



GORDON INSTITUTE  
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# **Employee engagement: The impact of change management implementation in mergers**

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*A research project submitted to the Gordon Institute of Business Science,  
University of Pretoria, in partial fulfillment of the requirements for the degree  
of Master of Business Administration*

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## ABSTRACT

This research is based on the premise that change management implementation is significantly related to employee engagement in post-merged organisations. The relationship between employee engagement and the demographic variables age and length of service, and variable change experience is also explored in the post-merged organisation. The study uses a quantitative design methodology to cover the objectives of the research and to answer the questions relating to the topics of the study.

The sample was drawn from a mining industry within the private sector that has undergone a merger in the last five years. The sample for the study was selected using the convenience sampling method. Statistical tools that were used in this study included frequency analysis, measures of central distribution, t-tests, Friedman's test, and analysis of variance. The study found high levels of employee engagement in the dimensions emotional commitment and discretionary effort. The responses for the dimension intent to stay were above average while the response for rational commitment remained neutral. A significant difference was found between the levels of emotional commitment between the two merged companies. The extent of change management implemented differed significantly between the two merged companies. With regards to the demographic variables age and length of service and variable organisational change experience, no significant relationship was found with employee engagement.

**KEY WORDS:** Employee Engagement, Change Management, Mergers

## DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Hemunadevi Bhola

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Name

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Signature

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Date

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## CHAPTER ONE: INTRODUCTION TO THE RESEARCH PROBLEM

The research is entitled ***“employee engagement: the impact of change management implementation in mergers”***. Chapter one introduces the research topics and provides a detailed discussion around the motivation for the study. The research objectives are defined in terms of the primary and secondary objectives. The chapter also defines the scope of the study and presents the structure of the research report. The background to the research problem is discussed with reference to the challenges facing business and the problems associated with growing a business.

### 1.1. INTRODUCTION

The current environmental forces operating in the global markets have forced organisations to reduce costs, improve the quality of products and services and locate new opportunities for growth and survival (Cartwright & Cooper, 1996). These challenges have placed pressure on organisations to change their systems, structures and processes to ensure continued survival and existence of their business (Peach, 2009). In the quest for competitiveness, organisational leaders have increasingly turned to transitions like mergers and acquisitions to increase productivity and improve technological enhancements (Hoskisson & Hitt, 2004). Mergers have consequently become a popular choice of strategy for a growing number of organisations wanting to achieve corporate diversity, growth and a competitive advantage (Cartwright & Cooper, 1996).

According to the McKinsey report (2007), merger and acquisition deals accounted for about four trillion dollars globally in the first seven months of 2007 (Capaldo, Dobbs & Suonio, 2007). This trend continues today, where companies invest large sums of money in mergers as a means of expanding their business and increasing their skills, knowledge and expertise (Rathogwa, 2008). Despite the growing popularity, mergers have become synonymous with failure. While some companies have managed to achieve short term financial gain, many mergers have been unsuccessful in capturing the synergies envisioned for the new organisation. Organisations are consequently confronted with difficulties in creating an organisation characterised by strong brands, a motivated workforce and renewed innovation (Fubini, Price & Zollo, 2006).

Research by Agarwal and Jaffe (2000) claim that mergers do not lead to higher performance, and question whether mergers create any value to the shareholders. According to Cartwright and Holmes (2006) more than two-thirds of companies fail to realise increases in profits or stock prices in the three year period following the merger. This view is supported by Walter and Self (2003) who believe that between 55% and 70% of merged companies fail to meet their anticipated purpose. Linde and Schalk (2008) support the view that mergers destroy value, especially in the short term, asserting that merged organisations become characterised by increased levels of conflict in the management teams and increased feelings of insecurity among employees.

The cumulative effect of organisational change over the last two decades as a result of mergers, acquisitions and corporate restructuring has consequently created an ever-widening engagement gap among employees (Kowalski, 2003). Mergers often displace well established corporate cultures and send signals to the market and recruitment companies that their customers, suppliers and employees are “ripe for the picking” (Kay & Sheldon, 2000, p. 2). Mergers have become characterised as highly complex events, representing a very difficult organisational change process and a change management challenge (Kavanagh & Ashkanasy, 2006).

According to Barchan (2006) the most difficult part of leading a company through a merger is managing the people side of the business. Managers responsible for making mergers work fail to see the merger as a transition process that require change management initiatives (Galpin & Robinson, 1997). In most mergers change programmes remain absent during the transition process and are consequently only consulted when employees fail to adapt to the changed organisation (Weick & Quinn, 2000). Leaders tend to focus on the more visible and unemotional tasks of changing systems and processes and often ignore the soft side of change. Changes in the organisation as a result of mergers and related downsizing often result in chaos, fear, uncertainty and political battles, which often contribute to lower levels of employee engagement (Kolwaski, 2003).

Employee reactions can be detrimental to the intended purpose of the merger and often risk the success of the change process. Cummings and Worley (2008)

maintain that employee support for change is central to whether organisational change efforts succeed or fail. Bearing this in mind, managers involved with change must aim at sustaining high levels of engagement among employees so that they end their support for the old and irrelevant work habits and establish new ways of work (Kolwaski, 2003). Employee engagement has become the key business driver for organisational success where engaged employees remain committed to the organisation and contribute to increasing customer loyalty, organisational performance and stakeholder value (Lockwood, 2007).

## **1.2. RESEARCH MOTIVATION**

The body of literature on mergers has grown significantly over the last century. While there is an abundance of literature available on failed mergers, very few studies provide conclusive reasons for these failures (Higgs & Rowland, 2005). Research by Kavanagh and Ashkanasy (2006) and Levinson (2000) have attempted to provide answers on achieving merger success by focusing on leadership, culture change and communication. While these variables are mostly significant to the pre and post merger stages, little has been written about managing change during the merger. Similarly there is an abundance of research conducted on organisational change and change theories as well as on the subject of employee engagement.

In spite of the body of knowledge on change management and employee engagement, little is written linking these topics and investigating whether they share any relationship in a merger process (Mark, 2007). It also remains unclear

whether organisations consult change management theories prior to merging with other organisations. While literature is available on how to engage employees during organisational change, there is a shortage of research that focuses on involving employees in change programmes during a merger as a means of ensuring engaged employees after the merger.

It is suggested for the purposes of this study that organisations that fail to implement change management programmes fail to engage their employees in the post-merged organisation. The consequences of disengaged employees can have detrimental effects on the organisation and its people, resulting in low productivity, employee turnover and dissatisfied employees (Corporate Leadership Council, 2004).

It is envisaged that a study on change management and employee engagement in mergers will provide valuable insights to managers or change agents planning a merger, and help guide decisions on managing levels of employee engagement using change management programmes. The motivation for this study is thus based on the need to explore the possible relationships between change management implementation and employee engagement in the post-merged organisation and add to the body of knowledge on each of these topics of interest. In addition, the study will aim to show that change management programmes are usually implemented in the dominant acquiring company but remains absent in the acquired company, and that the difference in change implementation impacts on the levels of engagement between the two companies.

The study will use Kotter's (1996) change management theory and change model to describe the change process, and to generate findings on the extent of change implementation in the organisation. The Corporate Leadership Council model on employee engagement (2004) will be used to generate findings on the levels of engagement in the post-merged organisation.

### **1.3. RESEARCH OBJECTIVES**

The main thrust of the study is to understand the relationship between change management implementation and employee engagement levels in a post-merged organisation. The study will also attempt to establish the engagement levels of the two merged companies (Merged Company one and Merged Company two) according to the extent of change management implemented during the merger.

The main focus of this study is defined in objectives one to three which explore the engagement levels in the post-merged organisation, engagement levels between the two merged companies and the extent of change management implementation in the two companies. The secondary aim of the study is to determine if a relationship exists between employee engagement and the demographic variables age and length of service. In addition, the study aims to explore the relationship between previous change experience and employee engagement in mergers. Objectives four to six define the secondary objectives.



**The objectives of the research study are:**

1. To determine the level of employee engagement in a post-merged organisation.
2. To determine the level of employee engagement between Merged Company one and Merged Company two.
3. To determine the extent of change management implementation between Merged Company one and Merged Company two.
4. To determine the relationship between organisational change experience and the level of employee engagement in the post-merged organisation.
5. To determine the relationship between age and the level of employee engagement in the post-merged organisation.
6. To determine the relationship between length of service and the level of employee engagement in the post-merged organisation.

**1.4. RESEARCH SCOPE**

The research focuses on employee engagement levels in post-merged organisations. The research hopes to add to the body of knowledge on the impact of change management implementation on employee engagement in mergers. Current changes in the organisation, for example, restructuring due to the economic downturn will not be measured in this study and will not form part of the research. The study is based on the assumptions that change management, as described by Kotter's (1996) eight step model, were implemented in Merged Company one company but not implemented in Merged Company two.

Comparisons will be done on the two companies. The study is limited to mergers in the private sector within the mining industry.

## **1.5. STRUCTURE OF THE REPORT**

The research project is made up of seven chapters. Chapter one provides the introduction and motivation for the research and includes the scope of the study. The research objectives are defined and explained. Chapter two presents the literature review on the topics mergers, change management and employee engagement. Each of these topics is further explored to include a detailed analysis of relevant models, theories and suggested findings relating each topic to the next. The demographic variables, age and length of service are also discussed in relation to employee engagement and change management.

Chapter three presents the research objectives in the form of research questions that were investigated. Chapter four discusses the research methodology applied in this study, the motivation and the potential limitations of the choice of study. This chapter explains the research design, data analysis techniques and research instrument. Chapter five presents the results of the data analysis conducted in for the research study. Statistics tests include descriptive statistics, t-tests, analysis of variance and Friedman tests. Chapter six discusses the results of the research study in the context of the questions formulated in chapter three and the literature discussed in chapter two. Chapter seven draws conclusions from the analysis and provides recommendations for academic research, business research and further research.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1. INTRODUCTION**

Chapter two presents the literature review of the main topics of the research study namely, mergers, organisational change management and employee engagement. This chapter provides definitions for each topic under the respective headings. In addition, each topic is discussed in detail with continuous reference to the objectives of the study. A short summary on the variables change experience, age and length of service is also presented in this chapter. While the discussions make reference to the subject of mergers and acquisitions interchangeably, it should be noted that this study is interested in engagement levels in post-merged organisations (and not acquisitions).

### **2.2. MERGERS**

Mergers and acquisitions involve the combination of two organisations. The term merger refers to the integration of two previously independent companies into a completely new single organisation, where an element of equality exists between the two companies. Although mergers have become a preferred method for rapid growth and strategic change, their success in achieving their intended purpose has become questionable, with more than two thirds of larger mergers failing to create value for its shareholders in the short and medium term (Lodorfos & Boateng, 2006).

