could be associated for data analysis only. Return of the completed questionnaire was considered consent to participate. Subjects had the right to withdraw from the study at any time without any harm. The records of this study will be kept private and participants' supervisor will not have access to their responses. Published reports will not include information that will make it possible to identify participants. Research records and completed surveys will be stored securely using locked storage files. Completed surveys will be destroyed at the conclusion of the study.

### 3.9 *Chapter Summary*

This chapter described in detail the methodology used for the research design and actual conduct of the study. This included a summary of the two research questions and associated hypotheses, graphics to illustrate a model for each research question, a description of the population, identification of the variables, and a review of the methodology to obtain measures by the survey instrument. In addition, a review of the data analysis methodology was presented, as well as a section that described the steps taken to ensure proper ethics of the study and to protect the participants of the study. The primary goal of this chapter was to introduce the methodology supporting the research design, which will allow a full analysis of the results in the next chapter.

## Chapter 4

### Results

#### *4.1 Introduction*

As stated in Chapter 1, the study reported here did a detailed examination of organizational leadership factors and their influences on the corporate working environment and employee performance following a merger. The pre- and post-merger corporate working environments were assessed as a function of the employees' self-reported perceptions of the impacts of a merger on the organization. Chapter 3 outlined the research design and discussed the research approach and methodology. The research approach was described as quantitative and non-experimental. The research methodology referred to the target population, research procedure, measuring instrument, and the statistical procedures used in the analysis of the data.

This chapter presents the results of the survey that are related to the study's research design. It includes a description of the characteristics of respondents, the results of assessments relating to the two research questions and the associated hypotheses, a survey reliability assessment, and a chapter summary. The section describing characteristics of the respondents provides descriptive statistics, frequency information, and employee responses to the survey questions. This information is broken out separately for the legacy employees, new employees, and a combination of legacy and new employees. Next, results of the specific test used to assess each of the two research questions, and their related hypotheses, are presented, as is a summary of the statistically significant relationships identified. Survey reliability results are offered using the Cronbach alpha reliability procedure in SPSS for each scale. The last section of this

chapter summarizes the significant results identified, explains how these results address the research question, and sets the stage for a full interpretation in Chapter 5.

#### 4.2 *Survey Reliability Assessment*

The survey assessment in this section includes reliability results as well as the employee feedback. The reliability measure used was Cronbach alpha. Cronbach alpha is used to estimate the proportion of variance that is systematic or consistent in a set of test scores. It can range from .00 (if no variance is consistent) to 1.00 (if all variance is consistent) with all values between .00 and 1.00 also being possible

For this study, Cronbach alpha is a measure of the internal consistency of the survey categories or scales (that is leadership, job performance, and overall assessment survey questions) used to measure each of the research questions. If a particular scale has a high (greater than .70) Cronbach alpha, that section can be considered to yield reliable results. Results obtained from those survey questions can then be used to evaluate the various scales for statistical differences. In contrast, a low (less than .70) Cronbach alpha would raise questions as to whether that survey category can provide anything meaningful. Table 4.1 provides the Cronbach alpha information for each of the scales that support the first research question used in this study. The results of all the Cronbach alpha measurements in Table 4.1 indicate that all scales have acceptable reliability and can consistently measure the aspects related to the study's first research question that they are designed to measure.

Table 4.1 *Summary of Cronbach alpha for Each Scale to Support Research Question 1*

	Pre-merger Survey Questions	Pre-merger Cronbach alpha	Post-merger Survey Questions	Post-merger Cronbach alpha
Legacy Employees <i>n</i> = 30	Scales		Scales	
	Leadership: 1–6	.897	Leadership: 14–19	.894
	Job Performance: 7–10	.765	Job Performance: 20–23	.893
	Overall Assessment: 11–13	.766	Overall: 24–26	.905
New Employees <i>n</i> = 21	Scales		Scales	
	Leadership: 1–6	.922	Leadership: 14–19	.860
	Job Performance: 7–10	.864	Job Performance: 20–23	.878
	Overall Assessment: 11–13	.798	Overall Assessment: 24–26	.755

Table 4.2 provides the Cronbach alpha information for each of the scales that support the second research question used in this study. The results of all the Cronbach alpha measurements in Table 4.2 indicate that all scales have acceptable reliability and can consistently measure the aspects related to the study’s second research question that they are designed to measure.

Table 4.2 *Summary of Cronbach alpha for Each Scale to Support Research Question 2*

	Pre-merger Survey Questions	Pre-merger Cronbach alpha	Post-merger Survey Questions	Post-merger Cronbach alpha
Legacy and New Employees n = 51	Scales		Scales	
	Leadership: 1–6	.898	Leadership: 14–19	.899
	Job Performance: 7–10	.849	Job Perform: 20–23	.882
	Overall: 11–13	.876	Overall: 24–26	.772

In addition, two questions were designed to evaluate employee opinions of the survey: The first survey assessment question asked each employee: *Did you find it easy to understand this survey and answer the questions?* All 30 legacy and 21 new employees answered this question. The mean for the legacy employees was 4.20, and the mean for the new employees was 3.81. The combined mean was 4.04.

The second survey assessment question requested each employee to provide written comments or suggestions to improve the survey: *Do you have any suggestions to improve this survey (indicate specific questions if necessary)?* Out of the 51 surveys administered, only 6 employees answered this question. Their comments are listed below. Note: For the employee handwritten responses, the researcher replaced specific references to the selected company’s name, but used the employee’s original sentence structure as much as possible. Also, “No” or “None” responses were not included.

A general assessment of these responses indicates that one is positive (number 2), three are neutral (numbers 1, 4, and 6), and two are negative (numbers 3 and 5) in regard to the survey. Listed below are several representative employee-provided written

comments. The complete listing of all the responses is found in Appendix E.

1. “You may want to consider asking questions concerning the transitional affects/efforts during and after company mergers. For example affects on employment benefits, policies, procedures, and training.”
2. “No—great questions about a merger.”
5. “Survey is a bit vague in that it doesn’t distinguish ‘leaders’.”

A survey can be considered *reliable* if it is relatively free of error within measurements, whereas a survey can be considered *valid* based on the degree to which it assesses what it is designed to measure (Fink, 1995). Based on the Cronbach alpha procedures conducted on the data obtained, the survey for this study appears to be reliable for this research design.

#### *4.3 Descriptive Characteristics of Respondents*

This section provides a summary of the descriptive characteristics of the respondents, descriptive statistics, frequency information, and employee responses to the survey questions. The results of the survey instrument regarding descriptive statistics and the frequency information are presented in various SPSS tables, in order to support the study’s two research questions.

The population for this study was all the selected corporation’s employees, either in the Atlanta, Georgia, area or offices under the control of this area, which resulted in a sample size of 71 employees, including the senior leadership, who were given the survey. Of these, 51 employees completed the survey, a 72% response rate. Of the 51 employees who completed the survey, 30 were legacy employees and 21 were new employees.

Tables 4.3, 4.4, and 4.5 provide descriptive statistics for the legacy, new, and

combined (legacy and new) employees' information to support the independent and paired *t* tests that are offered later in this chapter. Tables 4.6 and 4.7 provide frequency data for employee education; Figure 4.1 provides a frequency histogram of employee length of service with the company, and Table 4.8 provides employee salary frequency data. The following are the labels used in these various tables and their related survey response categories: education—completed = (1) or attended = (2); education level—high school = (1), vocational technical college = (2), undergraduate college = (3), or graduate college = (4); service—measured in months of employment; and salary levels—less than \$50,000 = (1), between \$50,000 and \$100,000 = (2), or above \$100,000 = (3).

Table 4.3 Minimum, Maximum, Mean and Standard Deviation of Each Demographic Category for the 30 Legacy Employees Who Completed the Survey

*Legacy Employees' (n = 30) Demographic Descriptive Statistics*

	<i>N</i>	Minimum	Maximum	Mean	Std. Deviation
Education completed or attended	30	1	2	1.17	.379
Education level	30	3	4	3.53	.507
Service—months employed	30	30	229	85.23	48.596
Salary	30	2	3	2.37	.490

Table 4.4 Minimum, Maximum, Mean and Standard Deviation of Each Demographic Category for the 21 New Employees Who Completed the Survey

*New Employees' (n = 21) Demographic Descriptive Statistics*

	N	Minimum	Maximum	Mean	Std. Deviation
Education completed or attended	21	1	2	1.19	.402
Education level	21	1	4	3.43	.746
Service—months employed	21	3.0	18.0	9.833	5.062
Salary	21	1	2	1.95	.218

Table 4.5 Minimum, Maximum, Mean and Standard Deviation of each Demographic Category for all 51 Employees who Completed the Survey

*Legacy and New Employees' (n = 51) Demographic Descriptive Statistics*

	N	Minimum	Maximum	Mean	Std. Deviation
Education completed (1) or attended (2)	51	1	2	1.18	.385
Education level	51	1	4	3.49	.612
Service—months employed	51	3	229	54.19	52.76
Salary	51	1	3	2.20	.448

Table 4.6 Frequency and Related Percentages for Education Completed (1) or Attended (2) for all Legacy and New Employees

*Education Completed (1) or Attended (2) for Legacy and New Employees (n = 51)*

	Frequency	Percent	Valid Percent	Cumulative Percent
Completed (1)	42	82.4	82.4	82.4
Attended (2)	9	17.6	17.6	100.0
Total	51	100.0	100.0	

Table 4.7 Frequency and Related Percentages for Legacy and New employees' ( $n = 51$ ) Education Level: high school (1), vocational technical college (2), undergraduate college (3), or graduate college (4)

*Education Level for Legacy and New Employees ( $n = 51$ )*

	Frequency	Percent	Valid Perc.	Cumulative Percent
High School (1)	1	2.0	2.0	2.0
Vo-tech (2)	0	0	0	2.0
Undergrad College (3)	23	45.1	45.1	47.1
Grad College (4)	27	52.9	52.9	100.0
Total	51	100.0	100.0	

Employee education data provided in Tables 4.6 and 4.7 shows the responses of 51 employees related to their education level. Employee education data provided in Table 4.6 shows that employees either completed or attended an education level at the following percentages: high school—2%, vocational technical college—0%, undergraduate college—45.1%, graduate college—52.9%. To clarify this information, I reviewed each of the surveys of the 9 employees who responded that they had only completed a certain level of education. Of those 9 employees, 7 responded that they had attended undergraduate college and 2 responded that they had attended graduate college. Of the remaining employees, 1 completed high school, 16 completed undergraduate college, and 25 completed graduate college. The 51 employees who participated in this study were generally well educated, with 98% attending or completing undergraduate or

graduate college.

Figure 4.1 is a frequency bar chart of legacy and new employees' ( $n = 51$ ) length of service with the company (measured in months of employment to determine legacy and new employee statuses). This bar chart is presented to better illustrate the range of frequencies for both the legacy and new employees who completed the survey. The frequency data used to develop Figure 4.1 are found in Appendix A.