According to Gaughan (1999) mergers can be grouped into three main categories, defined by the types of companies that come together to form the merged organisation. These categories include:

- Horizontal mergers: takes place when two companies in the same line of business combine into one single organisation.
- Vertical mergers: takes place between two companies that have a buyer-seller relationship.
- Conglomerate mergers: takes place when two companies in different lines of business combine into one single organisation. There is no buyer-seller relationship.

This study focuses on the Horizontal merger that took place between two companies, having similar lines of business in terms of commodity and the industry they operate in.

### **2.2.1. REASONS BEHIND COMPANIES MERGING**

There are various reasons behind an organisation's decision to merge. Mergers in the 1990s were specifically targeted at developing the core activities of business and on improving company profit margins. In South Africa, mergers have increased significantly over the last decade due to government regulations on broad based black economic empowerment deals (Rathogwa, 2008). South African companies were forced to merge with black owned organisations in order to comply with legislative requirements and continue doing business. Decisions to

merge may also be specific to the industry it operates in. An organisation that is operating in an industry saturated with competitors may find it difficult to expand or grow organically. These companies would aim to gain a competitive advantage in terms of growth, creating value, or just surviving the environmental pressure through the synergies created by the merger (Samuels, 2005).

In spite of the numerous failures (mentioned in chapter one), mergers continue to be popular choice of business strategy, largely because of its ability to enlarge the company pool of assets and grow its competitive advantage. In industries that are undergoing rapid change, mergers also provide a good opportunity for the business to adapt and thrive (Devine, 2002).

Devine (2002) identified the following reasons behind company mergers:

- i. **Economies of scale:** two new companies attempt to broaden their activities while lowering their cost structures.
- ii. **Expansion:** acquiring a company in line with the business or geographic area into which the company may want to expand.
- iii. **Consolidation:** regrouping into a smaller number of big companies to help fight back against newly formed giants.

Other reasons for merging include gaining access to distribution channels or new products and technologies, enhancing or increasing products and/or services, increasing market share or access to new markets and making synergistic gains.

Certain companies may also hope to benefit from the financial deal when the target company is undervalued and acquired at a bargain price (Gaughan, 1999).

In spite of the perceived benefits, mergers often create significant trauma for both the acquiring and the acquired firm. While a number of reasons have been identified as possible causes of merger failures, the human factor is increasingly being identified as one of the key drivers behind these failures (Covin, Kolenko, Sightler & Tudor, 1997). Managers have come to realise that a company's intellectual and emotional assets contribute predominately to its competitive advantage. Finding ways to leverage this capability and realise these gains has however proven a complex and difficult process (Devine, 2002). Managers consequently need to play an instrumental role in influencing employee attitudes and leveraging both the tangible and intangible people based assets during the merger process.

### **2.2.2. IMPACT OF MERGERS ON THE WORKFORCE**

Mergers are deemed successful when they achieve high level synergies in terms of financial gain and market share. The most important challenge in realizing these synergies lie in engaging employees during the integration process (Devine, 2002). Contrary to this intended purpose, mergers have often resulted in changed environments where employees feel high levels of tension, low morale, low job satisfaction and low productivity (Rathogwa, 2008). In a study of employee reactions during a merger, it was found that employees exhibited strong negative reactions to the news of their companies merging, reacting with grief, shock and

fears of layoffs and relocations. In extreme cases individuals spoke about the merger in terms synonymous with loss of a family member or loved one (Walter & Self, 2003).

The anticipated gains associated with a merger are often unrealised because of productivity losses and the traumatic effect of mergers on the company's human resources (Walter & Self, 2003). The difficulties have a real and measurable impact on organisational performance. Managers consequently need to identify the interventions that will lessen the negativity associated with the merger process in order to allay the fears of their employees.

### **2.2.3. MERGERS – THE WINNERS CURSE**

Mergers are commonly referred to as the **winner's curse** as most buyers of companies often overestimate the synergies to be gained from the combination of the two companies. According to Christofferson, McNish and Sias (2004) managers base their decision to merge without fully understanding the target company's management structure and the relationships with the suppliers, partners and customers. The acquiring company consequently pays a premium in exchange for possible synergies they believe would result from the economies of scale and scope, best practice and the sharing of capabilities. The shareholder value created from a merger however, falls short of the expected return, usually resulting in the acquired company receiving greater benefits than the acquiring company in terms of monetary value.

#### 2.2.4. FACTORS IMPACTING ON MERGER SUCCESS

Failure in mergers has been attributed to the following factors: poor performance arising out of lack of core business, lack of clear strategy and leadership, misunderstanding or overestimating the nature of the acquired company, negative competitor and customer reactions and the inability to maximize potential synergies of the two companies (Coffey, Garrow & Holbeche, 2002). These factors relate to ***poor planning process*** prior to the merger.

More recent studies cited in Devine (2002) conclude that post-merger factors are more likely to determine success in mergers. Factors like ***leadership, an effective integration process*** and the need to gain the ***co-operation*** and ***commitment of employees*** are identified as critical. ***Mismanagement of the integration process*** leads to resistance to change, with employees clinging to old behaviours and work practices. In addition many companies lose valuable staff in the months following the merger while ***cultural incompatibility*** between the two companies fuels further separation among employees (Coffey *et al.* 2002).

Levinson (2000), in his study of mergers identified two critical issues that he believed contributed to the failure in mergers. The first issue pertains to ***control***, where the dominant organisation forces its own processes and procedures in the post-merged organisation in an attempt to make arbitrary changes to the organisation, without consulting their merging partners. As the dominant organisation imposes its control systems it stifles the junior organisation. The control systems of the dominant organisation send a message of mistrust to the



people of the junior organisation, which accentuates their feelings of inadequacy and incompetence.

Levinson (2000) identified ***lack of appreciation*** as the second factor that leads to negativity in mergers. Employees from the junior organisation become disillusioned after a merger and begin to feel that the organisation does not need their service anymore and has no use for their talents. Labour turnover increases significantly among members coming from the junior organisation. For those that remain, they lose their trust in the organisation and leadership.

The process of integrating the employees of the two companies thus becomes the key to delivering the synergies required for the post-merged organisation, synergies that are critical in sustaining the business for the future (Samuels, 2005). Employees need to understand their role in the merged organisation and realise their role in sustaining the business. Retaining and engaging the employees in the merger process becomes the key factor in achieving the desired outcome of the post-merged organisation (Rafferty, 2007).

Mergers result in major organisational change. It is therefore apt that the following section explores the body of literature surrounding change theories and change management and describes the relevance of change management to this research study.

## 2.3. ORGANISATIONAL CHANGE MANAGEMENT

Porras and Robertson (n.d. cited in Weick & Quinn, 2000) describe organisational change management as a set of behavioral science based theories, values, strategies and techniques aimed at the planned change of the organisation for the purpose of enhancing individual development and improving organisational performance, through the alteration of employee job behaviours.

The Corporate Leadership Council (2004, p.3) defines change management as “a critical part of any project that leads, manages, and enables people to accept new processes, technologies, systems structures, and values. It is the set of activities that helps people transition from their present way of working to the desired way of working.” Moran and Brightman (2001, p.111 cited in Todnem, 2005) define change management as “the process of continually renewing an organisation’s direction, structure and capabilities to serve the ever-changing needs of external and internal customers”.

From the definitions, it can be noted that organisational change cannot be separated from organisational strategy, or vice versa. Change can be viewed as an ever-present feature of organisational life, both at an operational and strategic level and as a process of securing the organisation’s future needs while defining the transitional process needed to get there. According to Todem (2005) the successful management of change is crucial to any organisation to ensure their survival and succession in the highly competitive and evolving business environment. Change management should thus be a process that focuses on

people, their resistance, their coping mechanisms and ultimately how they accept change in the workplace (Gotsill & Natchez, 2007).

### 2.3.1. TYPES OF ORGANISATIONAL CHANGE

Weick and Quinn (1999, cited in Marsh, 2009) identified three types of organisational change approaches. The first is the traditional view that describes change as a linear process of gradual and incremental change within the organisation, progressing through a logical sequence of steps over time. The second view refers to change as a non-linear process and the third approach suggests the use of continuous change as conceptual mode of translation. These three categorizations identify change to either be **incremental** (addressed by fine tuning current practices and processes for increased efficiency); **continuous** (driven by rapidly and continuously changing technologies and other environmental forces) or **radical** (forced upon organisations by major environmental shifts, societal shifts, and disruptive technologies). Radical change is characteristic of change taking place in mergers.

Changes in organisations takes place as a result of different reasons, including budget change, downsizing, or expansions. Researchers like Smith and Cronje (2002) and Rosenfeld and Wilson (1999) have consequently called for change programmes that are aligned to the purpose intended. It is important to understand the reason for change in order to identify the correct change theory and change management initiative required for the organisation to achieve its intended purpose. Change theories provide the foundation for different organisational

change management initiatives. The following section will briefly discuss some of the more significant change theories relevant to this study.

### **2.3.2. CHANGE THEORIES**

Henderson (2002) in his study of organisational change summarised various change theories and highlighted the key concepts and processes for transformation associated with each theory. For the purpose of comparison, six of the main change management theories are represented in Table 2.1.

**Table 2.1: Organisational Change Management Theories**

THEORIST	KEY CONCEPTS	PROCESS FOR TRANSFORMATION
<b>Kurt Lewin (1951) (elaborated by Schein 1992)</b>	<u>3 Step change model</u> Unfreezing, change and freezing Environmental forces (force-field analysis) Organisation as social system	Unfreeze current level of behavior Movement to change the social system Refreezing to establish behavior that is secure against change
<b>Lippitt, Watson, and Westley (1958)</b>	<u>7 step Phases of change</u> Role of the change agent Institutionalizing the change Development of internal change Management expertise	Development of the need for change Establishment of a change relationship Working toward change Generalization and stabilization of change Achieving a terminal relationship
<b>Burke and Litwin (1992).</b>	<u>Transformational and transactional dynamics</u> Organisational climate Systems view	Assess level of change required Redefine mission and strategy Leadership commitment Communication; Training; Integration
<b>Beckhard and Pritchard (1992)</b>	<u>Creating and Leading change</u> Systems thinking Theory Fundamental change Vision-driven change Resistance formula Lewin's unfreeze movement refreeze	Diagnosis Create vision Create new structures and processes Move to learning mode Reward learning and commitment Build commitment through education, role modeling, and rewards
<b>John P. Kotter (1996)</b>	<u>8 step model</u> Guiding coalitions Vision and strategy Anchoring new approaches in the culture Short-term wins	Create a guiding coalition, Develop vision and strategy Communicate change vision, Empower broad based action Generate short-term wins Consolidate gains and produce more change Anchor new approaches in the culture
<b>David A. Nadler (1998)</b>	Systems thinking Discontinuous change <u>Integrated change</u> Congruence model	Recognizing the change imperative Developing a shared direction Implementing change Consolidating change Sustaining change

Source: Henderson, G.M. (2002) Transformational learning as a condition for transformational change in organisations. *Human Resource Development Review*, 1, 186-214.

### **2.3.2.1. SUMMARY OF CHANGE THEORY**

The organisational change theories presented in Table 2.1 offer diverse approaches to change management. Lewin (1951), Schein (1992), Beckhard and Pritchard (1992) and Nadler (1998) all framed organisational change in the context of the organisation as a system. Burke and Litwin (1992) shared the systems perspective and also distinguished between the levels of change (transactional and transformational) in their model of organisational change. Kotter (1996) focused on organisational change from a leadership and management perspective, whereas Lippitt, Watson and Westley (1958) developed their approach from the perspective of an external change agent. Two common threads run through all these approaches. Firstly, theorists in this group target the organisational level with their change processes. Secondly, with the exception of Lewin (1951) and Schein (1992), the theorists assume that changing an organisation will result in change in its individual members (Henderson, 2002).

For the purpose of this study, Kotter's (1996) change theory and change model was identified as the most relevant for this research and will be used to answer the research questions on change implementation.

Kotter (1996) is of the opinion that most companies fail to manage the change processes because they focus on changing the organisation rather than on the people who work in the organisation. Kotter (1996) believes that people will not change unless one appeals to the hearts of individuals affected by change. Kotter (1995) sees organisational transitions as events that are difficult to manage,

claiming that managers fail in making use of change management practices such as articulating a clear and compelling vision, communicating in a full and timely manner and building political coalitions. He thus calls for the use of eight sequential action steps that needs to be following during organisational transition which he believes will help ensure the success of change.

### **2.3.3. KOTTER'S EIGHT STEP MODEL OF CHANGE**

Kotter's (1996) eight step change model is described in detail in Table 2.2. The steps are illustrated in sequence from step one to step eight with a brief explanation on the actions that need to be implemented by leaders and change agents during each of the eight steps.

**Table 2.2: Kotter's Eight Step Change Model**

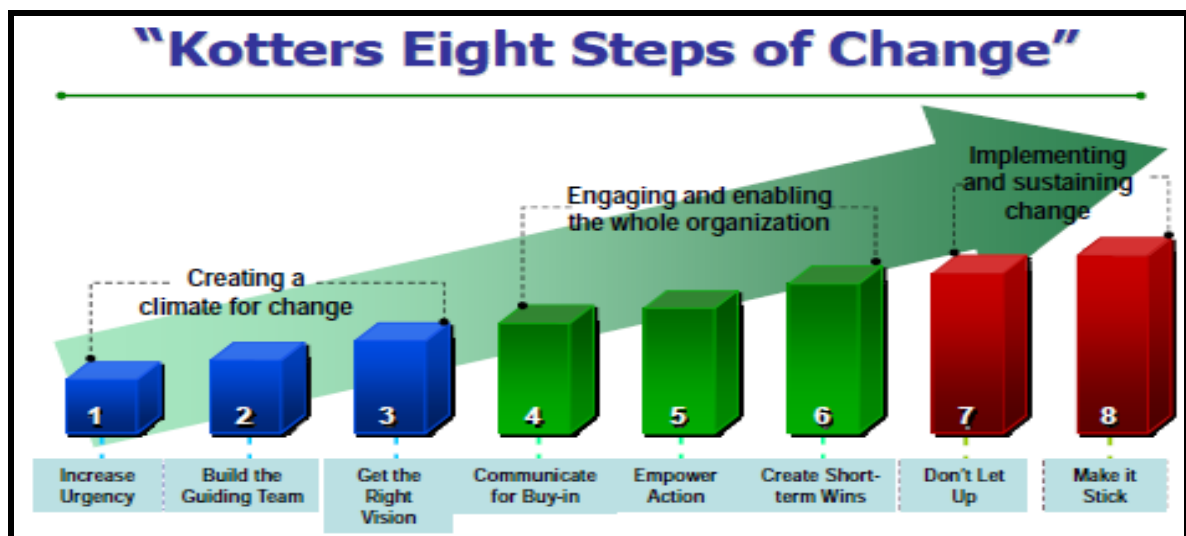
STEP	CHECKLIST
<b>Step 1 Establishing a Sense of Urgency</b>	<ul style="list-style-type: none"> <li>• Help others see the need for change and the importance of acting immediately</li> <li>• Identify and discuss crises, potential crises or major opportunities</li> </ul>
<b>Step 2 Creating the Guiding Coalition</b>	<ul style="list-style-type: none"> <li>• Make sure there is a powerful group guiding the change, one with leadership skills, bias for action, credibility, communication skills and authority and analytical skills</li> <li>• Assemble a group powerful enough to lead &amp; influence the change</li> <li>• Show people what is needed through modeling behaviours</li> <li>• Getting the group to work together like a team</li> <li>• Act in a way that hits the emotions</li> <li>• When a "moment of truth" event occurs, grab it and turn it into a story to tell</li> </ul>
<b>Step 3 Developing a Vision and Strategy</b>	<ul style="list-style-type: none"> <li>• Clarify how the future will be different from the past, and how you will make the future a reality</li> <li>• Creating a vision to help direct the change effort</li> <li>• Getting the vision and strategy right</li> <li>• Developing strategies to achieve the vision</li> </ul>
<b>Step 4 Communicating the change vision</b>	<ul style="list-style-type: none"> <li>• Make sure as many others as possible understand and accept the vision and the strategy</li> <li>• Using every vehicle possible to constantly communicate the new vision and strategies</li> <li>• Have the guiding coalition role model the behaviour expected of staff</li> </ul>
<b>Step 5 Empowering Broad-Based Action</b>	<ul style="list-style-type: none"> <li>• Enable others to act on the vision by getting rid of obstacles, encourage risk taking</li> <li>• Altering systems or structures that undermine the change vision</li> </ul>
<b>Step 6 Generating Short-Term Wins</b>	<ul style="list-style-type: none"> <li>• Plan for and generate short term wins / improvements in performance</li> <li>• Creating those wins</li> <li>• Recognise and reward those people who make wins possible</li> </ul>
<b>Step 7 Consolidating Gains and Producing More Change</b>	<ul style="list-style-type: none"> <li>• Press harder and faster after the first success</li> <li>• Not letting up, consolidating improvements and sustain the momentum for change</li> <li>• Use increasing credibility to change all systems, structures and policies that don't fit together and don't fit the transformation effort</li> <li>• Reinvigorate the process with new projects, themes and change agents</li> </ul>
<b>Step 8 Anchoring New Approaches in the Culture</b>	<ul style="list-style-type: none"> <li>• Hold on to the new ways of behaving, and make sure they succeed until they become a part of the very culture of the group</li> <li>• Articulate the connections between new behaviours and organisational success</li> </ul>

Kotter, J.P. & Cohan. D. (2002) *The heart of change, real life stories of how people change their organisations*. Boston: Harvard business school press.



Kotter's model (1996) was identified as an appropriate model to illustrate the steps of change management in mergers as it involves a process that extends across the pre-merger, transition and post-merger stages. Kotter's change model (1996) has been described as a simple model that has a twofold focus: firstly it involves a step by step process of implementing change and secondly it allows individuals the opportunity to accept and prepare for the change as part of the change management process. The change model fully prepares the employees for change before the vision is created (step 1) and continues to provide guidance after the transition has occurred (step 8). Figure 2.1 illustrates Kotter's (1996) eight step model which speaks to the pre-change, transition and post change phases. Implementing steps one to three creates a climate for change, steps four to six engages and enables the organisation while steps seven and eight ensures that change is implemented and sustained.

**Figure 2.1: Kotter's Eight Steps of Change**



Source: Scheid, K (n.d.) Moving Your Organization Ahead - Kotters Eight Steps of Change Retrieved from [www.bcwinstitute.com/Learningcenter/.../rp\\_change\\_process.pdf](http://www.bcwinstitute.com/Learningcenter/.../rp_change_process.pdf) (accessed 25/05/10).

Kotter (1996) advises that all eight steps of the model must be consulted when managing change to ensure that the change process is successful (Cellars, 2007). Kotter and Cohen (2002) maintain that some managers believe that new working methods within the organisation can be achieved after completing step six. However these researchers warn that by ignoring the impacts of complacency or the ineffective guiding team (last two steps of the model), managers may allow for failure to set in before the transition process is complete.

Kanter (1984) suggests that in order to build commitment to organisational change, managers should allow employees to participate in the change process, provide a clear picture or vision of the future and share information about changes that will occur. By doing this, managers demonstrate their commitment to change, tell people exactly what is expected of them and offer positive reinforcement to those in need of direction. The factors identified by Kanter (1984) complement Kotter's (1996) vision of the eight step change model. This view is further supported by Gravenhorst, Werkman and Boonstra (2003) who believe that the change process itself gets relatively little attention from managers who focus more on the "what" of change in terms of the content, rather than the "how" of the change process.

Change theories like the eight step model provide a good foundation for the users of change management programmes. To be successful however change programmes also need to consider the behavioural side of change and on how individuals react to change (Lawson & Price, 2003).

According to Lawson and Price (2003), change management programmes fail to consider the irrational side of the change process and consequently ignore how employees interpret their environment. These researchers refer to this phenomenon as the psychology of change management. This information is deemed relevant for the study as it attempts to provide an understanding of the dynamics of human behaviour during and after the change process has taken place, and adds to the theory of Kotter's (1996) eight step change model.

#### **2.3.4. THE PSYCHOLOGY OF CHANGE MANAGEMENT**

Lawson and Price (2003) identified four building blocks for influencing employee attitudes and management behavior which they believe need to be present for employees to change their behavior. The building blocks include: creating a compelling story, role modeling, reinforcing mechanisms and capability building.

##### **2.3.4.1. CREATE A COMPELLING STORY**

Leaders need to understand that employees are not necessarily motivated by the same set of factors that motivate senior leaders. When leaders create and communicate their compelling story (that is, the new company vision), they need to remember to invest energy into listening and involving employees in the new organisation and in encouraging employees to take ownership of the change process (Lawson & Price, 2003).

#### **2.3.4.2. ROLE MODELING**

According to Lawson and Price (2003) leaders need to role model desired behaviours they would like to see in the new organisation. More significantly leaders must have the insight into what to change, using 360-degree feedback techniques, either via surveys and conversations and then sharing these development needs and commitment with employees. Identifying and mobilizing team leaders in the organisation who have an influence over how others think, becomes critical during the change process.