Figure 4.1 *Employee Service Bar Chart Showing Frequency of Employees and Length of Service*

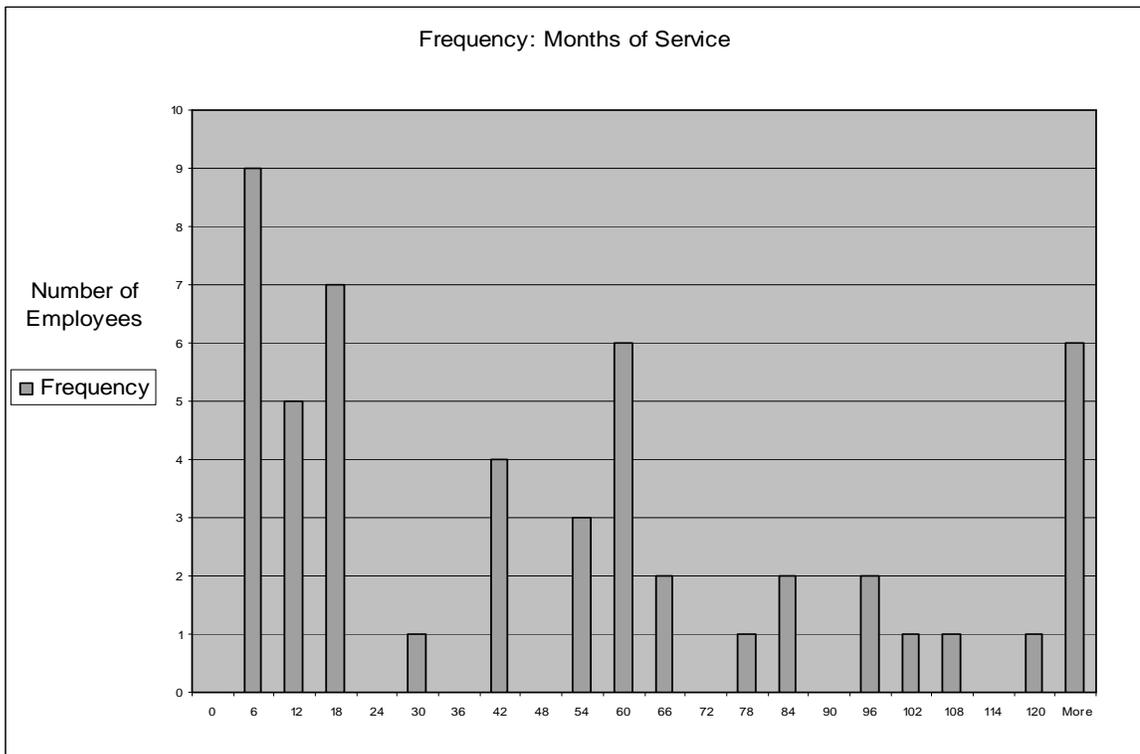


Table 4.8 Frequency and Related Percentages for all 51 Employees' Salary Levels: less than \$50,000 (1), between \$50,000 and \$100,000 (2), or above \$100,000 (3).

*Salary Results for Legacy and New Employees (n = 51)*

Salary (\$)	Frequency	Percent	Valid Percent	Cumulative Percent
< 50K (1)	1	2.0	2.0	2.0
50K to 100K (2)	39	76.5	76.5	78.4
> 100K (3)	11	21.6	21.6	100.0
Total	51	100.0	100.0	

As shown, 76.5% of the employees earned between \$50,000 and \$100,000, with 21.6% earning more than \$100,000. Only one employee (2% of the population) earned less than \$50,000.

4.4 Survey Results

The following section provides descriptive statistics on the employees' responses to the survey questions. The minimum score, maximum score, mean, and standard deviation are provided for each question.

Table 4.9 Results of the 30 Legacy Employees' Responses to the 26 Survey Questions

*Legacy Employees (n = 30) Survey Results*

Survey Question Number	Survey Question Subject	n	Minimum	Maximum	Mean	Std. Deviation
1	Pre Leadership #1-Knowledge	30	2	5	3.87	.819
2	Pre Leadership #2-Decision Making	30	2	5	3.77	.774
3	Pre Leadership #3-Empowerment	30	2	5	3.63	.928
4	Pre Leadership #4-Communication	30	1	5	3.57	.935
5	Pre Leadership #5-Values	30	1	5	3.90	.960
6	Pre Leadership #6-Policy/Record	30	1	5	3.50	.820

7	Pre Job Performance #1-Time: Functional Tasks	30	1	5	4.03	.928
8	Pre Job Performance #2-Time: Administrative Tasks	30	1	5	4.00	.830
9	Pre Job Performance #3-Job Satisfaction	30	3	5	4.20	.610
10	Pre Job Performance #4-Job Satisfaction	30	3	5	4.20	.551
11	Pre Overall #1-Customers' Needs	30	3	5	4.20	.610
12	Pre Overall #2-Employees' Needs	30	3	5	4.00	.695
13	Pre Overall #3-Stockholders' Needs	30	3	5	3.90	.712
14	Post Leadership #1- Knowledge	30	2	5	3.24	.773
15	Post Leadership #2-Decision Making	30	2	5	3.24	.857
16	Post Leadership #3- Empowerment	30	2	5	3.10	.845
17	Post Leadership #4- Communication	30	2	5	3.11	.845
18	Post Leadership #5-Values	30	2	5	3.52	.895
19	Post Leadership #6- Policy/Records	30	1	5	3.10	.845
20	Post Job Performance #1- Time: Functional Tasks	30	1	4	3.11	.923
21	Post Job Performance #2- Time: Administrative Tasks	30	1	4	2.59	.929
22	Post Job Performance #3-Job Satisfaction	30	1	5	3.31	.914
23	Post Job Performance #4-Job Satisfaction	30	1	5	3.45	1.00
24	Post Overall #1-Customers' Needs	30	2	5	3.62	.762
25	Post Overall #2-Employees' Needs	30	2	5	3.21	.846
26	Post Overall #3-Stockholders' Needs	30	2	5	3.69	.793

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Table 4.10 Results of the 21 New Employees' Response to the 26 Survey Questions

*New Employees (n = 21) Survey Results*

Survey Question Number	Survey Question Subject	n	Minimum	Maximum	Mean	Std. Deviation
1	Pre Leadership #1- Knowledge	21	3	4	3.62	.498
2	Pre Leadership #2- Decision Making	21	2	4	3.38	.590
3	Pre Leadership #3- Empowerment	21	3	5	3.57	.598
4	Pre Leadership #4- Communication	21	3	4	3.43	.507
5	Pre Leadership #5-Values	21	3	5	3.76	.539
6	Pre Leadership #6- Policy/Records	21	3	4	3.52	.512
7	Pre Job Performance #1- Time: Functional Tasks	21	3	4	3.48	.512
8	Pre Job Performance #2- Time: Administrative Tasks	21	2	5	3.48	.680
9	Pre Job Performance #3- Job Satisfaction	21	2	5	3.62	.740
10	Pre Job Performance #4- Job Satisfaction	21	3	5	3.76	.700
11	Pre Overall #1- Customers' Needs	21	2	5	3.48	.814
12	Pre Overall #2- Employees' Needs	21	2	4	3.29	.561
13	Pre Overall #3- Stockholders' Needs	21	2	4	3.24	.700
14	Post Leadership #1- Knowledge	21	1	5	3.52	.928
15	Post Leadership #2- Decision Making	21	3	5	3.43	.598
16	Post Leadership #3- Empowerment	21	1	5	3.52	.981
17	Post Leadership #4- Communication	21	1	5	3.52	1.16
18	Post Leadership #5- Values	21	3	5	3.71	.717
19	Post Leadership #6- Policy/Records	21	1	5	3.33	.913
20	Post Job Performance #1- Time: Functional Tasks	21	1	5	3.71	.956

21	Post Job Performance #2- Time: Administrative Tasks	21	1	5	3.52	1.12
22	Post Job Performance #3- Job Satisfaction	21	2	5	3.81	.814
23	Post Job Performance #4- Job Satisfaction	21	3	5	3.90	.700
24	Post Overall #1- Customers' Needs	21	3	5	3.90	.625
25	Post Overall #2- Employees' Needs	21	2	5	3.62	.805
26	Post Overall #3- Stockholders' Needs	21	3	5	3.67	.730

Analysis of survey results in tables 4.9 and 4.10 identifies potentially important results for research question 1: to determine if there are differences between legacy and new employee perceptions of the corporate working environment following a merger. Specifically, data contained in these tables indicate that there are large differences in some of the employee responses in the leadership, job performance, and overall assessments questions. Some of the largest differences between the legacy and new employees' responses are as follows:

**Leadership:**

1. Pre-merger decision making: legacy employees had a 0.39 higher measure than the new employees.
2. Post-merger empowerment: legacy employees had a 0.42 lower measure than the new employees.
3. Post-merger communications: legacy employees had a 0.41 lower measure than the new employees.

Job Performance:

1. Pre-merger time to complete functional and administrative tasks: legacy employees had a 0.55 and 0.52, respectively, higher measure than the new employees.

2. Pre-merger job satisfaction: legacy employees had 0.58 and 0.44 higher measure than the new employees for the two job satisfaction questions.

3. Post merger time to functional tasks: legacy employees had a 0.60 lower measure than the new employees.

4. Post-merger job satisfaction: legacy employees had a 0.50 and 0.45 lower measure than the new employees for the two job satisfaction questions.

Overall:

1. Pre-merger customers, employees, and stockholders' needs: legacy employees had a 0.72, 0.71, and 0.66, respectively, higher measure than the new employees in meeting the needs of the customers, employees and stockholders.

Likewise, these two tables indicate responses that are similar between the legacy and new employees:

Leadership:

1. Pre-merger empowerment: legacy employees had a 0.06 higher measure than the new employees.

2. Pre-merger policy/records: legacy had a 0.02 lower measure than the new employees.

Job Performance:

1. Post-merger administrative tasks: legacy employees had a 0.07 higher measure than new employees.

Overall:

1. Post-merger stockholders' needs: legacy employees had a 0.02 higher measure than the new employees.

These responses that show large differences, and also some similarities, between the legacy and new employees have implications for this study and will be discussed fully in the next chapter.

Table 4.11 Results of the 51 New and Legacy Employees' Responses to the 26 Survey Questions

*Legacy and New Employees (n = 51) Survey Results*

Survey Question Number	Survey Question Subject	N	Minimum	Maximum	Mean	Std. Deviation
1	Pre Leadership #1- Knowledge	51	2	5	3.76	.710
2	Pre Leadership #2- Decision Making	51	2	5	3.61	.723
3	Pre Leadership #3- Empowerment	51	2	5	3.63	.799
4	Pre Leadership #4- Communication	51	1	5	3.53	.784
5	Pre Leadership #5- Values	51	1	5	3.84	.809
6	Pre Leadership #6- Policy/Records	51	1	5	3.51	.703
7	Pre Job Performance #1- Time: Functional Tasks	51	1	5	3.64	.615
8	Pre Job Performance #2- Time: Administrative Tasks	51	1	5	3.80	.825
9	Pre Job Performance #3-	51	1	5	3.78	.808

	Job Satisfaction					
10	Pre Job Performance #4- Job Satisfaction	51	2	5	3.96	.720
11	Pre Overall #1- Customers' Needs	51	3	5	4.02	.648
12	Pre Overall #2- Employees' Needs	51	3	5	3.89	.625
13	Pre Overall #3- Stockholders' Needs	51	2	5	3.90	.781
14	Post Leadership #1- Knowledge	51	2	5	3.71	.729
15	Post Leadership #2- Decision Making	51	2	5	3.63	.774
16	Post Leadership #3- Empowerment	51	2	5	3.75	.682
17	Post Leadership #4- Communication	51	2	5	3.76	.514
18	Post Leadership #5- Values	51	1	5	3.35	.844
19	Post Leadership #6- Policy/Records	51	2	5	3.31	.761
20	Post Job Performance #1- Time: Functional Tasks	51	1	5	3.27	.918
21	Post Job Performance #2- Time: Administrative Tasks	51	1	5	3.29	1.00
22	Post Job Performance #3- Job Satisfaction	51	2	5	3.59	.829
23	Post Job Performance #4- Job Satisfaction	51	1	5	3.20	.872
24	Post Overall #1- Customers' Needs	51	2	5	3.34	.714
25	Post Overall #2- Employees' Needs	51	1	5	3.35	.976
26	Post Overall #3- Stockholders Needs	51	1	5	2.98	1.10

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Analysis of survey results in table 4.11 identifies potentially important results for research question 2: to determine if there are differences between pre- and post merger working environment for the combined population (legacy and new employees). Specifically, data contained in this table indicates that there are large differences in some of the combined employee responses in the leadership, job performance, and overall assessments questions. Some of the largest differences between the legacy and new employees' responses are as follows:

Leadership:

1. Values: Pre-merger values had a 0.49 higher measure than the post-merger values.

Job Performance:

1. Time to complete Administrative tasks: Pre-merger had a 0.51 higher measure than the post-merger.

2. Job satisfaction: One of the job satisfaction questions had a pre-merger measure that was 0.76 higher than the post merger.