#### **2.3.4.3. REINFORCING MECHANISMS**

Changes made to company structures, processes, systems and incentives impact negatively on employees. Lawson and Price (2003) maintain that managers need to understand what employees deem fair in the change process and take particular care in introducing mechanisms that affect how employees interact with one another (such as head count reductions and talent-management processes) and with their customers (sales stimulation programs, call center redesigns, and pricing).

#### **2.3.4.4. BUILD CAPACITY**

Managers must realise the importance of building the skills and talent needed for the desired change, as well as be considerate of employee thoughts, feelings, and beliefs that drive their behavior. Management must ensure that employees are given opportunities to practice skills learnt back at the workplace and that training become an ongoing event to ensure skills integration (Lawson & Price, 2003).

Devine (2002) calls for change strategies that will assist employees find their place in the value chain and to voice their thoughts and concerns and explore their differences of opinion. Managers also need to help employees find positions where they will feel valued and where they can contribute to the organisation's success. Change agents thus need to integrate the psychology of the change process and consider the irrational side of change behaviours during the eight steps of the change process.

According to Kotter (1995) the single most important factor in achieving a successful merger rests on the employee's ability to adapt to change. This is especially critical in a merger where employees are plagued with fears about the future and withdraw their services as a result of their insecurities. The risks associated with change programmes can consequently be minimized by taking into account these counterintuitive insights about how employees interpret their environment and choose to act (Aiken & Keller, 2009). Barchan (2006) maintains that employees that are given the opportunity to understand and accept the reasons for change tend to meet their new work obligation with greater involvement and increased focus. The challenge remains for managers to direct the workforce towards generating greater wealth through shareholder, customer and employee value that is greater than that of the pre-merged companies.

Organisational change has become part of every business, where organisations continuously redefine the structures, processes, the workforce and the environments within which they operate. An environment that is continuously

changing warrants a workforce that can adapt to the demands of the new environment. The adaption process however may be influenced by how the individual reacts to change, based on their experience with previous change processes. This study will attempt to research whether an employee's previous experience with organisational change is related to their levels of employee engagement in the post-merged organisation.

### **2.3.5. CHANGE EXPERIENCE AND CYNICISM**

According to Schneider, Brief and Guzzo (1996) an employee's readiness for change is influenced by the organisation's previous track record of successfully implementing change programmes. Failed organisational change programmes of the past make employees reluctant towards new change initiatives. Wanous, Reichers and Austin (2000) support this view, maintaining that an employee's previous history of change correlates with their motivation to keep on trying to make change work. The advice given is that leaders need to confront and discuss previous change failures before moving ahead with new change initiatives.

A study by Stensaker and Meyer (2009) compared reactions to change among employees with extensive versus limited change experience. Their findings suggest that many individuals learn to cope with fast-paced change initiatives and appear to react through loyalty when implementing change. However, loyal behaviour can be based on either positive or negative feelings or thoughts, manifesting in either enthusiasm or passive reaction to change.

According to Schneider *et al.* (1996) an individual's experiences of previous change (at the organisational level) and job satisfaction (at the individual level) have a significant influence on an individual's emotional involvement and commitment to change. An individual's readiness to change is influenced by the organisation's track record of successfully implementing change programmes, where positive experiences stimulate the employees' commitment while negative experiences inhibit their commitment. At the organisational level, studies by Devos, Vanderheyden and Van den Broeck (2002) indicate that the history of change influences an employees' commitment to change while top management integrity and reward systems have little influence on the commitment levels.

Organisational change can bring about differing reactions among employees who are either positive with high levels of performance or negative with feelings of cynicism. Organisational cynicism is defined as a negative attitude toward one's employing organisation, where the employee believes that the principles of honesty, fairness and sincerity are sacrificed to further the interests of the leadership (Abraham, 2000). Cynics thus become less optimistic about change programmes because of their past experiences with change failure and management promises that did not materialise.

The literature provides insight into whether change experience influences an individual's reaction towards forthcoming change management programmes and how positive change experiences can bring about a positive feeling towards change. This research study will explore the relationship between previous

organisational change experience and employee engagement. In other words, the study will aim to show that individuals with previous organisational change experience will differ in their levels of employee engagement to employees with no change experience.

The following section explores the literature available on the subject of employee engagement and builds on the main thrust of the research study. The following headings are discussed in the remainder of this chapter, namely, definitions of employee engagement, the employee engagement model, engagement drivers and employee disengagement.

## **2.4. EMPLOYEE ENGAGEMENT**

Employee engagement is defined as the extent to which employees commit to something or someone in their organisation, how hard they work and how long they stay as a result of that commitment (Corporate Leadership Council, 2004). Kahn (1990) relates engagement to when an employee is psychologically present when occupying and performing an organisational role, and maintains that employee engagement directly or indirectly can be linked to organisational performance.

Employee engagement overlaps with the research topics of employee commitment, motivation and satisfaction, but is differentiated from these variables in that it can either be a result of organisational efforts or the employee choice of engagement with the organisation (Robinson, Perryman & Hayday, 2004). This study is interested in measuring engagement according to the former definition



where engagement is seen as a result of organisational change implementation in mergers. However, the discussion on engagement also touches on the importance of involving or engaging an employee during the change management process. It is important that these two explanations are not confused.

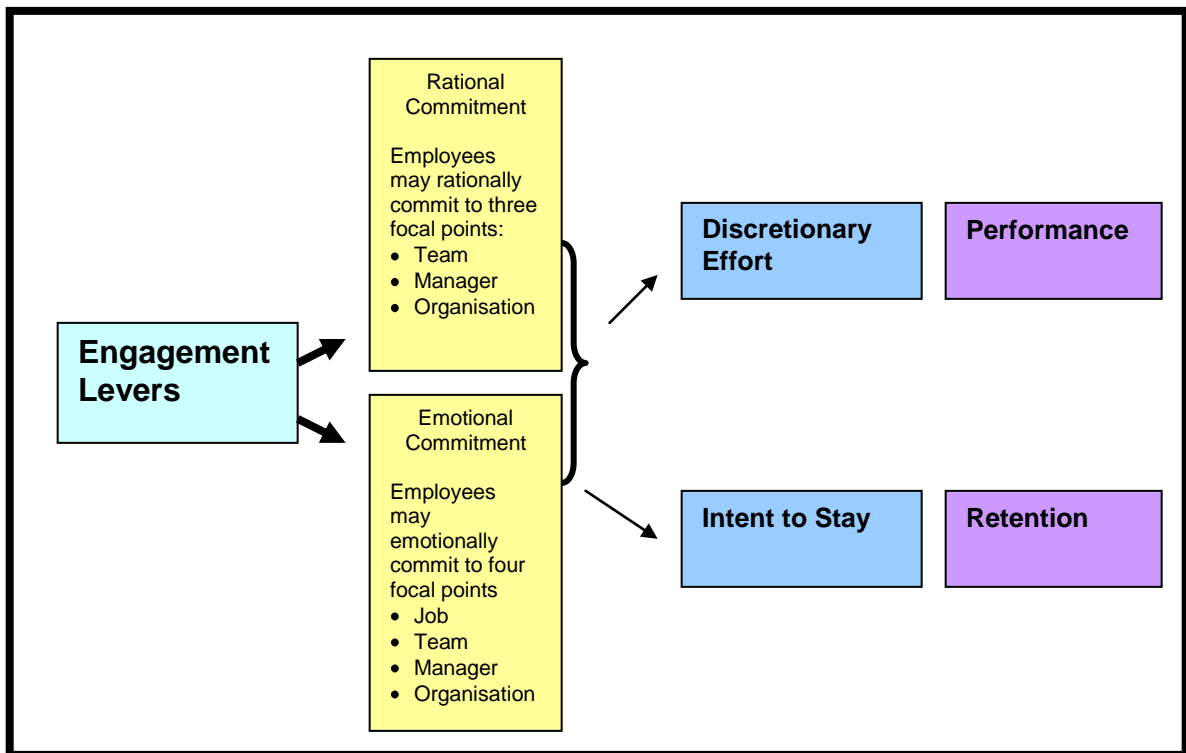
#### **2.4.1. CONSEQUENCES OF HIGH EMPLOYEE ENGAGEMENT**

Employee engagement is a key business driver for organisational success, where high levels of engagement promote retention of talent, foster customer loyalty and improve organisational performance and stakeholder value (Lockwood, 2007). Engaged employees remain enthusiastic about their company and choose to remain with the organisation. These employees feel valued for the contributions they make to the organisation and not just for the salary they receive. A survey conducted by the Gallop organisation (2004) reported that the top 24% of businesses experienced less turnover, higher levels of profitability, increased revenues and greater customer loyalty due to higher levels of employee engagement (Gill, 2009). These results are supported by the Corporate Leadership Council (2004) who state that engagement is the key to performance and retention, where highly committed employees try 57% harder, perform up to 20 percentile points better and are 87% less likely to leave than employees with low levels of commitment.

## 2.4.2. EMPLOYEE ENGAGEMENT MODEL

The Corporate Leadership Council (2004) devised an outcomes based model, illustrated in Figure 2.2 that attempts to measure the tangible benefits of employee engagement.

**Figure 2.2: Corporate Leadership Council Employee Engagement Model ©**



Source: Corporate Leadership Council (2004) *Driving employee performance and retention through engagement: A quantitative analysis of effectiveness of employee engagement strategies*. Washington DC: The Corporate Executive Board: 1-16.

The Corporate Leadership Council (2004) identified the levers of engagement to consist of commitment that is either rational or emotional. Rational commitment refers to the extent to which employees believe that managers, teams, or organisations act in their self-interest (financial, developmental or professional) and emotional commitment refers to the extent to which employees value, enjoy and

believe in their jobs, managers, teams or organisations. The engagement model further distinguishes that the two types of commitment results in two possible outcomes: discretionary effort (to go above and beyond the call of duty) leading to increased performance or intent to stay (employee's desire to stay with organisation) leading to retention.

Engagement is influenced by many factors ranging from workplace culture, organisational communication and managerial styles to trust, respect, leadership and company reputation (Lockwood 2007). Engaging employees to understand the business drivers and welcome organisational transitions like mergers becomes critical as this is where employees typically experience a perceived lack of control over their future (Marks, 2007).

### **2.4.3. DRIVERS OF ENGAGEMENT**

Engagement is influenced by the features of the job the employee does (such as physical work environment, role clarity and job security) and features of the organisation in which the employee works (such as vision, effective communication and employee relations). The features of the work environment can drive employees towards becoming engaged, or they can push employees towards disengagement (Corporate Leadership Council, 2004). Understanding the environmental features of organisations thus becomes crucial when trying to understand the levers of employee engagement and the key actions that can be taken to increase engagement levels (Wellins, Bernthal & Phelps, n.d.).