Overall:

1. Customers, employees, and stockholders' needs: Pre-merger measures had a 0.68, 0.54, and 0.92, respectively, higher measure than the post-merger in meeting the needs of the customers, employees and stockholders.

Likewise, these two tables indicate responses that are similar between the pre- and post-merger working environments:

Leadership:

1. Knowledge: Pre-merger knowledge had a 0.05 higher measure than the post-merger.
2. Decision making: Pre-merger decision-making had a 0.02 lower measure than the post-merger.

These responses that show large differences, as well as some similarities, between the pre- and post-merger working environments have implications for this study and will be discussed fully in the next chapter.

#### 4.5 *Pearson's Correlation Matrix*

Table 4.10 shows the correlations between the pairs of variables for the focus areas addressed earlier in this chapter. Correlation information is provided for informational and exploratory purposes. The correlations provided here are based on the average measures for each scale; for example, Pre Lead AVE represents the average of the six pre-merger leadership survey questions. A complete list of all SPSS labels is found in Appendix B.

Table 4.12 *Pearson's Correlations Matrix*

(N = 51)		Pre Lead AVE	Pre Job Perf AVE	Pre Overall AVE	Pre Total AVE	Post Lead AVE	Post Job Perf AVE	Post Overall AVE	Post Total AVE	Pre Post Total AVE
Pre Lead AVE	Pearson Correlation	1								
Pre Job Perf AVE	Pearson Correlation	.480(**)	1							
	Sig. (2-tailed)	.000								
Pre Overall AVE	Pearson Correlation	.345(*)	.576(**)	1						
	Sig. (2-tailed)	.013	.000							
Pre Total AVE	Pearson Correlation	.745(**)	.850(**)	.812(**)	1					
	Sig. (2-tailed)	.000	.000	.000						
Post Lead AVE	Pearson Correlation	.449(**)	-.003	.278(*)	.301(*)	1				
	Sig. (2-tailed)	.001	.984	.048	.032					
Post Job Perf AVE	Pearson Correlation	.413(**)	-.054	-.160	.072	.602(**)	1			
	Sig. (2-tailed)	.003	.705	.261	.617	.000				
Post Overall AVE	Pearson Correlation	.457(**)	.215	.265	.386(**)	.570(**)	.627(**)	1		
	Sig. (2-tailed)	.001	.129	.060	.005	.000	.000			
Post Total AVE	Pearson Correlation	.510(**)	.049	.124	.278(*)	.842(**)	.888(**)	.837(**)	1	
	Sig. (2-tailed)	.000	.735	.384	.048	.000	.000	.000		
Pre Post Total AVE	Pearson Correlation	.768(**)	.510(**)	.541(**)	.752(**)	.746(**)	.649(**)	.791(**)	.842(**)	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

Highlighted correlations with a double asterisk are significant at the 0.01 level; those with a single asterisk are significant at the 0.05 level. These correlations can be used to determine the degree to which measures in one scale are linearly related to measures of other scales. It can be seen that 28 of the 36 relationships are statistically significant.

#### *4.6 t Test Results for Each Research Questions*

This section presents statistical significance tests related to each research question. For the first research question, the independent group *t* test was used to assess difference between the legacy and new employees. For the second research question, the paired *t* test was used to assess difference between the pre- and post-merger working environments. Also, since effect size is important to describe how large the relationship is between two variables, Cohen's *d* effect size information is provided for each statistically significant *t* test. The four focus areas of interest for the first research question are: legacy ( $n = 30$ ) employees' pre-merger perceptions, legacy ( $n = 30$ ) employees' post-merger perceptions, new ( $n = 21$ ) employees' pre-merger perceptions, and new ( $n = 21$ ) employees' post-merger perceptions of the working environment. The two focus areas for the second research question are: legacy and new ( $n = 51$ ) employees' pre-merger perceptions, and legacy and new ( $n = 51$ ) post-merger perceptions of the working environment. For each of these focus areas, the survey collected data in terms of three perspectives: leadership factors, performance factors (time spent on tasks and job satisfaction), and overall assessments factors.

Table 4.13 shows the independent *t* test group statistics for the legacy and new employees of the average measures for each scale; for example, Pre Leadership AVE represents the average of the six pre-merger leadership survey questions. A complete list of all SPSS labels can be found in Appendix B.

Table 4.13 *Independent t Test Group Statistics*

	Employee	<i>N</i>	Mean	Std. Deviation	Std. Error Mean
Pre Leadership AVE	Legacy	30	3.70	.710	.129
	New	21	3.56	.448	.097
Pre Job Performance AVE	Legacy	30	4.11	.571	.104
	New	21	3.58	.577	.126
Pre Overall AVE	Legacy	30	4.03	.556	.102
	New	21	3.33	.641	.140
Pre Total AVE	Legacy	30	3.94	.459	.083
	New	21	3.49	.477	.104
Post Leadership AVE	Legacy	30	3.22	.715	.131
	New	21	3.51	.692	.151
Post Job Performance AVE	Legacy	30	3.12	.798	.145
	New	21	3.73	.780	.170
Post Overall AVE	Legacy	30	3.50	.677	.124
	New	21	3.73	.593	.129
Post Total AVE	Legacy	30	3.28	.617	.112
	New	21	3.65	.590	.128
Pre and Post Total AVE	Legacy	30	3.61	.485	.088
	New	21	3.57	.427	.093

Table 4.14 displays the results of the independent group *t* test for the legacy and new employees of the average measures for each scale; for example, Pre Lead AVE represents the average of the six pre-merger leadership survey questions. A complete list of all SPSS labels can be found in Appendix B.

Table 4.14 *Independent Group t Test Results: Legacy (n = 30) Mean Compared to New (n = 21) Employees Mean*

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
PreLeadAVE	Equal variances assumed	2.995	.090	.809	49	.423	.14206	.17565	-.21092	.49505
	Equal variances not assumed			.874	48.586	.386	.14206	.16256	-.18468	.46880
PreJobPrefAVE	Equal variances assumed	.223	.639	3.216	49	.002	.525	.163	.197	.853
	Equal variances not assumed			3.210	42.903	.003	.525	.164	.195	.855
PreOverallAVE	Equal variances assumed	2.243	.141	4.154	49	.000	.700	.169	.361	1.039
	Equal variances not assumed			4.049	39.124	.000	.700	.173	.350	1.050
PreTotalAVE	Equal variances assumed	.393	.534	3.431	49	.001	.45569	.13281	.18880	.72257
	Equal variances not assumed			3.408	42.134	.001	.45569	.13372	.18585	.72552
PostLeadAVE	Equal variances assumed	.000	.988	-1.450	49	.153	-.291	.201	-.695	.112
	Equal variances not assumed			-1.459	44.091	.152	-.291	.200	-.694	.111
PostJobPerfAVE	Equal variances assumed	.000	.996	-2.724	49	.009	-.61310	.22504	-1.06533	-.16087
	Equal variances not assumed			-2.735	43.803	.009	-.61310	.22414	-1.06488	-.16131
PostOverallAVE	Equal variances assumed	.567	.455	-1.257	49	.215	-.230	.183	-.598	.138
	Equal variances not assumed			-1.287	46.466	.205	-.230	.179	-.590	.130
PostTotalAVE	Equal variances assumed	.002	.960	-2.190	49	.033	-.37817	.17266	-.72516	-.03119
	Equal variances not assumed			-2.208	44.380	.032	-.37817	.17130	-.72332	-.03302
PrePostTotalAVE	Equal variances assumed	.106	.746	.294	49	.770	.03876	.13168	-.22586	.30337
	Equal variances not assumed			.301	46.335	.765	.03876	.12873	-.22032	.29784

Based on the results in Table 4.14, the following five statistically significant differences were identified:

1. Pre-merger job performance average (PreJobPerfAVE):  $p = .002$ , which indicates a statistically significant difference between the legacy and new employee perceptions of the pre-merger working environment as it relates to job performance. Cohen's  $d$  effect size for pre-merger job performance average = 0.92.
2. Pre-merger overall assessments (PreOverallAVE):  $p = .000$ , which indicates a statistically significant difference between the legacy and new employee perceptions of the pre-merger ability to meet the needs of customers, employees, and stockholders. Cohen's  $d$  effect size for pre-merger overall assessment = 1.12.
3. Pre-merger total average (PreTotalAVE):  $p = .001$ , which indicates a statistically significant difference between the legacy and new employee perceptions of the pre-merger working environment related to the combined average of PreLeadAVE, PreJobPerfAVE, and PreOverallAVE. Cohen's  $d$  effect size for pre-merger total average = 0.98.
4. Post-merger job performance average (PostJobPerfAVE):  $p = .009$ , which indicates a statistically significant difference between the legacy and new employee perceptions of the post-merger working environment as it relates to job performance. Cohen's  $d$  effect size for post-merger job performance average = - 0.72.

5. Post-merger total average (PostTotalAVE):  $p = .033$ , which indicates a statistically significant difference between the legacy and new employee perceptions of the post-merger working environment related to the combined average of PostLeadAVE, PostJobPerFAVE, and PostOverallAVE. Cohen's  $d$  effect size for post-merger total average = - 0.62.

Significant differences for Research question 2 and its associated hypotheses were evaluated in this study by conducting a paired  $t$  test between the pre- and post-merger working environments results from the 51 legacy and new employees. Table 4.15 displays the paired  $t$  test group statistics of the measures for the pre- and post-merger working environments. The mean, standard deviation, and standard error of the mean are provided.

Table 4.15 *Paired t Test Group Statistics Comparing Means for the Pre- and Post-Merger Working Environments*

		Mean	<i>N</i>	Std. Deviation	Std. Error Mean
Pair 1	Pre Leadership AVE	3.64	51	.615	.086
	Post Leadership AVE	3.34	51	.714	.100
Pair 2	Pre Job Performance AVE	3.89	51	.625	.088
	Post Job Performance AVE	3.38	51	.840	.117
Pair 3	Pre Overall AVE	3.75	51	.682	.095
	Post Overall AVE	3.59	51	.647	.091
Pair 4	Pre Total AVE	3.76	51	.514	.072
	Post Total AVE	3.44	51	.629	.088

Table 4.16 provides the results of the paired *t* test of the categories for the pre- and post-merger working environments.

Table 4.16 *Paired t Test Results for the Pre- and Post-Merger Working Environments*

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PreLeadAVE - PostLeadAVE	.31046	.70239	.09835	.11291	.50801	3.157	50	.003
Pair 2	PreJobPrefAVE - PostJobPerfAVE	.51471	1.07402	.15039	.21263	.81678	3.422	50	.001
Pair 3	PreOverallAVE - PostOverallAVE	.150	.806	.113	-.076	.377	1.331	50	.189
Pair 4	PreTotalAVE - PostTotalAVE	.32516	.69356	.09712	.13010	.52023	3.348	50	.002

The following are the three (out of four tests) statistically significant differences identified as result of the paired *t* test:

1. Pre-merger leadership average (PreLeadAVE) with post-merger leadership average (PostLeadAVE):  $p = .003$ , which indicates a statistically significant relationship between pre- and post-merger employee perceptions of the working environment as related to leadership. Cohen's *d* effect size for pre-merger leadership average = 0.89.
2. Pre-merger job performance average (PreJobPerfAVE) with post-merger job performance average (PostJobAVE):  $p = .001$ , which indicates a statistically significant relationship between pre- and post-merger employee perceptions of the working environment as related to job performance. Cohen's *d* effect size for pre-merger job performance average = 0.97.

3. Pre-merger total average (PreTotalAVE) with post-merger total average (PostTotalAVE):  $p = .002$ , which indicates a statistically significant relationship between pre- and post-merger employee perceptions of the working environment as related to the combined average of PreLeadAVE, PreJobPerFAVE, and PreOverallAVE and their relationship to PostLeadAVE, PostJobPerFAVE, and PostOverallAVE. Cohen's  $d$  effect size for pre-merger leadership average = 0.95.

#### 4.7 *Employee-Provided Written Comments*

One survey question requested each employee to provide written comments on overall work experience or working environment suggestions: *Are there other comments you would like to make about your work experience or the working environment?* Out of the 51 surveys completed, 15 employees answered this question. These comments are listed below. Note: For the employee handwritten responses, the researcher replaced specific references to the selected company's name, but used the employee's original sentence structure as much as possible. Also, "No" or "None" responses were not included.

Although qualitative in nature, these responses provide insights into the employees' view of the overall working environment. A general assessment of these responses indicates that five are positive (numbers 1, 4, 6, 7, and 13), four are neutral (numbers 5, 9, 10, and 11), and six are negative (numbers 2, 3, 8, 12, 14, and 15) in regard to the working environment. Listed below are several representative employee-provided written comments. The complete listing of all the responses is found in Appendix E.

1. “Internally, I think I am in the best working environment possible. Externally, outside this office, I think the company could do better when it comes to training its personnel.”
2. “Maybe ask the employees how they are informed about the merger and if they understand what that meant to them. Some employees ultimately lost their jobs through downsizing and because the two affected companies use different business models. This is not always evident at first blush.”
9. “I have worked for both the pre-merger and post-merger companies for the past five years in this organization.”
10. “Good luck.”
14. “Post-merger bureaucracy is far too great—hinders effective work, takes away valuable time.”
15. “Sometimes corporate seems out of touch now more than prior to the merger.”

#### *4.9 Chapter Summary*

Chapter 4 dealt with the results of the research objectives addressed by the research design, and presented the results of the survey. The various sections provided a description of the characteristic of respondents, the survey results intended to assess the two research questions and associated hypotheses posed in Chapter 1, and a survey assessment. The next chapter, Chapter 5, discusses the results in detail and interprets the findings. In addition, implications, limitations of this study, and potential future research are discussed.

## Chapter 5

### Summary and Discussion

#### *5.1 Introduction and Overview*

In Chapter 4, the results of statistical procedures were reported to evaluate the research hypotheses. That chapter presented results of the basic descriptive statistics, inferential statistical  $t$  tests, exploratory correlations, and a survey reliability analysis. This final chapter restates the research problem and reviews the major methods used in the study. However, the main focus of this chapter is on how the objectives of the study were addressed. It aims to discuss and interpret the key statistical findings of the study. The major sections of this chapter summarize the findings and discuss their implications. In addition, the limitations of the study, recommendations for further study, and final conclusions are presented.

The overall goal of this research was to evaluate organizational change in terms of the organizational health of a company that underwent a merger. One important finding indicates that an organizational change in the form of a merger does affect employee perceptions about the health of the organization. A significant finding is that employees in this study perceived their current working environment less favorably than the pre-merger environment. Specifically the findings indicate that employee job performance may have been negatively affected by the merger, and the employees do not think they meet the needs of the customers, employees, or stockholders as well now as they did in the pre-merger environment. Additionally, the intentions driving the study were to develop and validate a modified survey instrument and to explore the relationships among organizational leadership factors and their influences on the pre- and post-merger

corporate working environments.

### *5.2 Research Problem*

This research used a case study of actual corporate pre- and post-merger working environments to determine the health of this organization, judged in terms of the employees' perspectives, and to assess the impact of a merger. The literature review in Chapter 2 provided a supporting rationale for this effort by highlighting a significant problem that many corporations face during the merger process: namely, most corporate mergers fail because of post-merger working environment issues. For example, Carleton and Lineberry (2004) note that the chances of achieving success after a merger are poor, due to the "cultural clash" experienced by the two organizations involved in the merger. Most researchers focus on pre-merger economic assessments rather than post-merger working environment interface strategies. However, a major cause of post-merger underperformance is leaders' lack of understanding and appreciation of cultural integration issues and the impact those issue have on the working environment. This research offers additional evidence to support the stated problem dealing with the employees' working environment following a merger.

### *5.3 Review of the Methodology*

To support this research design, I developed and validated a modified survey instrument, which was used to explore the relationships among organizational leadership factors and their influences on corporate working environment following a merger. The survey objective was to measure employees' perceptions, in order to generate data with which to assess the relationships between corporate leadership and the pre- and post-merger working environments, and the influence of both leadership and working

environment on corporate employees' performance following a merger. The survey was designed to assess employee perceptions in terms of leadership, performance (time on tasks and job satisfaction), and overall factors. Two research questions and associated statistical hypotheses were developed to support this research design. The final survey measured legacy and new employees' perceptions of both pre- and post-merger working environments, using various focus areas relating to the main research questions, to permit comparison of both subpopulations' responses and analysis of the full population's responses. The results of the survey reliability assessment in Chapter 4 seem to indicate that the survey instrument designed for this study is reliable.

The rest of this chapter discusses and comments on the results that were presented in Chapter 4. This includes a summary of the descriptive characteristic of respondents, and an assessment of the two research questions and associated hypotheses. The purpose of the descriptive characteristics summary is to provide an overview of the study population. Sections 5.5 and 5.6 interpret the results of the specific *t* test used to assess each of the two research questions and their related hypotheses. The last section of this chapter summarizes the limitations of the study, makes recommendations for further study, and draws final conclusions based on the results of this research.

#### *5.4 Summary of the Descriptive Characteristics of the Respondents*

The population for this study was all the selected corporation's employees, either in the Atlanta, Georgia, area or offices under the control of this area. The survey was submitted to the resulting sample of 71 corporate employees, including the senior leadership. Of these, 51 employees completed the survey; 30 were legacy and 21 were new employees.

Summary population demographic results (presented in Section 4.2) provided useful information about the employees of the selected company used for this research. The 51 employees were generally well educated, with 98% attending or completing undergraduate or graduate college. The statistics for the legacy employees' length of service showed that they had a minimum of 30 months and a maximum of 229 months, with a mean of 85.23 months of service with the company. In contrast, the new employees had a minimum of 3 months and a maximum of 18 months, with a mean of 9.8 months of service with the company. In addition, 76.5% of the employees earned between \$50,000 and \$100,000, with 21.6% earning more than \$100,000. Only one employee (2% of the population) earned less than \$50,000.

#### *5.5 Assessment of Research Question 1*

The results presented in Chapter 4 indicate that potentially important significant differences support the research questions and associated hypotheses. Although statistical significance tests allow reasonable inference that the conclusions drawn from the sample population in a study are meaningful, absolute certainty is not possible (Knoke, Bohrnstedt, & Mee, 2002).

Table 5.1 provides an overview of the four focus areas for the first research question, with a summary of the mean responses to the related survey questions. For example, the legacy pre-merger leadership factor mean of 3.71 represents the mean of the six pre-merger leadership questions. Likewise, the total mean for each of the four focus areas represents the mean of leadership, job performance, and overall assessment factors.

Table 5.1 *Four Focus Areas for Research Question 1 and the Mean Responses to the Related Survey Questions*

	Pre-Merger	Post-Merger
Legacy Employees (n = 30)	Focus Area 1	Focus Area 2
	Leadership Factors: 3.71	Leadership Factors: 3.22
	Job Performance Factors: 4.11	Job Performance Factors: 3.13
	Overall Assessment: 4.03	Overall Assessment: 3.50
	Total Mean: 3.95	Total Mean: 3.28
New Employees (n = 21)	Focus Area 3	Focus Area 4
	Leadership Factors: 3.56	Leadership Factors: 3.51
	Job Performance Factors: 3.58	Job Performance Factors: 3.74
	Overall Assessment: 3.33	Overall Assessment: 3.73
	Total Mean: 3.49	Total Mean: 3.66

Table 5.1 helps interpret the survey results presented in Section 4.3, which seem to indicate that there are differences in the means between the legacy and new employees for each scale in the four focus areas. Specifically, Table 5.1 identifies the following pre-merger differences between legacy and new employees:

1. Legacy employee pre-merger leadership mean measured 0.15 higher than the new employee mean.
2. Legacy employee pre-merger job performance mean measured 0.53 higher than the new employee mean.
3. Legacy employee pre-merger overall assessment mean measured 0.70 higher than the new employee mean.

4. Legacy employee pre-merger total mean measured 0.46 higher than the new employee mean.

In contrast, the following are the post-merger differences between legacy and new employees:

5. New employee post-merger leadership mean measured 0.29 higher than the legacy employee mean.
6. New employee post-merger job performance mean measured 0.61 higher than the legacy employee mean.
7. New employee post-merger overall assessment mean measured 0.23 higher than the legacy employee mean.
8. New employee post-merger total mean measured 0.38 higher than the legacy employee mean.

This information shows that the legacy employees had a much higher mean pre-merger measure for each scale than did the new employees. However, the new employees had a much higher total mean post-merger measure for each scale than the legacy employees. Further, Tables 4.11 and 4.12 provided the independent group *t* test statistics between the 30 legacy employees and the 21 new employees, which revealed five significant differences between employee self-reported perceptions of the corporate working environment. Additional interpretations and insights related to the first research questions are provided here. These interpretations and insights are provided for each of the five statistically significant results of the independent group *t* test in relation to the differences of the mean responses to the related survey questions scales identified in Table 5.1.

1. Pre-Merger Job Performance—The results of the independent group *t* test between the legacy and new employee perceptions of the pre-merger working environment as it relates to job performance:  $p = .002$ . Information in Table 5.1 indicates that the legacy employee pre-merger job performance mean measured 0.53 higher than the new employee mean. These two results support the research hypothesis, in that differences exist between legacy and new employee perceptions relating to pre-merger job performance.
2. Pre-Merger Overall Assessments—The results of the independent group *t* test between the legacy and new employee perceptions of the pre-merger ability to meet the needs of customers, employees, and stockholders:  $p = .000$ . Information in Table 5.1 indicates that the legacy employee pre-merger related scale measured 0.70 higher than the new employee mean. These two results support the research hypothesis, in that differences exist between legacy and new employee perceptions relating to pre-merger overall assessment of the corporation's ability to meet the needs of customers, employees, and stockholders.
3. Pre-Merger Total: The results of the independent group *t* test between the legacy and new employee perceptions of the pre-merger working environment related to the combined average of pre-merger leadership factors, pre-merger job performance factors, and pre-merger overall factors:  $p = .001$ . Information in Table 5.1 indicates that the legacy employee pre-merger related scale measured 0.46 higher than the new employee mean. These two results support the research hypothesis, in that differences exist between legacy and new employee

perceptions relating to pre-merger leadership factors, pre-merger job performance factors, and pre-merger overall factors.

4. Post-Merger Job Performance: The results of the independent group  $t$  test between the legacy and new employee perceptions of the post-merger working environment as it relates to job performance:  $p = .009$ . Information in Table 5.1 indicates that the new employee post-merger job performance mean measured 0.29 higher than the legacy employee mean. These two results support the research hypothesis, in that differences exist between legacy and new employee perceptions relating to post-merger job performance.
5. Post-Merger Total: The results of the independent group  $t$  test between the legacy and new employee perceptions of the post-merger working environment related to the total average of post-merger leadership factors, post-merger job performance factors, and post-merger overall factors:  $p = .003$ . Information in Table 5.1 indicates that the new employee post-merger job performance mean measured 0.38 higher than the legacy employee mean. These two results support the research hypothesis, in that differences exist between legacy and new employee perceptions relating to post-merger leadership factors, post-merger job performance factors, and post-merger overall factors.

Based these results, it can be determined that legacy employees had different perceptions than new employees of the pre- and post-merger working environments.

Table 5.1 also shows that legacy employees generally perceived the pre- and post-merger working environments differently than did new employees. In addition, the five statistically significant relationships identified by the independent  $t$  test seem to support

accepting Research hypothesis 1: *There are differences between self-reported perceptions of the legacy employees and the new employees' assessments of the corporate working environment.*

### 5.6 Assessment of Research Question 2

Table 5.2 provides an overview of the two focus areas for the second research question, with a summary of the mean responses to the related survey questions. For example, the legacy pre-merger leadership factors mean of 3.63 represents the mean of the six pre-merger leadership questions. Likewise, the total mean for each of the two focus areas represents the mean of leadership, job performance, and overall assessment factors.