The effects of engagement are visible in behavioural outcomes, which in turn have an impact on organisational and personal outcomes (Wellins *et al.* n.d.). Robinson *et al.* (2004) further adds that employee engagement levels can increase when the employee feels involved in the decision making process and their contributions are being heard by managers. Engagement levels are also increased when employees have the opportunities to develop in their jobs.

#### **2.4.4. EMPLOYEE DISENGAGEMENT**

Organisational changes as a result of mergers, acquisitions, downsizing and restructuring leads to increased pressure on employees to work longer hours, take on greater responsibility and become more tolerable towards continuous change and ambiguity (Burnes, 2005). The problem becomes exaggerated when change agents fail to include the individual in the adaptation process and also fail to manage the change process adequately. This mismanagement impacts negatively on organisational effectiveness and employee wellbeing, resulting in the employee becoming disengaged in their work and the organisation (Marks, 2007). According to Weiner and Roberta (2008) disengagement includes feelings of alienation or loss of identity with an organisation, group or team, resulting in the following outcomes:

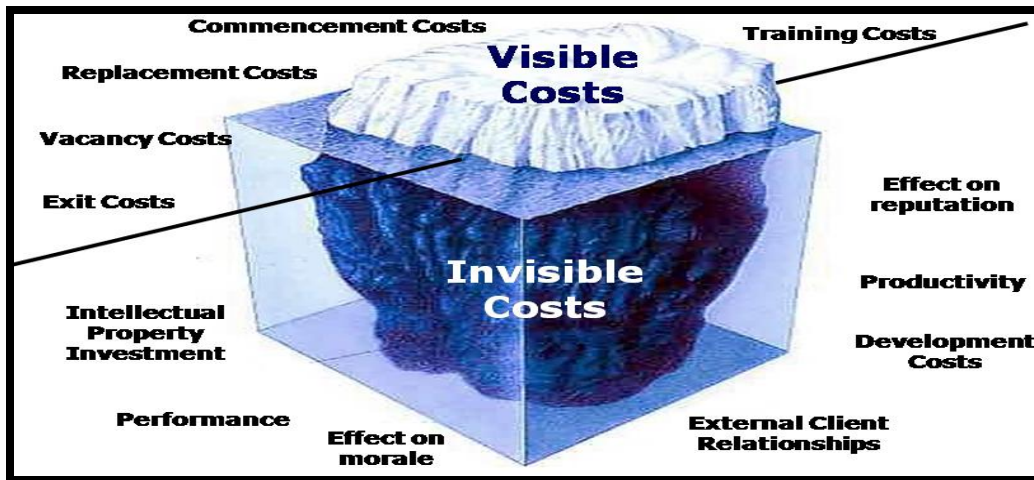
- Day-to-day decision-making grinds to a halt as overall decisions from the top are awaited.
- People are unsure where they will be placed or how they will contribute.
- Employees feel that their security and future are threatened.

- Employees no longer feel that they are a vital part of the company.
- Worker morale plummets.
- Battle lines are drawn. An "us vs. them" stance emerges where cultural, corporate, country and continental differences are magnified and feared.
- Personal value is lost or at least undermined. The dominant question in most peoples' minds is: 'Where do I fit?'

Restructuring associated with mergers invariably has a negative impact on employees in terms of job losses, job uncertainty, ambiguity and heightened anxiety, emotions which are not necessarily offset by any organisational benefits such as increased productivity and financial profits. Kotter (1996) calls this a state of carnage resulting in wasted resources and burnt-out. Employee disengagement is a clear sign that the post-merged organisation has become dysfunctional and resulted in failure (Weiner & Roberta, 2008).

Frustrated employees lead to disengaged employees who are more likely to leave an organisation. Increased levels of turnover contribute to increased manpower costs where the costs of replacing employees are significantly greater when compared to the costs of retaining individuals. Beames (2004) put forward the Turnover Cost Iceberg model that illustrates the hidden costs of turnover as a result of employee disengagement.

**Figure 2.3: The Turnover Cost Iceberg Model**



Source: Beames, C. (2007) *Employee engagement, a much abused term. Workplace relationship development indicator institute, White paper, March. 6.*

According to the Iceberg theory, the hidden cost of employee disengagement (what is below the surface) is significantly higher than what managers see on the surface. The cost of turnover ranges from between 0.5 to 2.5 times the value of the job in question, depending on the importance of the job. Approximately 80% of these costs are indirect or lag costs, and are not reflected directly on the company's balance sheet. These costs are usually related to employee turnover and training costs required for new recruits. The additional costs of rehiring and/or finding suitable replacements adds to the risks of the organisation's future growth aspirations and in their ability to service existing and new clients and markets. Engaging the workforce becomes not only crucial for the business strategy but also for the financial viability of the company (Beames, 2004).

Sustaining engagement during and after organisational change can make a significant difference in retaining employees and increasing performance. It is important for change managers to consider employee engagement as an integral

part of the change process, that is, before, during and after change has taken place. Additional factors for consideration to change agents are whether factors like age and length of service are related to engagement levels in the post-merged organisation. This study will explore the possible relationship between the demographic variables age and length of service and levels of engagement. A short description of the demographic variables is provided in the following paragraphs.

## **2.5. AGE AND GENERATIONAL THEORY**

Organisations are for the first time in history experiencing four generations of employees in the workplace at once. The workforce now operates in an environment that is flatter, more egalitarian and without the clear role models that existed in the past. Age and years of experience no longer remain a pre-requisite for positions of responsibility and influence in the organisation. The workplace consequently presents a unique challenge for managers who seek to harness the skills and motivations of the diverse workforce, while still working to form a cohesive team (De Kort, 2004).

Codrington and Grant-Marshall (2004) provide some valuable insights into the study of the generations, using the generational theory to explain people's values, motivations and experiences in terms of what they bring to work and what they want from work. This research study is especially interested in the relationship between age and the levels of employee engagement.

Generation theory categorises individuals according to the year they were born and the typical values they exhibit in their workplace. The generation theory identifies five sets of generations, namely, Silent generation, Baby Boomers, Generation X, Generation Y and Generation Z. The first four groups are relevant for this study and will be discussed briefly (Codrington & Grant-Marshall, 2004).

### **2.5.1. SILENT GENERATION**

- Born in 1930s-1940s
- Is now around 65 to 75 years
- Core values include duty before pleasure, adherence to rules, hard work, law and order, respect for position, cautious and being self sufficient.

### **2.5.2. BABY BOOMERS**

- Born between 1946 to 1960
- Is now around 50 to 64 years
- Core values include image, optimism, team orientation, personal growth and personal gratification grouped together by similarity of belief.

### **2.5.3. GENERATION X**

- Born between 1960 and 1980
- Is now around 30 to 50 years
- Core values include choice, global awareness, techno-literacy, individualism, lifelong learning, immediate gratification, whiners and thrill seekers.



#### **2.5.4. GENERATION Y**

- Born between 1990 and 2000
- Is now between 10 and 20 years old
- Core values include confidence, high self-esteem, media and entertainment, overloaded, street smart, diverse, networkers and techno-savvy.

#### **2.5.5. IMPLICATIONS FOR MANAGEMENT**

There are a number of concerns and challenges regarding the impact of the age and generation gap on the workforce. Employees from different generations are looking for different rewards from their workplace. For example, the Silent and Baby Boomer generation love to work long hours while Generation X wants more flexibility and leave benefits. Generation X wants more feedback about their work performance at regular intervals while Baby Boomers prefer to work independently with little feedback from managers. The differences that distinguish the generations have massive implications for management regarding the training and development, retention strategies and the leadership pipeline in the organisation (Codrington & Grant-Marshall, 2004).

Of significance to this study is the impact of age (as described by the generational theory) on employee engagement in the post-merged organisation. The question that needs to be asked is how do individuals from the different age groups handle change and is this related to levels of employee engagement? Age differences will consequently be examined in terms of its relationship with employee engagement.

## **2.6. LENGTH OF SERVICE**

Length of service refers to the duration of service or employment and is often used to indicate how long an employee or individual has worked at an organisation (Business dictionary.com). Older workers tend to have longer years of service than their counterparts (Bureau of Labour statistics, 2008). Engaging employees with longer tenure presents a management challenge in organisations that are undergoing transitions like mergers. These employees may feel despondent or indifferent about change or may not be willing to commit to new ways of work. Robinson *et al.* (2004) found that engagement levels decline as an employee's length of service increases and thus advised that managers consider the employees' development needs (including the special needs of professionals) in an attempt to keep them engaged.

This study will explore the relationship between employee engagement and the variables age and length of service in the post-merged organisation and will attempt to generate findings regarding its significance in the change process.

## **2.7. SUMMARY OF CHAPTER**

Successful mergers are a consequence of successful integration strategies that realise the fundamental goals of the change process. These strategies need to leverage both tangible and intangible assets while ensuring that the people capabilities are geared towards contributing to the organisation's competitive advantage. The most important challenge thus remains to engage people before and during the integration process (Devine, 2002), to ensure engaged employee

after the transition process. Managers must thus realise that achieving people synergies early in the transition process is the key to success. Employee commitment and involvement levels during a merger contribute to the success of the transition process and should not be left to chance. Mergers that fail to include change initiatives run the risk of promoting such forces. The challenge for organisations is to find ways to link the post-merger business strategies with the integration process through a process of co-ordination, co-operation, collaboration and commitment, thus reducing uncertainty and quelling fears among employees (Coffey *et al.* 2002).

Employee engagement or disengagement are forces that directly influence the adaptation process and are likely to remain in the post-merged environment where employees hang on to bonus schemes or reward systems of the previous organisation (Marks, 2007). Change managers need to consider factors like past change experience, the individuals age and length of service, and how these factors influence levels of engagement before embarking on a major transitional process. A well managed change programme consequently becomes critical in managing the pre and post transitional phases of the merger.

The literature presented in this chapter maps out the framework against which mergers, change management and employee engagement can be analysed. Chapter three outlines the research questions pertaining to the primary and secondary objectives of the study and helps set the tone of the remainder of the study.

## **CHAPTER THREE: RESEARCH QUESTIONS**

### **3.1. INTRODUCTION**

The previous chapter provided a contextual framework for understanding the purpose and objectives of the study. Chapter three presents the research questions of the study. The research questions are the translation of the research problem into a specific need for inquiry (Zikmund, 2003). The formulation of research questions assists in adding clarity to the research problem and makes it easier to understand the problem facing organisations today. It defines the nature and scope of the study and provides the link for the choice of strategies and methods of investigation for the study (Blaike, 2004). The research questions presented in this chapter helps translate the objectives outlined in chapter one. Questions are framed around employee engagement and change management implementation in the post-merged organisation and the merged companies. In addition, research questions pertaining to age, length of service and previous change experience are included for exploration.