Table 5.2 *Two Focus Areas for Research Question 2 and the Mean Responses to the Related Survey Questions*

	Pre-Merger	Post-Merger
	Focus Area 5	Focus Area 6
Legacy and New Employees (n = 51)	Leadership Factors: 3.63	Leadership Factors: 3.36
	Job Performance Factors: 3.85	Job Performance Factors: 3.43
	Overall Assessment: 3.68	Overall Assessment: 3.62
	Total Mean: 3.72	Total Mean: 3.47

Table 5.2 helps interpret the survey results presented in Section 4.3, which seem to indicate that there are differences in the means between the pre- and post-merger results for each scale in the two focus areas. Specifically, Table 5.2 identifies the following pre-merger differences between legacy and new employees:

1. Pre-merger leadership mean measured 0.27 higher than the post-merger leadership mean.

2. Pre-merger job performance mean measured 0.42 higher than the post-merger job performance mean.
3. Pre-merger overall assessment mean measured 0.06 higher than the post-merger overall assessment mean.
4. Pre-merger total mean measured 0.25 higher than the post-merger total mean.

This information shows that the pre-merger measures for each scale had a higher total mean than the post-merger measures. Further, Tables 4.13 and 4.14 provided the paired  $t$  test statistics regarding the pre- and post-merger working environments for the 51 combined legacy and new employees. This procedure identified three significant differences between employee self-reported perceptions of the corporate working environment. Additional interpretations and insights related to the second research questions are provided here. These interpretations and insights are provided for each of the three statistically significant results of the paired  $t$  test in relation to the differences of the mean responses to the related survey questions scales identified in Table 5.2.

1. Leadership: The results of the paired  $t$  test between pre-merger leadership factors with post-merger leadership factors:  $p = .003$ . Information in Table 5.2 indicates that the pre-merger leadership mean measured 0.27 higher than the post-merger leadership mean. These two results support the research hypothesis, in that differences exist between the pre- and post-merger measures related to leadership.
2. Job Performance: The results of the paired  $t$  test between pre-merger job performance factors with post-merger job performance factors:  $p = .001$ . Information in Table 5.2 indicates that the pre-merger job performance mean measured 0.42 higher than the post-merger job performance mean. These two

results support the research hypothesis, in that differences exist between the pre- and post-merger measures related to job performance.

3. Total: The results of the paired  $t$  test between pre-merger total with post-merger total:  $p = .002$ . Information in Table 5.2 indicates that the pre-merger total mean measured 0.25 higher than the post-merger total mean. These two results support the research hypothesis, in that differences exist between the pre- and post-merger measures related to the total means.

Based on these results, it can be determined that employee perceptions of the pre-merger working environment were generally more favorable than those of the post-merger working environment. Specifically, the three statistically significant differences identified by the paired  $t$  test seem to support accepting Research hypothesis 2: *There are differences between the employees' self-reported perceptions of the pre-merger and the post-merger working environment.*

### *5.7 Conclusions and Interpretations of the Study*

The assessments of the two research questions help to address the primary objectives of this study. First, these assessments and their interpretations provide information about the impacts that a merger may have on the corporate working environment and the effects of a merger from the employee perspective. The results indicate that an organizational change in the form of a merger does affect employee perceptions about the health of the organization. In this particular case study, these differences are important because the employees perceive their current (post-merger) working environment less favorably than the pre-merger environment. The results specifically indicate that employee job performance may have been negatively affected

by the mergers, and the employees do not think they meet the needs of the customers, employees, or stockholders as well now as they did in the pre-merger environment.

Furthermore, the study results support the literature by showing a linkage between organizational leadership factors, job performance, and the health of the post-merger working environment. The results also reveal differences between legacy and new employees' perceptions of that environment. In addition, the results demonstrate that organizational change, in the form of a merger, may negatively influence the health of the organizational culture.

In the last chapter, section 4.3, several large differences, as well as several similarities, in the employee responses to the survey questions were identified. Assessment of these large differences provides additional insights to the assessments of the two research questions above. Specifically, the goal of research question 1 was to provide an opportunity to determine if there were differences the legacy and new employees' perceptions of the pre- and post-merger working environments. As discussed in section 5.5, the legacy employees had a much higher mean pre-merger measure for each scale (leadership, job performance, and overall) than the new employees, but lower post-merger measures. Likewise the goal of research question 2 was to determine if the combined population perceived a difference between the pre-merger and post-merger working environment. As discussed in section 5.6, the combined populations had a much higher mean pre-merger measure for each scale than the post-merger.

Survey questions were designed to obtain data to allow measurement of employees' perceptions of company leaders' application of leadership, job performance, and overall factors that contributed to an effective working environment. Pre- and post-

merger questions were designed to assess each of the following leadership factors: knowledge, decision making, empowerment, communication, values, and policies and records. Job performance was assessed in terms of time to complete functional and administrative tasks and job satisfaction. Overall factors were designed to measure employee perceptions in their ability to meet the needs on the customers, employees, and stockholders. I selected the individual leadership, job performance, and overall assessment factors based on findings in the literature review and my own experiences working in this organization, as well as many other similar large organizations. In addition, I designed the survey instrument questions to obtain employee perceptions for each of these individual factors in order to support the overall research design. Although the final edition of the survey instrument is found in Appendix D, several examples of the survey questions are listed below to facilitate this discussion for the reader.

Leadership Pre-merger question:

Knowledge

1. Prior to the merger, do you think the leaders applied understanding and knowledge that contributed to an effective working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

Overall pre-merger questions:

11. Overall, prior to the merger, how much do you think the pre-merger working environment met the needs of its customers?

Very Little	Not Enough	Acceptable Amount	More than Needed	Very Much
1	2	3	4	5

Time on Tasks post-merger questions:

20. Currently, are your job functional tasks easy to perform in the current working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

As discussed above, the main goal of the research design was to assess the mean responses for each of the three overall scales. However, analysis of survey results in tables 4.9 and 4.10 identifies potentially important results for both research questions for several of the factors within each of the three scales. Specifically, data contained in these tables indicate that there are large differences in some of the employee responses in the leadership, job performance, and overall assessments questions. More importantly, these differences provide additional meaning to this study by suggesting how leaders in the selected organization may want to behave differently in order to improve the corporate working environment. On the other hand, the survey questions that reflected similar responses provided useful information to corporate leaders of the selected company as well. These similar responses indicate areas that the leaders do not need to concern themselves with to improve the organization. The remainder of this section will identify and assess several examples of the factors for each scale, related to each research question, which had large differences and similarities. Based on these findings, specific recommendations to improve the post-merger corporate working environment will be provided, with an explanation of their implications to corporate leaders.

### Research question 1:

Analysis of survey results in tables 4.9 and 4.10 identifies potentially important results for research question 1: to determine if there are differences between legacy and new employee perceptions of the corporate working environment. Examples of the largest differences between the legacy and new employees' responses identified in these tables and their implications to the corporate leadership are discussed below.

The leadership and overall scales had some of the largest differences among their individual factors. Three of the individual factors for leadership had large difference in the employee responses. First, legacy employees had a 0.39 higher measure than the new employees as far as their perceptions on the leaders to apply planning, organization, and execution decisions that contributed to an effective pre-merger working environment. Second, legacy employees had a 0.42 lower measure than the new employees if they thought the leaders empowered their peers and subordinates to help facilitate an effective post-merger working environment. Third, legacy employees had a 0.41 lower measure than the new employees on their opinion of the leaders' ability to communicate among supervisors, peers or subordinates to facilitate and effective post-merger working environment. In the overall assessment scale other large differences were identified. Legacy employees had a 0.72, 0.71, and 0.66, respectively, higher measure than the new employees in meeting the needs of the customers, employees, and stockholders in the pre-merger working environment.

Likewise, there were several responses to the individual questions that were similar between the legacy and new employees: legacy employees had only a 0.06 higher

measure than the new employees in their assessment of the pre-merger empowerment, legacy had only a 0.02 lower measure than the new employees assessment of pre-merger policy/records, and legacy employees had only a 0.02 higher measure than the new employees on the ability to meet the needs of the stockholder in the post-merger environment. These are areas that the leadership does not need to be concern with to assess the differences between the legacy and new employees, and their potential impact on the working environment.

However, the differences in the legacy employees' perceptions and the new employees' assessments of the corporate working environment provide valuable insights. As a reminder, it is important to note that the legacy employees actually experienced the pre- and post-merger working environments, whereas the new employees only experienced the post-merger working environment. With this in mind, the differences seem to indicate that the legacy employees became less satisfied with their working environment as they experienced the actual merger process, and they were able to accurately compare the pre- and post-merger working environments based on the assessment scales provided to them in the survey. Conversely, the new employees did not actually experience the pre-merger working environment, so they made their pre-merger assessments based on guesses or information obtained elsewhere about the pre-merger environment. I am a good example to illustrate this point. Although I was hired by the company about two years before the merger, one of the primary considerations for me to join the company was the direct knowledge that I had about the company prior to my employment. I knew (and worked with) various company employees and through them I had a general excellent impression of the company personnel and its overall reputation.

Also, these results could indicate that the new employees were somewhat cautious and wanted to indicate that they generally were satisfied with their relatively new jobs.

Based the discussion above related to the first research question, the following are the specific recommendations to improve the post-merger corporate working environment, with an explanation of their implications to corporate leaders:

1. Leaders should realize that legacy employees may need special focus to better integrate them into the post-merger environment. This study demonstrated that legacy employees had different perceptions of the merger process than the new employees did. It also demonstrated that, in this case study, the legacy employees were less satisfied in the post-merger environment than in the pre-merger environment.
2. Specifically, the assessment of the survey responses above demonstrates that leaders need to improve their leadership skills in decision making, empowerment and communications. There were large difference in each of these areas which indicate that the leaders should follow-up with the study's findings to ensure these areas do not negatively impact the working environment.
3. Significantly, in the overall assessment scale, legacy employees had a much higher pre-merger measure than the new employees in meeting the needs of the customers, employees, and stockholders. The differences were not as large in the post-merger working environment. Therefore leaders should follow-up with the legacy employees to determine why these large differences existed.

## Research question 2

Analysis of survey results in table 4.11 identifies potentially important results for research question 2: to determine if there are differences between pre- and post- merger working environment for the combined population (legacy and new employees). Examples of the largest differences between the pre- and post-merger responses are discussed below.

All three scales (leadership, job performance and overall) had some of the largest differences among their individual factors. One of the individual factors for leadership had large difference in the employee responses: pre-merger values had a 0.49 higher measure than the post-merger values. Two large differences were identified for job performance: first, pre-merger time to complete functional tasks had a 0.51 higher measure than the post-merger, and one of the job satisfaction questions had a pre-merger measure that was 0.76 higher than the post merger. The overall scale had some of the largest differences with the pre-merger measures having a 0.68, 0.54, and 0.92, respectively, higher measure than the post-merger in meeting the needs of the customers, employees and stockholders.

Likewise, there were two responses to the individual questions that were similar between the pre- and post-merger working environments: pre-merger knowledge had only a 0.05 higher measure than the post-merger working environment, and pre-merger decision-making had only a 0.02 lower measure than the post-merger environment. These are areas that the leadership does not need to be concern with to assess the differences between the pre- and post-merger working environments.

The differences in employees' self-reported perceptions of the pre- and post-

merger corporate working environments provide important insights to corporate leaders. The differences indicate that, on average, the employees perceived the pre-merger working environment as healthier than the post-merger working environment. This appears to be true especially with the three scales (leadership, job performance, and total mean) in Table 5.2 that show the largest differences. The same three scales show a statistically significant difference with the paired *t* test results.

Based above discussion related to the second research question, the following are the specific recommendations to improve the post-merger corporate working environment, with an explanation of their implications to corporate leaders.

1. Leaders should employ effective leadership focused on the employees through the entire merger process. Leadership assessments in this study indicate that employees had a slightly better pre-merger view of their leadership's application of knowledge, decision making, empowerment, communications, values, and policy/records to achieve an effective working environment. Of these, pre-merger values had a much higher measure than the post-merger values. This indicates that leaders need to continue to work with all employees to improve their assessment of the values demonstrated by the current leadership.
2. Leaders should consider providing additional incentives to employees to improve their job satisfaction and eliminate extraneous administrative requirements, whenever possible. Job performance assessments in this study indicate that employees had a more positive pre-merger view of their job performance in terms of job satisfaction and time required to perform functional/administrative tasks. This is especially true for improving the time to complete functional tasks and

overall job satisfaction, since both had a much larger pre-merger measure than in the post-merger working environment.

3. Leaders should carefully monitor how the merger process affects the employees' ability to meet the needs of customers, employees, and stockholders, as this could directly affect the post-merger success of the company. Results of this study indicate that employees perceived they did a much better job meeting the various constituents' needs in the pre-merger environment. This is one of the study's most interesting and potentially significant findings as it directly relates to the company performance in the current post-merger working environment. The selected company's leadership should take immediate action to determine why the employees perceived they were doing a better job prior to the merger.

The following are two additional general recommendations, based on the findings from this study, to organizational leaders to improve the post-merger corporate working environment:

1. Leaders should focus on the employees' working environment throughout the entire merger process; most mergers fail because of post-merger cultural integration issues.
2. Leaders should periodically assess the employees' attitudes before, during, and after the merger to determine if changes are necessary to improve the working environment. This is especially true after a merger, when the two organizations combine.

These conclusions have implications for the leadership of the selected company,

as the employees perceived the pre-merger leadership factors at a slightly higher level than the post-merger factors. This is important from the employee perspective: employees need to have confidence in their leaders during organizational change. Also, this is important from the organizational leaders' perspective, in that it constitutes evidence that they should take seriously the pre- and post-merger leadership issues and their impacts on the working environment if they wish to improve the post-merger health of the organization.

These recommendations, along with the overall findings of this research, indicate that the assessments of the selected company's merger used in this study may be generalized more broadly and be applied to other company mergers as well. This may be especially true with companies that have similar populations as the selected company and similar business focus. As an example, the selected company for this study was relatively small – therefore other companies with smaller numbers of employees may be able to apply similar merger assessment procedures that were used in this research design. In addition, the selected company was service oriented. Therefore, findings in this study may apply to merger situations with other service oriented companies. Likewise, companies experiencing mergers with much larger populations, or that are production oriented, may not benefit as much from the findings of this study.

#### *5.8 Value of Modified Survey Instrument*

Corporate leaders, as well as leaders of any large organization, are challenged to learn about and act upon the views of their employees. In general, surveys are designed to improve organizational communications, obtain perceptions on work-related issues, and improve their participation in organizational change settings. In fact, employee

engagement has increased over the last two decades since organizations began to survey their workers. Engagement refers to how employees perceive their work, their leadership, the rewards they receive, and the communications ethos of the working environment. An engaged workforce will demonstrate behavior to go the extra mile in executing projects, be motivated to perform at higher standards, have creative energy, and be interested in the organization's success (Sanchez, 2007).

The modified survey instrument developed in this study provides a potential significant contribution to corporate leaders and to the literature. Specifically, the survey instrument was designed to measure employees' perceptions as a basis for assessing the relationships between corporate leadership and the pre- and post-merger working environments, and their influence on corporate employees' performance following a merger. The survey was designed to assess these perceptions in terms of leadership, performance (time on tasks and job satisfaction), and overall factors.

The survey developed for this study proved to be a very reliable instrument and worked well to obtain data in order to assess employee perceptions of the pre- and post merger working environments. Specifically the survey provided meaningful, actionable results that potentially could build employee engagement, and identified specific areas for corporate leaders wishing to improve the post-merger working environment. In addition, the survey appears to be a good instrument to assess other organizational change environments such as key leadership changes, headquarters relocations, and organizational reorganizations. Corporate leaders should consider using the survey instrument developed for this study if they are interested in improving employee

engagement and their increased participation in similar organizational change environments.

### *5.9 Limitations of This Study*

The purpose of this section is to acknowledge the partial and tentative nature of this research. The study has limited generalization due to several variables, which include the relatively small size of the employee population, the geographic distribution of employees, and the tenure and representation of the workforce. The total sample size of 71 corporate employees was small, especially as only 51 employees completed the survey. One limitation to this study is that the research was performed on a convenience sample. In addition, I was employed by the selected company as a program manager during the course of my dissertation research. Although this employee relationship assisted with access to the population, some might consider this a limitation in terms of pure objectivity. My position as a program manager in the company may have affected the validity of responses from some employees.

Another potential limitation of this study relates to the significant delay in administering the survey from the time of the merger. This delay was due partly to the time required to identify and develop the research design. In addition, the selected company required a legal review of the research design, which took more than three months to accomplish. As a result, the survey was administered nearly two years after the merger, and this could have influenced the responses of both the legacy and new employees. Specifically, the legacy employees may not have remembered specific pre-merger working environment issues and concerns. Furthermore, the delay in

administering the survey resulted in an increase in the new employee population for this study. The delay also allowed the pre-merger working environment to develop, which meant that both the legacy and new employees were able to actually experience and make better assessments of the post-merger environment.

As part of the selected company requirements for approving this study, I was allowed to measure only three demographic characteristics: education, length of service with the company, and salary range. The study would have been strengthened by the addition of other demographic information, such as gender, age, marital status, number of children, and so forth. In addition, the “John Henry effect” (Gall, Borg & Gall, 1996), which refers to the participants’ enthusiasm for the study, may have been reduced by the confidential and anonymous nature of the survey assessment; this may have influenced the results of the survey. As a condition of the selected company’s legal review, the survey was only administered once. This limited the research to a cross-sectional rather than a longitudinal design. Other studies support the notion that a longitudinal approach would have allowed survey measures over time, which would potentially have provided additional useful data to assess the pre- and post-merger working environments (Bartels, Pruyn, & Jong, 2009).

The results of this study will need to be replicated in a variety of companies in order to fully establish the limits and boundaries of the leaders’ influences on the health of the post-merger working environment. As stated above, I was restricted to do all the research that I wanted to conduct, due to limitations imposed by the company. Without these limitations, other researchers should consider expanding this study with companies with larger populations that perform different business functions, and assess the working

environment in other ways than the survey approach solely used in this study. As an example, a longitudinal assessment, using surveys, interviews, and observations of employees would provide potentially important additional information about the post-merger working environment. Another recommendation is to assess additional demographic factors of the population that would expand the findings of additional research efforts. Finally, this study focused on a population that provided professional personnel service support to military organization. Future research efforts should consider different non-military business settings, such as production or service oriented companies.

#### *5.10 Proposed Future Research*

Organizational change resulting from mergers is complex, and therefore each case and study will have a different research vehicle and outcomes. Nevertheless, additional research can be conducted to assess and overcome post-merger cultural clashes. This research may help researchers as well as organizational leaders to understand how to improve the integration experience for the employees involved (Bligh, 2006).

Researching mergers between different companies will possibly reveal different dynamics and potential organizational outcomes related to the post-merger working environment. Because the selected company merger in this case study was generally a friendly combination within the same industry, future research might be in order to identify the working environment changes wrought by a merger in a hostile environment. Similarly, future research can be undertaken to examine and compare mergers in different industries.

Ultimately, this study could be a model for future research that applies the same research techniques to other government and private organizations experiencing change. Although this study focused on organizational change in terms of the health of a company that underwent a merger, the study's findings may have implications for other organizational change environments as well, such as key leadership and mission changes and headquarters relocations. Potentially, this research can offer a corporate working environment survey product design to be used by other organizational-change and leadership researchers.

Another interesting potential research effort would be to determine how long it takes for the post-merger culture to develop. This present study was a cross-sectional study and the survey on which it is based was administered nearly two years after the merger. Hence, this was an assessment of a mature culture. A recommendation for a future research study is to use a longitudinal approach. This would allow working environment and cultural assessments over time, which could potentially provide significant knowledge about the leadership factors that influence the cultural maturation process in an organizational-change environment.

### *5.11 Chapter Summary*

This case study of actual corporate pre- and post-merger working environments provided an assessment of the health of this organization from the employees' perspectives, to gauge the impact of the merger. To address the research design, a survey instrument to measure employee perceptions of the organization's working environment was developed and validated. The results of this study indicate that the pre-merger measures of the health of the selected company's working environment were slightly

higher than the post-merger measures. This study had various limitations, as described in Section 5.8, which potentially reduce the generalization and strength of the conclusions. The most significant limitation was that the population was relatively small and therefore the study's statistical power was reduced. However, the research design appears to support the literature by providing additional evidence that many mergers fail due to the "cultural clash" experienced by the two organizations involved in the merger. In addition, this study reinforces the idea that organizational leaders should improve their understanding and appreciation of post-merger cultural integration issues, and the impacts of those issues on the working environment, if they are to improve the post-merger health of the organization.

The results of this study support the acceptance of both research hypotheses presented in this research design. The first research hypothesis stated that: *There are differences between self-reported perceptions of the legacy employees and the new employees' assessments of the corporate working environment.* The second research hypothesis stated that: *There are differences between the employees' self-reported perceptions of the pre-merger and the post-merger working environments.* Many researchers focus on pre-merger economic assessments rather than post-merger employee working environment conditions. Since most corporate mergers fail due to post-merger working environment issues, this research offers additional evidence of the importance of assessing employee views of their working environment following a merger.

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## Appendix A: SPSS Backup Information

### Frequency and Related Percentages for Legacy and New Employees' Service

#### *Frequency and Related Percentages for Legacy Employees' Service*

Months of service	Frequency	Percent	Valid Percent	Cumulative Percent
30	1	3.3	3.3	3.3
38	2	6.7	6.7	10.0
39	1	3.3	3.3	13.3
41	1	3.3	3.3	16.7
51	1	3.3	3.3	20.0
52	1	3.3	3.3	23.3
53	1	3.3	3.3	26.7
55	1	3.3	3.3	30.0
57	1	3.3	3.3	33.3
58	1	3.3	3.3	36.7
60	3	10.0	10.0	46.7
62	1	3.3	3.3	50.0
65	1	3.3	3.3	53.3
75	1	3.3	3.3	56.7
84	2	6.7	6.7	63.3
92	1	3.3	3.3	66.7
93	1	3.3	3.3	70.0
99	1	3.3	3.3	73.3
108	1	3.3	3.3	76.7
117	1	3.3	3.3	80.0
127	1	3.3	3.3	83.3
131	1	3.3	3.3	86.7
132	1	3.3	3.3	90.0
171	1	3.3	3.3	93.3
196	1	3.3	3.3	96.7
229	1	3.3	3.3	100.0
Total	30	100.0	100.0	

*Frequency and Related Percentages for New Employees' Service*

Months of service	Frequency	Percent	Valid Percent	Cumulative Percent
3.0	2	9.5	9.5	9.5
3.5	1	4.8	4.8	14.3
4.0	1	4.8	4.8	19.0
5.0	1	4.8	4.8	23.8
6.0	4	19.0	19.0	42.9
8.0	1	4.8	4.8	47.6
12.0	4	19.0	19.0	66.7
13.0	1	4.8	4.8	71.4
14.0	1	4.8	4.8	76.2
15.0	3	14.3	14.3	90.5
18.0	2	9.5	9.5	100.0
Total	21	100.0	100.0	

## Appendix B: SPSS Labels Used in Tables

The following are the labels, with their descriptions, for the SPSS statistical output tables used for this study. Labels are used to identify the results of the related survey questions that measure employees' perceptions of factors that contribute to an effective working environment.