### **3.2. RESEARCH QUESTIONS**

The research problem led to the formulation of the following research questions:

#### **3.2.1. RESEARCH QUESTION ONE**

What are the levels of employee engagement in a post-merged organisation?

### **3.2.2. RESEARCH QUESTION TWO**

Is there a difference in the level of employee engagement between Merged Company one and Merged Company two?

### **3.2.3. RESEARCH QUESTION THREE**

To what extent was change management implemented (using Kotter's eight step model, 1996) in Merged Company one and Merged Company two.

### **3.2.4. RESEARCH QUESTION FOUR**

Is there a relationship between organisational change experience and the level of employee engagement in post-merged organisation?

### **3.2.5. RESEARCH QUESTION FIVE**

Is there a relationship between age and the level of employee engagement in post-merged organisation?

### **3.2.6. RESEARCH QUESTION SIX**

Is there a relationship between length of service and the level of employee engagement levels in merged organisations?

The following chapter discusses the research methodology used in this study to answer the research questions and achieve the research objectives.

## CHAPTER FOUR: RESEARCH METHODOLOGY

### 4.1. INTRODUCTION

Chapter four focuses on the research methodology and its application to the research objectives and questions outlined in chapters one and three. The research design, unit of analysis, population, sampling techniques and sample description are described according to its use in this chapter. In addition the statistical tools used in the study are defined in relation to the objectives and research questions. A short description of the limitations of the study is also provided at the end of this chapter.

Research methodology refers to the methods, techniques and procedures that are used in the process of implementing the research design (Babbie & Mouton, 2003). The research methodology used in this study was quantitative in nature. Quantitative research involves the collection and analysis of numerical data and the application of statistical tests to that set of data (Collis & Hussey, 2003). Statistical analysis is enabled by assigning scores or weights to the responses in the survey instrument used in the study (Zikmund, 2003). Quantitative research is an objective approach to measuring phenomena in the sense that it only seeks precise measurements and analysis of target concepts to answer questions of inquiry (Shuttleworth, 2008). The disadvantage of using quantitative research is that respondents are not given an opportunity to provide in-depth answers to research problems (Zikmund, 2003), thus reducing the level of insight that one can gain from the study.

## **4.2. RESEARCH DESIGN**

The selection of a research design is based on how the problem is shaped, by the end result that is desired and by the questions that are being raised (Merriam, 1998). Babbie and Mouton (2003) define research design as a set of guidelines and instructions to be followed in addressing the research problem. The research design for this study uses the non-experimental survey method. The survey is a research technique where information is gathered from a sample of people using the questionnaire or interview technique. Surveys are particularly useful in describing the characteristics of a large population. Zikmund (2003) emphasizes that the survey method can provide a quick, inexpensive, efficient and accurate means of assessing information about the population. Surveys allows for flexibility in terms of the questionnaire design, allowing the researcher the opportunity to ask as many questions as the study requires (Babbie & Mouton, 2003).

The aim of using this research design was to present a systematic and accurate description of the findings of the research problem (Zikmund, 2003), with a view of describing the relationship between employee engagement and change management initiatives in post-merged organisations.

## **4.3. UNIT OF ANALYSIS**

The unit of analysis refers to the “what” of the study, what object, phenomenon, entity, process or event the researcher is interested in studying (Babbie & Mouton, 2003). Zikmund (2003) distinguishes between four different units of analysis in social science, namely individuals, groups, organisations and social artifacts. This

study uses two sets of analysis, namely the individual employee and the group (Merged Company one and Merger Company two). The variables age and length of service were studied on an individual level. These characteristics were then aggregated on a group level (using nominal measurement scales) for the purposes of describing the characteristics of the group. Similarly responses to change management implementation and employee engagement were studied on an individual level and the organised on a group level (Merged Company one and Merged Company two), allowing the comparison of results between the groups. The variable change experience was measured on a group level only.

#### **4.4. RESEARCH INSTRUMENT**

The measurement instrument used in the study took the form of a structured questionnaire, comprising of two sections. Section one comprised of six questions measuring biographical information. Questions in this section were framed such that respondents could provide information on the following variables: race, gender, age, management level and years in service. An additional question was added to section one to determine if respondents were exposed to previous organisational change prior to the merger.

Section two of the questionnaire took the form of a five point Likert scale, allowing respondents to indicate the extent to which they strongly disagree to strongly agree on questions measuring employee engagement and change management implementation. Section two of the research questionnaire was made up of 49 questions, 33 questions were based on Kotter's (1996) eight step model of change



management and 16 questions on employee engagement, as defined by the Corporate Leadership Council (2004). Items in the questionnaire were worded positively and negatively. Those items that were negatively phrased were reverse scored in order to reduce response bias. The research questionnaire was piloted on four individuals to ensure that no statements remained ambiguous or were an invalid measure of the variable. Feedback from the pilot group was used to correct ambiguous statements and grammar mistakes. (Annexure one presents the detail of the research questionnaire).

The research questionnaire will be described in further detail, identifying the types of questions used in the design, the reliability of the research instrument and the measurement scales used for analysis.

#### **4.4.1. QUESTIONS ON CHANGE MANAGEMENT**

Questions measuring the change management were adapted from Kotter's (1996) eight step model of organisational change. Kotter's (1996) model for change management identifies eight steps that change agents should implement when an organisation is undergoing change. These steps are described in detail in chapter two of the research study. Questions on the eight steps were drawn from the academic review of the Kotter's work (1996) by Kotter and Cohen (2002).

#### **4.4.2. QUESTIONS ON EMPLOYEE ENGAGEMENT**

The Corporate Leadership Council (2004) engagement survey was incorporated into the research questionnaire to measure the construct of employee engagement. The engagement survey measures engagement levels according to four dimensions namely, emotional commitment, rational commitment, discretionary effort and intent to stay.

#### **4.4.3. RELIABILITY OF THE RESEARCH INSTRUMENT**

Reliability refers to the ability to repeatedly get the same result using the same research instrument, regardless of the assessor conducting the research (Trochim, 2000). To validate the research questionnaire, the Cronbach alpha reliability was computed for the 49 questions in section two, testing for internal consistency and reliability among each of the eight steps of Kotter's model (1996) and the four dimensions of employee engagement.

Cronbach's alpha coefficient ( $r$ ) is a statistical procedure that determines the correlation of each test item with the other. The closer  $r$  is to 1, the greater the chance that items on the measuring instrument are measuring the same trait (Leedy & Ormrod, 2001). A value between 0.4 and 0.7 indicates internal consistency and reliability of items. If the value is between 0.7 and 1, it indicates high internal consistency and reliability among items (Ho Yu, 2001).

#### **4.4.4. MEASUREMENT SCALES**

The two scales used in the research instrument were nominal measurement and interval scale measurement.

##### **4.4.4.1. NOMINAL SCALE**

Nominal scale measurement is the lowest level of measurement which classifies variables into unordered qualitative categories (Zikmund, 2003). These categories must be homogenous, mutually exclusive and exhaustive, meaning that all objects, events and people allocated to a particular category must share the same characteristic (Blaike, 2004). The nominal scale was used to categorise the demographic variables into groups to allow for comparisons between groups.

Questions pertaining to the biographic variables race, gender and management level were constructed such that responses could be easily categorized into the nominal categories. Questions on age and length of service were not initially grouped into predefined categories. The responses were however placed into nominal categories after the data was collated. Allocating categories after the questionnaires were collated allowed for the categorizing of the sample into more equitable groups, allowing for better comparative statistics on the biographic data.

Age was categorized into the following six nominal groups: 35 years and younger, 36 to 40 years, 41 to 45 years, 46 to 50 years, 51 to 55 years and 56 years and older. Length of service was categorized into the four groups: 9 years or less service, 10 to 19 years service, 20 to 29 years service and 30 years or more

service. Level of change experience was categorised into four groups: no prior change experience, experienced organisational change at least once, experience organisational change at least twice, and experience organisational change more than twice in their careers.

#### **4.4.4.2. INTERVAL SCALE**

This interval scale measurement conveys information about the ordering of magnitude of the measurement and about the distance between the values of responses (Zikmund, 2003). The five point Likert scale is considered an interval scale measurement in that it enables the calculation of means and parametric significance testing on the values of the responses (Zikmund, 2003). The Likert scale was used to measure the responses on the 49 questions in section two of the questionnaire.

### **4.5. DATA COLLECTION METHOD**

The data collection process began with an email to the sample group explaining the intended purpose of the study, what the data was to be used for and the proposed dates they were to be contacted. In addition, the human resource managers of the merged companies within the post-merged organisation were updated on the research study and its intended purpose. The questionnaires were then sent out electronically with a covering letter describing the details and purpose of the research. The respondents were given ten days to send completed questionnaires via the internal postal system. This ensured the anonymity of the

responses. Two follow up emails were sent to the sample groups reminding individuals to participate in the study.

#### **4.6. POPULATION**

This study was limited to mining organisations within the private sector in the Gauteng area. The target population was mining organisations that have undergone mergers in the last five years. Selecting the sample from the target population in the Gauteng area helped provide easy access to individuals available for the study. The reason for selecting a mining organisation for the study was twofold. Firstly, it was easy to gain access to the mining organisations where a number of mergers had taken place, and secondly, mining organisations provide a stable source of information as mining forms the core component of the South African resources industry (Mabena & Nengovhela, 2009).

#### **4.7. SAMPLING METHOD**

The sampling method used in this study was convenience sampling. Convenience sampling is a non probability sampling method used to obtain units or people who are most conveniently available from the population. In non probability sampling, there is less probability of knowing which members of the population will be chosen. As a result, projecting data beyond the sample is inappropriate. The benefits of using this sampling method include lower cost and greater availability of the sample population. Although convenience sampling is criticized for not representing the general population, care was taken when sampling the group to

ensure maximum representation of the population in as many categories as possible (Zikmund, 2003).

#### **4.7.1. SAMPLE DESCRIPTION**

The sample group for this research was drawn from the mining company in the Gauteng area. It was important that the sample be of sufficient size of the population in order to provide specific answers to the research problem. The post-merged organisation that was chosen for the study merged from two separate companies within the mining sector (referred to in this study as Merged Company one and Merged Company two). Merged company one refers to the company that played a more dominant role in the merger with respect to the change process and policy and process alignment, while Merged Company two refers to the acquired company that had little influence in the internal systems and organisational structural alignment process. It should be noted however that Merged Company two acquired the greater shareholding in the post-merged organisation.