PreLead1-Know: Results of pre-merger leadership question measurements – knowledge

PreLead2-Decis: Results of pre-merger leadership question - decision making

PreLead3-Empow: Results of pre-merger leadership question - empowerment

PreLead4-Comm: Results of pre-merger leadership question - communications

PreLead5-Values: Results of pre-merger leadership question - values

PreLead6-Policy: Results of pre-merger leadership question - policy

PreLeadAVE: Combined average of six pre-merger leadership questions

PreJobPerf1-Time: Results of pre-merger overall assessment question - time on functional tasks

PreJobPerf2-Time: Results of pre-merger overall assessment question - time on administrative tasks

PreJobPerf3-JobSat: Results of pre-merger job performance question - job satisfaction

PreJobPerf4-JobSat: Results of pre-merger job performance question - job satisfaction

PreJobPerfAVE: Combined average of four pre-merger job performance questions

PreOverall1-Custom: Results of pre-merger overall assessment question - meeting customers' needs

PreOverall2-Employ: Results of pre-merger overall assessment question - meeting employees' needs

PreOverall3-Stockh: Results of pre-merger overall assessment question - meeting stockholders' needs

PreOverallAVE: Combined average of three pre-merger overall assessment questions

PreTotalAVE: Combined average of PreLeadAVE, PreJobPerFAVE and PreOverallAVE

PostLead1-Know: Results of post-merger leadership question - knowledge

PostLead2-Decis: Results of post-merger leadership question - decision making

PostLead3-Empow: Results of post-merger leadership question - empowerment

PostLead4-Comm: Results of post-merger leadership question - communications

PostLead5-Values: Results of post-merger leadership question - values

PostLead6-Policy: Results of post-merger leadership question - policy

PostLeadAVE: Combined average of six post-merger leadership questions

PostJobPerf1-Time: Results of post-merger job performance question - time on functional tasks

PostJobPerf2-Time: Results of post-merger job performance question - time on administrative tasks

PostJobPerf3-JobSat: Results of post-merger job performance question - job satisfaction

PostJobPerf4-JobSat: Results of post-merger job performance question - job satisfaction

PostJobPerfAVE: Combined average of four post-merger job performance questions

PostOverall1-Custom: Results of post-merger overall assessment question - meeting customers' needs

PostOverall2-Employ: Results of post-merger overall assessment question - meeting employees' needs

PostOverall3-Stockh: Results of post-merger overall assessment question - meeting stockholders' needs

PostOverallAVE: Combined average of three post-merger overall assessment questions

PostTotalAVE: Combined average of PostLeadAVE, PostJobPerFAVE and

PostOverallAVE

PrePostTotalAVE: Combined average of PreLeadAVE, PreJobPerFAVE ,

PreOverallAVE, PostLeadAVE, PostJobPerFAVE and PostOverallAVE

EducatComp-Attend: completed (1) or attended (2): Employee responses indicating if they completed or attended a certain level of education

EducatLevel: Education level; high school (1), vocational technical college (2), undergraduate college (3), or graduate college (4)

ServMonths: Employees' length of service with the company (measured in months of employment to determine pre-merger versus post-merger status)

Salary: Employees' salary levels; less than \$50,000 (1), between \$50,000 and \$100,000 (2), or above \$100,000 (3)

## Appendix C: Pilot Survey Edition

### **PILOT EDITION INFORMATION SHEET FOR CONSENT TO PARTICIPATE IN A RESEARCH STUDY**

My name is Charlie Steelman, and I am in a research position of Principal Investigator in connection with my dissertation research through Advance Programs, College of Continuing Education at the University of the Oklahoma. I am requesting that you volunteer to participate in a research study titled Corporate Leadership and the Working Environment: Relationships between Organizational Leadership Factors and their Influences on the Corporate Post-Merger Working Environment. This study is being conducted at “a selected company and a selected location” [Note: the name of the company was removed after the survey was administered as a condition of this research.] You were selected as a possible participant because you are an employee “of the selected company”. Please read this information sheet and contact me to ask any questions that you may have before agreeing to take part in this study.

**Purpose of the Research Study:** The goals of this study are to validate this survey instrument, and to describe a phenomenon associated with the relationship between organizational leadership factors and their influences on corporate culture and employees’ performance following a merger. Culture is usually defined as a system of values and ideas (what’s good), norms (what’s expected), and conventions of behavior (how things are done). The underlying assumption is that leadership significantly determines the cultural working environment.

**Length of Participation/Procedures:** If you agree to be in this study, you will be asked to do the following: Your individual participation will take about ten (10) to twenty (20) minutes to complete a questionnaire.

**Risks and Benefits of Being in the Study:** All information will be confidential; your individual identity is protected. The “selected company” is aware that this survey is being conducted, but the activity is not sponsored by the company and the company does not require your participation. The results of the survey will not be shared with “the selected company”. There are no other possible risks associated with the conduct of this survey. Benefits to participants of this study include the satisfaction of contributing to ongoing research into leadership and organizations.

**Compensation:** You will not be compensated for your time and participation in this study.

**Voluntary Nature of the Study:** Participation in this study is voluntary. Your decision whether or not to participate will not result in penalty or loss of benefits to which you are otherwise entitled. If you decide to participate, you are free not to

answer any question or discontinue participation at any time without penalty or loss of benefits to which you are otherwise entitled.

**Confidentiality:** The records of this study will be kept private and your supervisor will not have access to your responses. In published reports, there will be no information included that will make it possible to identify you as a research participant. Research records will be stored securely in locked files maintained by the researcher. Only approved researchers will have access to the records. There are organizations that may inspect and/or copy your research records (survey results) for quality assurance and data analysis. These organizations include the Study Sponsor at the University of Oklahoma, Dr. Joe Rodgers, and the OU Institutional Review Board. At the conclusion of the research project all questionnaires will be destroyed by shredding.

**Contacts and Questions:** If you have concerns or complaints about the research, the researcher conducting this study can be contacted at: Charlie Steelman; Work Phone: [phone number removed]; email: [email address removed]. Or you can contact the University of Oklahoma Faculty Advisor for this research project at: Dr. Joseph L. Rodgers; Work Phone: [removed]; email: [removed] In the event of a research-related injury, contact the researcher. You are encouraged to contact the researcher if you have any questions. If you have any questions, concerns, or complaints about the research and wish to talk to someone other than the individuals on the research team, or if you cannot reach the research team, you may contact the University of Oklahoma – Norman Campus Institutional Review Board (OU-NC IRB) at (405) 325-8110 or [irb@ou.edu](mailto:irb@ou.edu).

*Please keep this information sheet for your records. By completing and returning this questionnaire, I am agreeing to participate in this study.*

**CORPORATE CULTURAL WORKING ENVIRONMENT ASSESSMENT:  
PILOT EDITION**

As you answer the following questions, consider your role as an employee of “the selected company” and also consider post-merger cultural working environment and leadership. Also, please think of leadership broadly, and not a particular person. The post-merger aspects of the cultural working environment will provide additional research data by comparing and contrasting legacy employees to those who joined the company after the merger: *\* circle one response for each statement*

\*Note: If you joined the company after the merger that occurred in June 2006, please go to question # 7. Do not answer questions 1-6.

If you joined the company prior to the merger, please answer all survey questions.

**Knowledge**

1. Prior to the merger, do you think the leaders had the cultural understanding and knowledge that contributed to the cultural working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Decision-Making**

2. Prior to the merger, do you think the leaders had the planning, organization, and execution decisions that contributed to the cultural working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Empowerment**

3. Prior to the merger, do you think the leaders empowered their peers or subordinates to help facilitate the cultural working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**CORPORATE CULTURAL WORKING ENVIRONMENT ASSESSMENT:  
PILOT EDITION**

**Communications**

4. Prior to the merger, do you think the leaders had the communication abilities among superiors, peers, or subordinates that help facilitate the cultural working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Values**

5. Prior to the merger, do you think the leaders had the values and work habits that contributed to the cultural working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Policy and Records**

6. Prior to the merger, do you think the leaders had the policies and information that contributed to help facilitated the cultural working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**All participants – please answer questions 7-17:**

**Knowledge**

7. Since the merger, how much do you think the leaders' knowledge and cultural understanding were applied in the successful execution of the current post-merger cultural working environment?

Not at All	Not Enough	Acceptable Amount	More than Needed	Too Much
1	2	3	4	5

**Decision-Making**

8. Since the merger, how much do you think the leaders' planning, organization, and execution decisions were applied in the successful execution of the current post-merger cultural working environment?

Not at All	Not Enough	Acceptable Amount	More than Needed	Too Much
1	2	3	4	5

**CORPORATE CULTURAL WORKING ENVIRONMENT ASSESSMENT:  
PILOT EDITION**

**Empowerment**

9. Since the merger, how much do you think the leaders' abilities to empower their peers or subordinates were applied in the successful execution of the current post-merger cultural working environment?

Not at All	Not Enough	Acceptable Amount	More than Needed	Too Much
1	2	3	4	5

**Communications**

10. Since the merger, how much do you think the leaders' abilities to communicate were applied in the successful execution of the current post-merger cultural working environment?

Not at All	Not Enough	Acceptable Amount	More than Needed	Too Much
1	2	3	4	5

**Values**

11. Since the merger, how much do you think the leaders' values and work habits were applied in the successful execution of the current post-merger cultural working environment?

Not at All	Not Enough	Acceptable Amount	More than Needed	Too Much
1	2	3	4	5

**Policy and Records**

12. Since the merger, how much do you think the leaders' policies and record information were applied in the successful execution of the current post-merger cultural working environment?

Not at All	Not Enough	Acceptable Amount	More than Needed	Too Much
1	2	3	4	5

**CORPORATE CULTURAL WORKING ENVIRONMENT ASSESSMENT:  
PILOT EDITION**

**Overall Assessment of the Corporate Cultural Working Environment**

**Job Performance (time on tasks)**

13. Are your GDIT job functional tasks easy to perform in the current GDIT post-merger cultural working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
----------------------------	---------------	-------------------	--------------------	---------------------------

1	2	3	4	5
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**Job Satisfaction**

14. Do you like the current GDIT post-merger cultural working environment? Culture is usually defined as a system of values and ideas (what's good), norms (what's expected), and conventions of behavior (how things are done).

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
----------------------------	---------------	-------------------	--------------------	---------------------------

1	2	3	4	5
---	---	---	---	---

**Overall**

15. Overall, how much do you think the GDIT leaders' cultural understandings were applied in the successful execution of this merger?

Not at All	Not Enough	Acceptable Amount	More than Needed	Too Much
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1	2	3	4	5
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16. Overall, do you like your job in the current post-merger cultural working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
----------------------------	---------------	-------------------	--------------------	---------------------------

1	2	3	4	5
---	---	---	---	---

17. Overall, how much do you think the current GDIT cultural environment meets the needs of its customers, employees and stockholders?

Not at All	Not Enough	Acceptable Amount	More than Needed	Too Much
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1	2	3	4	5
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**CORPORATE CULTURAL WORKING ENVIRONMENT ASSESSMENT:  
PILOT EDITION**

**All participants – please answer questions below in the General Information section:**

**GENERAL INFORMATION**

1. What is your highest education level? (Circle one from each section).

Section A: Completed      or      Attended

Section B:                      high school                      vocational technical college  
   undergraduate college                      graduate college

2. How long have you worked for [company name removed]? (years and months)

\_\_\_\_\_

3. What is your salary range? (Circle one). Less than \$50,000    or    Between \$50,000 and \$100,000    or    Above \$100,000

4. Have you ever taken this survey before? (Circle one) Yes      or      No

All information will be confidential. Data will be grouped; no individual can be identified. Your participation will benefit the local operation and increase the knowledge available to the GDIT Corporation to improve the post-merger cultural working environment. Thank you for providing input for the survey.

**FINAL EDITION**

**INFORMATION SHEET FOR CONSENT  
TO PARTICIPATE IN A RESEARCH STUDY**

My name is Charlie Steelman, and I am in a research position of Principal Investigator in connection with my dissertation research through Advance Programs, College of Continuing Education at the University of Oklahoma. I am requesting that you volunteer to participate in a research study titled Corporate Leadership and the Working Environment: Relationships between Organizational Leadership Factors and their Influences on the Corporate Post-Merger Working Environment. This study is being conducted at “a selected company and a selected location.” [Note: the name of the company was removed after the survey was administered as a condition of this research.] You were selected as a possible participant because you are an employee “of the selected company.” Please read this information sheet and contact me to ask any questions that you may have before agreeing to take part in this study.