Careful consideration was given to ensure that the sample adequately represented the population in terms of the variables age, tenure and management level. It was especially important that the sample was made up of individuals that were employed with the company during the merger. The brief that was sent to respondents called for responses from individuals with five or more years of service with the current organisation. In addition question four in section one of the questionnaire asked for individuals to indicate their length of service in the post-

merged organisation. This item ensured that the sample was made up of individuals that worked for the organisation during the merger.

Samples were drawn from each of the companies that made up the post-merged organisation. The sample consisted of 240 individuals from Merged Company one and 210 individuals from Merged Company two. Of the eligible 450 respondents that were sent the electronic questionnaires, 145 responded positively. 12 of these questionnaires were deemed spoiled and were discarded during the analysis stage. A total of 133 respondents were used in the final analysis stage of the research project (72 from MC1 and 61 from MC2).

#### **4.8. DATA ANALYSIS**

Data analysis refers to analysing the pattern of distributions of attributes on one or more variables (Babbie & Mouton, 2003). Descriptive and inferential statistics were used during the research study. Descriptive research is designed to describe characteristics of a population through analysis techniques that transforms data into a form that is easy to understand and interpret. Inferential statistics was used to make judgments about the population on the basis of the sample. The research involved a cross sectional study of all observations collected at a single point in time (Zikmund, 2003).

The following statistical tests namely, frequency distributions, measures of central tendency, dispersions, t-tests, Friedman test and the Analysis of variance (ANOVA) were used to analyse the data and to provide answers to the six

research questions of the study. A brief discussion on each of the statistical techniques used in the study will be provided under their respective headings. In addition, the research questions pertaining to each test is provided per section.

#### **4.8.1. DESCRIPTIVE STATISTICS**

Descriptive statistics provide summary information about the data in the form of frequency distributions, measures of central tendency and dispersions. Zikmund (2003) provides the following definitions for frequency, mean and standard deviation.

##### **4.8.1.1. FREQUENCY DISTRIBUTIONS**

Frequency distributions refer to a set of data organised by summarizing the number of times a particular value of the variable occurs. Percentage distributions refer to frequency distributions that are converted into percentage values and then organized into a table or graph (Zikmund, 2003). Frequency analysis was calculated for each of the demographic variables and was used to summarise the demographic information on the sample in the form of percentage values. The results for the frequency analysis for the variables gender, race and management level and change experience are represented using bar graphs.

##### **4.8.1.2. MEAN AND STANDARD DEVIATION**

The mean or average is a measure of central tendency of a set of data. The standard deviation is the quantitative index of a distribution's spread or variability, which is the square root of the variance (Zikmund, 2003). The results of the mean



and standard deviation tests for the variables age and length of service are presented in table format. The measure of central tendency (mean values) was also used to answer research question one that aimed to determine the levels of employee engagement in the post-merged organisation.

#### **4.8.2. t-TESTS**

The t-test is used when comparing the means of two groups of subjects to establish if there is any significant difference between the two groups with regards to the variable of interest (Zikmund, 2003). The two groups in this study refer to the Merged Company one and Merged Company two.

The interpretation rules of the t-test indicates that when the ***p value*** is less than or equal to 0.05 ( $p \leq 0.05$ ), there is statistically a significant difference between the two groups with regards to the variable of interest (levels of employee engagement). If the p value is greater than  $p > 0.05$ , there is no significant statistical relationship between the two groups with regards to the variable of interest (Zikmund, 2003).

t-Tests were used to provide answers to Research question two in comparing the four dimensions of engagement levels between Merged Company one and Merged Company two. t-Test for differences of means was also computed to compare the mean scores of the two groups in the sample.

Table 4.1 identifies the research questions that were subjected to the t-test statistical analysis.

**Table 4.1: t-Tests on Employee Engagement Dimensions**

<b>RESEARCH QUESTIONS ON EMPLOYEE ENGAGEMENT</b>		
<b>NO.</b>	<b>QUESTIONS ON EMPLOYEE ENGAGEMENT</b>	<b>DIMENSION</b>
34	I believe in what I do every day at work.	<b>EMOTIONAL COMMITMENT</b>
35	I enjoy working with my team.	
36	When speaking to others, I speak highly of my supervisor.	
37	I am proud to work for my organisation.	
38	My best way for me to develop my skills in my organisation is for me to stay with my current team.	<b>RATIONAL COMMITMENT</b>
39	The best way for me to advance in this organisation is for me to stay with my current supervisor.	
40	The best way for me to advance in my career is for me to stay with my current organisation.	
41	My performance will suffer if I worked with any other team in my organisation.	
42	I frequently try to help others who have very heavy work loads.	<b>DISCRETIONARY EFFORT</b>
43	There are days when I do not put much effort into my job.	
44	I am constantly looking for ways to do my job better.	
45	When needed I am willing to put in extra effort to get a job done.	<b>INTENT TO STAY</b>
46	I intend to look for another job in another organisation within the next year.	
47	I frequently think about quitting this job and leaving this organisation.	
48	I am actively looking for another job with another organisation.	
49	I have recently made phone calls or sent out my resume in order to find another job with another organisation.	

### 4.8.3. FREIDMAN TEST

The Friedman test is a non-parametric test for testing the difference between several related samples. Friedman test is applied under the same conditions as repeated measures ANOVA, except that the dependent variable need not be normally distributed for Friedman analysis of variance (Galili, 2010) and is used to detect differences in treatments across multiple test attempts. The procedure involves ranking each row (or block) together, then considering the values of ranks by columns. When the Friedman test is significant ( $p < 0.05$ ) then a table is displayed showing which of the variables in the measuring instrument is significantly different from other variables (Conover, 1999).

Friedman's test was used to answer Research question three. To test this research question, the mean scores for each of the eight steps were ranked. Friedman analysis was then conducted to test for differences in the extent of change implementation of each of Kotter's (1996) eight steps against each other. t-Tests were then conducted to compare scores for each of the eight steps to test for significant differences between Merged Company one and Merged Company two with regards to the implementation of the Kotter's eight steps of change management. Table 4.2 identifies the research questions that were subjected to the Friedman statistical analysis.

**Table 4.2: Friedman Test on Kotter's Eight Step Model**

NO	RESEARCH QUESTIONS ON KOTTERS EIGHT STEPS (1996)	EIGHT STEPS
1	My previous organisation needed to change to stay ahead in the market.	<b>STEP 1: CREATE A SENSE OF COMMITMENT, SHARED NEED &amp; URGENCY</b>
2	The leaders of my current organisation were committed to the change process during the merger.	
3	The current leadership was very involved in the change initiatives during the merger.	
4	My way of work needed to change if I was to succeed in my career.	
5	A change management team was entrusted to lead the change process at my business unit during the merger.	<b>STEP 2: CREATE A GUILDING COALITION</b>
6	The team handling the change process at my Business unit during the merger was experts in their field.	
7	The change management team made it easy for me to make sense of the changes taking place at the time of the merger.	
8	I feel satisfied with the change management team guiding the change process during the merger.	
9	The milestones of the merger were clearly defined throughout the change process.	<b>STEP 3: DEVELOP A VISION</b>
10	The vision of the new merged company seemed realistic and achievable.	
11	The link between the vision and the strategic goals of the merged company was clear.	
12	I clearly understood the strategic goals of the merged organisation.	<b>STEP 4: COMMUNICATE THE VISION AND CONSOLIDATE COMMITMENT</b>
13	I was satisfied with the method of communication used to inform me of the changes resulting from the merger.	
14	I received sufficient information about the merging company that assisted me in making decisions about my career.	
15	I supported the strategic goals of the new merged company.	
16	I felt a sense of commitment in realizing the new vision of the merged company.	<b>STEP 5: ENABLE EMPLOYEES TO MAKE THE CHANGE</b>
17	I was given the necessary tools and resources that helped me during the change process of the merger.	
18	Leaders were present to handle my concerns and clarify my questions about the merger.	
19	I was kept informed of the changes that would impact on me and my organisation during the merger.	
20	I was constantly reminded of the importance of the change management process during the merger.	<b>STEP 6: GENERATING AND CELEBRATING SHORT TERM WINS</b>
21	I was given constant feedback on quick wins during the change process at the time of the merger.	
22	My business unit felt that we were fortunate to be part of the new company after the merger.	
23	My change management team helped us celebrate our new organisation after the merger.	
24	I had trust in the change management process used during the merger.	<b>STEP7: CONSOLIDATE CHANGE AND BUILD ON SUCCESS</b>
25	The information that was communicated to me during the merger was honest and relevant.	
26	I felt empowered to handle changes taking place in my organisation during the merger.	
27	The felt comfortable and safe with the changes that were taking place around me during and after the merger.	
28	The change management team helped keep the momentum for change during and after the merger.	<b>STEP 8: MAKE IT SUSTAINABLE</b>
29	There is alignment between the performance system and reward system in the new merged organisation (Exxaro).	
30	I am now rewarded for delivering on my goals in the new organisation (Exxaro).	
31	I am sufficiently trained to ensure successful integration into the new organisation (Exxaro).	
32	The goals of the merged organisation (Exxaro) are clear to me.	
33	It is easy to achieve the goals of the merged organisation using the business systems and processes.	

#### 4.8.4. ANALYSIS OF VARIANCE (ANOVA)

ANOVA is a technique used to determine the difference in means that occur in more than two groups. A one-way Anova test is an oversimplification of a two sample t-test. When interpreting the results, a ***p value*** less than or equal to 0.05 ( $p \leq 0.05$ ) indicates a statistically significant difference between the independent variables and the dependent variable (employee engagement). ***A p value*** greater than or equal to 0.05 ( $p \geq 0.05$ ) indicates no significant difference between the independent variables and the dependent variable (Albright, Winston & Zappe, 2006).

ANOVA was used for provide answers to questions four, five and six. The variables age, length of service and change exposure were the independent variables. Responses for each of the variables were grouped into two or more nominal categories according to the range of responses. Scores of the groups were then compared using Analysis of Variance (ANOVA) tests. Table 4.3 identifies the research questions that were subjected to the Analysis of variance statistical analysis.