**Purpose of the Research Study:** The goals of this study are to study the relationship between organizational leadership factors and their influences on corporate working environment and employees’ performance following a merger. The underlying assumption is that leadership significantly determines the health of the working environment.

**Length of Participation/Procedures:** If you agree to be in this study, you will be asked to fill out a survey describing your experience and opinions about your job. Your participation will take about ten (10) to twenty (20) minutes to complete a questionnaire.

**Risks and Benefits of Being in the Study:** All information will be confidential; your individual identity is protected. The “selected company” is aware that this survey is being conducted, but the activity is not sponsored by the company and the company does not require your participation. The results of the survey will not be shared with “the selected company”. There are no other possible risks associated with the conduct of this survey. Benefits to participants of this study include the satisfaction of contributing to ongoing research into leadership and organizations.

**Compensation:** You will not be compensated for your time and participation in this study.

**Voluntary Nature of the Study:** Participation in this study is voluntary. Your decision whether or not to participate will not result in penalty or loss of benefits to which you are otherwise entitled. If you decide to participate, you are free not to

answer any question or discontinue participation at any time without penalty or loss of benefits to which you are otherwise entitled.

**Confidentiality:** The records of this study will be kept private and your supervisor will not have access to your responses. In published reports, there will be no information included that will make it possible to identify you as a research participant. Research records will be stored securely in locked files maintained by the researcher, and your name will not be recorded on the research form. Only approved researchers will have access to the records. There are organizations that may inspect and/or copy your research records (survey results) for quality assurance and data analysis. These organizations include the Study Sponsor at the University of Oklahoma, Dr. Joe Rodgers, and the OU Institutional Review Board. At the conclusion of the research project all questionnaires will be destroyed.

**Contacts and Questions:** If you have concerns or complaints about the research, the researcher conducting this study can be contacted at: Charlie Steelman; Work Phone: [removed]; email: [email address removed]. Or you can contact the University of Oklahoma Faculty Advisor for this research project at: Dr. Joseph L. Rodgers; Work Phone: [removed]; email: [removed]. In the event of a research-related injury, contact the researcher. You are encouraged to contact the researcher if you have any questions. If you have any questions, concerns, or complaints about the research and wish to talk to someone other than the individuals on the research team, or if you cannot reach the research team, you may contact the University of Oklahoma – Norman Campus Institutional Review Board (OU-NC IRB) at (405) 325-8110 or [irb@ou.edu](mailto:irb@ou.edu).

*Please keep this information sheet for your records. By completing and returning this questionnaire, you are agreeing to participate in this study.*

## CORPORATE WORKING ENVIRONMENT ASSESSMENT

As you answer the following questions, consider your role as an employee of “the selected company”. Also, please think of leadership broadly, and not a particular person.

*\* circle one response for each statement*

**\*Participants: Please answer all survey questions. If you joined the company after the merger that occurred in June 2006, please provide your best answers as to your estimate of the corporate pre-merger cultural environment, based on whatever opinions and knowledge you have.**

### Leadership Pre-merger questions:

#### Knowledge

1. Prior to the merger, do you think the leaders applied understanding and knowledge that contributed to an effective working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

#### Decision-Making

2. Prior to the merger, do you think the leaders applied planning, organization, and execution decisions that contributed to an effective working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

#### Empowerment

3. Prior to the merger, do you think the leaders empowered their peers or subordinates to help facilitate an effective working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

#### Communications

4. Prior to the merger, do you think the leaders supported communication abilities among superiors, peers, or subordinates that help facilitate an effective working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Values**

5. Prior to the merger, do you think the leaders applied values and work habits that contributed to an effective working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Policy and Records**

6. Prior to the merger, do you think the leaders applied policies and information that contributed to an effective working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Time on Tasks pre-merger questions:**

7. Prior to the merger, were job functional tasks by employees easy to perform in the pre-merger working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

8. Prior to the merger, were administrative requirements easy to perform in the pre-merger working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Job Satisfaction pre-merger questions:**

9. Prior to the merger, do you think that employees liked the pre-merger working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

10. Overall, prior to the merger, do you think that employees like their jobs in the pre-merger working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Overall pre-merger questions:**

11. Overall, prior to the merger, how much do you think the pre-merger working environment met the needs of its customers?

Very Little	Not Enough	Acceptable Amount	More than Needed	Very Much
1	2	3	4	5

12. Overall, prior to the merger, how much do you think the pre-merger working environment met the needs of its employees?

Very Little	Not Enough	Acceptable Amount	More than Needed	Very Much
1	2	3	4	5

13. Overall, prior to the merger, how much do you think the pre-merger working environment met the needs of its stockholders?

Very Little	Not Enough	Acceptable Amount	More than Needed	Very Much
1	2	3	4	5

**Leadership post-merger questions:**

**Knowledge**

14. Currently, how much do you think the leaders' knowledge and cultural understanding contribute to an effective post-merger working environment?

Very Little	Not Enough	Acceptable Amount	More than Needed	Very Much
1	2	3	4	5

**Decision-Making**

15. Currently, how much do you think the leaders' planning, organization, and execution decisions contribute to an effective post-merger working environment?

Very Little	Not Enough	Acceptable Amount	More than Needed	Very Much
1	2	3	4	5

**Empowerment**

16. Currently, how much do you think the leaders' abilities to empower their peers or subordinates contribute to an effective post-merger working environment?

Very Little	Not Enough	Acceptable Amount	More than Needed	Very Much
1	2	3	4	5

**Communications**

17. Currently, how much do you think the leaders' abilities to communicate contribute to an effective post-merger working environment?

Very Little	Not Enough	Acceptable Amount	More than Needed	Very Much
1	2	3	4	5

**Values**

18. Currently, how much do you think the leaders' values and work habits contribute to an effective post-merger working environment?

Very Little	Not Enough	Acceptable Amount	More than Needed	Very Much
1	2	3	4	5

**Policy and Records**

19. Currently, how much do you think the leaders' policies and record information contribute to an effective post-merger working environment?

Very Little	Not Enough	Acceptable Amount	More than Needed	Very Much
1	2	3	4	5

**Time on Tasks post-merger questions:**

20. Currently, are your job functional tasks easy to perform in the current working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

21. Currently, are your administrative requirements easy to perform in the current working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Job Satisfaction post-merger questions:**

22. Do you like the current post-merger working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

23. Overall, do you like your job in the current post-merger working environment?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

**Overall post-merger questions:**

24. Overall, how much do you think the current company working environment meets the needs of its customers?

Very Little    Not Enough    Acceptable Amount    More than Needed    Very Much  
1                    2                    3                    4                    5

25. Overall, how much do you think the current company working environment meets the needs of its employees?

Very Little    Not Enough    Acceptable Amount    More than Needed    Very Much  
1                    2                    3                    4                    5

26. Overall, how much do you think the current company working environment meets the needs of its stockholders?

Very Little    Not Enough    Acceptable Amount    More than Needed    Very Much  
1                    2                    3                    4                    5

**All participants – please answer questions below in the General Information section:  
*GENERAL INFORMATION***

1. What is your highest education level? (Circle one from each section).

Section A:

Completed    or    Attended

Section B:

1. High School
2. Vocational Technical College
3. Undergraduate College
4. Graduate College

2. How long have you worked for [company name removed]? (years and months)

\_\_\_\_\_

3. What is your salary range? (Circle one).

1. Less than \$50,000
2. Between \$50,000 and \$100,000
3. Above \$100,000

**What is your assessment of this survey? Please answer the following questions about this survey:**

1. Have you ever taken this survey before? (Circle one) Yes or No

2. Did you find it easy to understand this survey and answer the questions?

To a Very Little Extent	Little Extent	To Some Extent	To Great Extent	To a Very Great Extent
1	2	3	4	5

3. Do you have any suggestions to improve this survey (indicate specific questions if necessary)?

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4. Are there other comments you would like to make about your work experience or the working environment?

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**Thank you for your time and providing input to this survey.**

## Appendix E: Employee-Provided Written Comments

One survey assessment question requested each employee to provide written comments or suggestions to improve the survey: *Do you have any suggestions to improve this survey (indicate specific questions if necessary)?* Out of the 51 surveys administered, only 6 employees answered this question. A general assessment of these responses indicates that one is positive (number 2), three are neutral (numbers 1, 4, and 6), and two are negative (numbers 3 and 5) in regard to the survey.

1. “You may want to consider asking questions concerning the transitional affects/efforts during and after company mergers. For example affects on employment benefits, policies, procedures, and training.”
2. “No—great questions about a merger.”
3. “A little more clarity in writing the questions.”
4. “Add space for general comments.”
5. “Survey is a bit vague in that it doesn’t distinguish ‘leaders’.”
6. “Could have included training—the merger brought new requirements on board with inadequate or no training.”

One survey question requested each employee to provide written comments on overall work experience or working environment suggestions: *Are there other comments you would like to make about your work experience or the working environment?* Out of the 51 surveys completed, 15 employees answered this question. A general assessment of these responses indicates that five are positive (numbers 1, 4, 6, 7, and 13), four are neutral (numbers 5, 9, 10, and 11), and six are negative (numbers 2, 3, 8, 12, 14, and 15) in regard to the working environment.

1. “Internally, I think I am in the best working environment possible. Externally, outside this office, I think the company could do better when it comes to training its personnel.”
2. “Maybe ask the employees how they are informed about the merger and if they understand what that meant to them. Some employees ultimately lost their jobs through downsizing and because the two affected companies use different business models. This is not always evident at first blush.”
3. “More emphases on hiring qualified personnel—too much nepotism.”
4. “I have been working here for 3½ months and I like my job.”
5. “My pre-merger responses were based on my experience with the pre-merger company employees.”
6. “The post-merger company corporate culture is a sterling example of how a successful business should be run.”
7. “I can say that it’s the best I have dealt with in a very long time. Positive atmosphere.”
8. “There is a great deal of frustration regarding new policies and policy changes (including forms) that are not announced; and we find out too late. Additional frustration is caused by people not following the standard procedures and require everyone that interfaces with them to complete a complicated work-around. These people referenced are in positions of power therefore nothing will change; even though it has been identified as an issue. Since the merger there are also more arguments regarding new business or follow-on business, who will take the lead and who ‘owns.’ Pre-merger employees get a “holiday lunch” (during business hours), while our parent company counterparts have holiday parties at local hotels, catered, with bands. Other monetary differences exist; i.e. amount paid for an employee reference.”

9. "I have worked for both the pre-merger and post-merger companies for the past five years in this organization."
10. "Good luck."
11. "Need more formal training or allotted time to do online training."
12. "The post-merger company is extremely sensitive to any adverse information and to the potential impact of this type of information on the company. In this regard, there is an aggressive attempt to ensure appropriate policies and procedures are in place to ensure the company is compliant with Sarbanes Oxley, Environmental Health Safety [EHS] standards and ISO 9001-2000 [International Standard for Quality Assurance]. Although remaining compliant with all these standards does not guarantee the possibility of anything negative happening, it does reduce the possibility. These policies and procedures now increase, for example, the length of time to hire a new employee. New requirements now include drug testing, background investigations, and citizenship verification. In addition, our job application has increased from 4 pages to 16 pages. I'm also concerned about the way the staff is now organized to the extent that contracting employees, HR, recruiting, and finance all now have vertical reporting to their next higher level staff as opposed to directly supporting the local vice president. Local staff members do support our local VP; however, he does not write their evaluations. I'm not saying these changes are right or wrong, it's just different and part of the adjustment we are working through as result of the merger."
13. "The differences in the work environment/climate are the creation and accredited to the many corporate requirements—overkill in some instances. The local company leadership has demonstrated great flexibility in the whirlwind of change and has

continued to foster a professional work environment that is conducive to success. They have as much as possible reduced the impact that the office employees have felt—again attributed to their professional leadership.”

14. “Post-merger bureaucracy is far too great—hinders effective work, takes away valuable time.”

15. “Sometimes corporate seems out of touch now more than prior to the merger.”