**Table 4.3: ANOVA tests on Length of service, Age and Change experience on Employee engagement**

<b>RESEARCH QUESTIONS ON LENGTH OF SERVICE, AGE &amp; CHANGE EXPERIENCE</b>			
4	Please indicate the number of years you are working for the organisation.	<b>LENGTH OF SERVICE</b>	<b>INDEPENDENT VARIABLE</b>
6	Please indicate how old you are in years.	<b>AGE</b>	
7	Please indicate if you were exposed to other organisational changes in your career prior to the merger of 2006. This can include downsizing, restructuring and or mergers/acquisitions	<b>CHANGE EXPERIENCE</b>	
<b>RESEARCH QUESTIONS ON EMPLOYEE ENGAGEMENT</b>			
34	I believe in what I do every day at work.	<b>EMOTIONAL COMMITMENT</b>	<b>DEPENDENT VARIABLE</b>
35	I enjoy working with my team.		
36	When speaking to others, I speak highly of my supervisor.		
37	I am proud to work for my organisation.		
38	My best way for me to develop my skills in my organisation is for me to stay with my current team.	<b>RATIONAL COMMITMENT</b>	<b>DEPENDENT VARIABLE</b>
39	The best way for me to advance in this organisation is for me to stay with my current supervisor.		
40	The best way for me to advance in my career is for me to stay with my current organisation.		
41	My performance will suffer if I worked with any other team in my organisation.		
42	I frequently try to help others who have very heavy work loads.	<b>DISCRETIONARY EFFORT</b>	<b>DEPENDENT VARIABLE</b>
43	There are days when I do not put much effort into my job.		
44	I am constantly looking for ways to do my job better.		
45	When needed I am willing to put in extra effort to get a job done.		
46	I intend to look for another job in another organisation within the next year.	<b>INTENT TO STAY</b>	<b>DEPENDENT VARIABLE</b>
47	I frequently think about quitting this job and leaving this organisation.		
48	I am actively looking for another job with another organisation.		
49	I have recently made phone calls or sent out my resume in order to find another job with another organisation.		

#### **4.9. LIMITATIONS OF THE STUDY**

The research study has the following limitations: Convenience sampling is a non probability sampling method that poses limitations to the results of the study. The variability and bias of estimates generated from the study cannot be measured or controlled. As a result projecting data beyond the sample is not recommended (Zikmund, 2003). The research study was also conducted during a time in the organisation where costs and savings were a priority. The economic environment within the organisation may have impacted on the feelings of the employees and may have influenced their responses on the questionnaires. The research also focused on a single organisation. Results from the study therefore cannot be generalized to organisations outside the industry.

#### **4.10. SUMMARY OF CHAPTER**

Chapter four presented the methodology adopted for the research study and outlined the research design, the unit of analysis, population and sample, sampling methods and data analysis techniques used to achieve the study objectives. Quantitative analysis was identified as relevant for this research design in giving breath to the responses on change management implementation and employee engagement in mergers. The statistical measurements included frequency distributions, measures of central tendency and t-tests, Analysis of variance and Friedman tests. The statistical tests were explained according to their use and relevance to this study. The following chapter will focus on the presentation of the research results.

## **CHAPTER FIVE: PRESENTATION OF RESULTS**

### **5.1. INTRODUCTION**

This chapter presents the results of the statistical tests computed for the study, in relation to the objectives and research questions stated in chapters one and three. The frequency analysis, measures of central tendency (mean) and standard deviation tests were computed for the sample group, providing useful information in terms of describing the sample's overall responses to each research question. t-Tests, Friedman analysis and analysis of variance were also computed to compare responses between the two sample groups. The chapter begins with a description of the demographic profile of the sample and presents the findings of the statistical analysis on each of the six research questions.

### **5.2. DESCRIPTIVE RESULTS**

#### **5.2.1. DEMOGRAPHIC PROFILE STATISTICAL RESULTS**

This section presents the demographic profile of the sample in the form of frequency distributions, measures of central tendency (mean) and the measures of dispersion (standard deviation). The demographic variables race, gender, management level and organisational change experience are described using frequency distribution scores. Age and length of service are described using the mean and standard deviation scores. The frequency distributions will be presented using bar graphs, while the measures of central tendency will be presented using tables.



The bar graphs will firstly be presented for the post-merged organisation, followed by comparison graphs for the two merged companies. Results for the research item organisational change experience will be discussed for the post-merged organisation only. It is important to note that the results presented in the bar graphs for race, gender, age, length of service and change experience represent cumulative percentage scores of all respondents across all three levels of management.

#### 5.2.1.1. FREQUENCY DISTRIBUTION FOR RACE

The results of the frequency distribution for the demographic variable ***Race in the post-merged organisation*** is presented in Figure 5.1. Whites made up the majority of the sample and comprised 66% of the respondents, while Africans comprised 31%. Indians and Coloureds combined made up 3% of the sample.

**Figure 5.1: Bar chat plot for Race in Post-Merged Organisation**

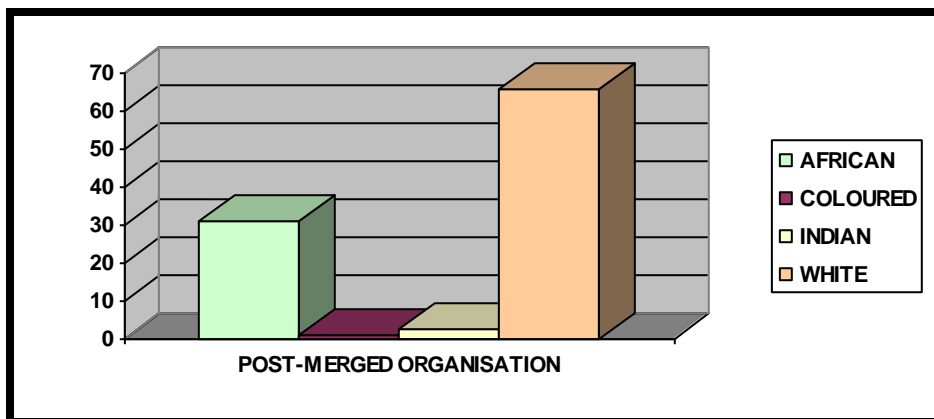
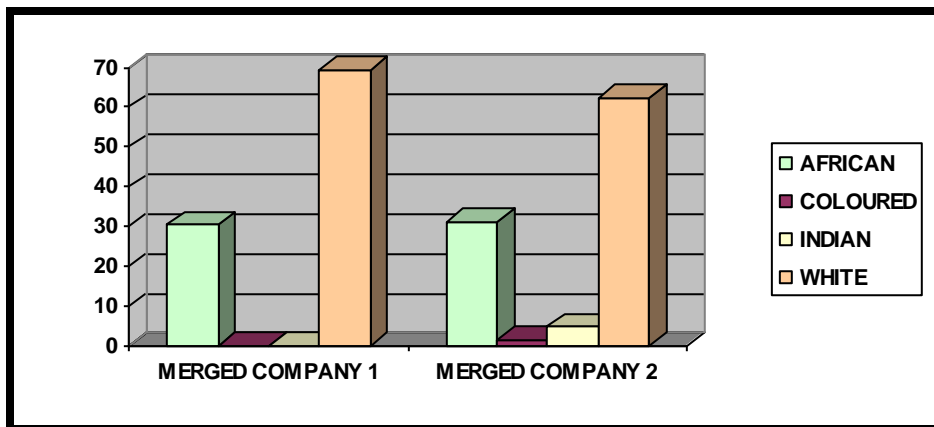


Figure 5.2 presents the frequency distribution for **Race comparing Merged Company one to Merged Company two** (to be called MC1 and MC2). The majority of the subjects in MC1 were White who made up 69% of the sample while Africans made up 31%. Subjects in the MC2 comprised 62% White, 31% African, 2% Coloured and 5% Indian. Although there were no responses from Indians or Coloureds in MC1, the percentage of representation in MC2 has no significant impact on the differences between the two companies with regards to the objectives of the research study.

**Figure 5.2: Bar chart plot for Race in MC1 & MC2**



#### 5.2.1.2. GENDER

The majority of the subjects in the *post-merged organisation* were **males** who made up 89% of the sample, while the **females** made up 11% of the sample. This is in keeping with the demographic profile of the organisation where the sample was drawn. It is significant to note that women within the mining sector still remain underrepresented of the general population, making up only 7% of the total

workforce (Mabena & Nengovhela, 2009). The percentage representation for women in the post-merged organisation is thus above the industry norm.

**Figure 5.3: Bar chart plot for Gender in Post-Merged Organisation**

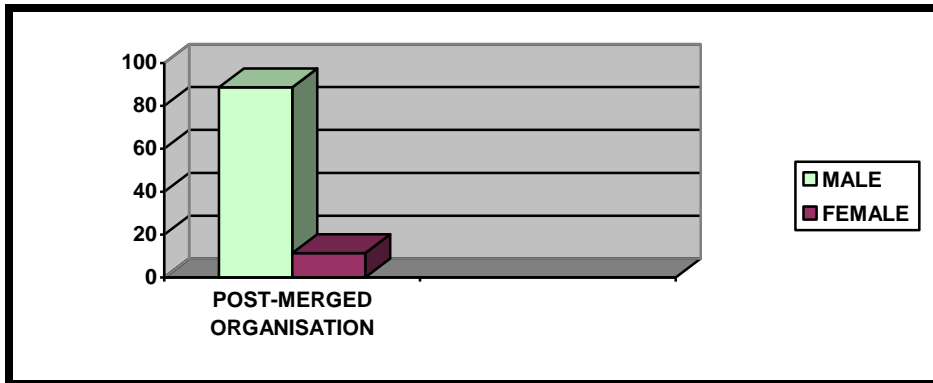
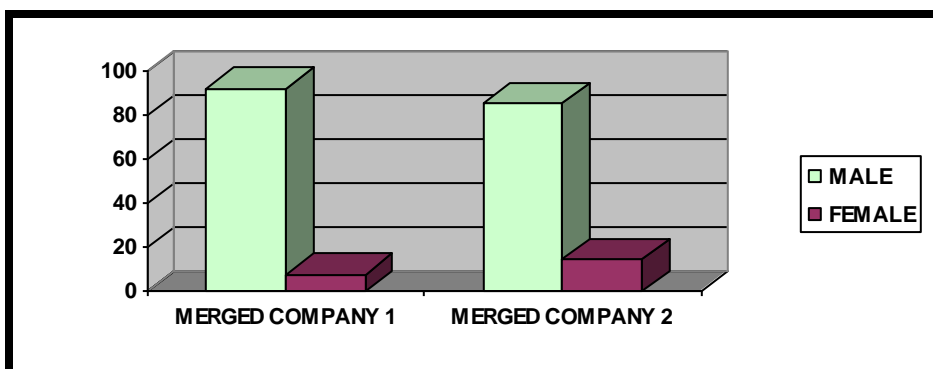


Figure 5.4 illustrates the frequency distribution for **gender comparing MC1 and MC2**. The results show slight differences in percentages when comparing the two companies within the overall post-merged organisation. Males comprised 92% for MC1 and 85% for MC2. Females made up 8% for MC1 and 15% for MC2. It can be noted that the percentage of females in MC2 is almost double that of MC1. The ratio of male to female in both companies still remains significantly large.

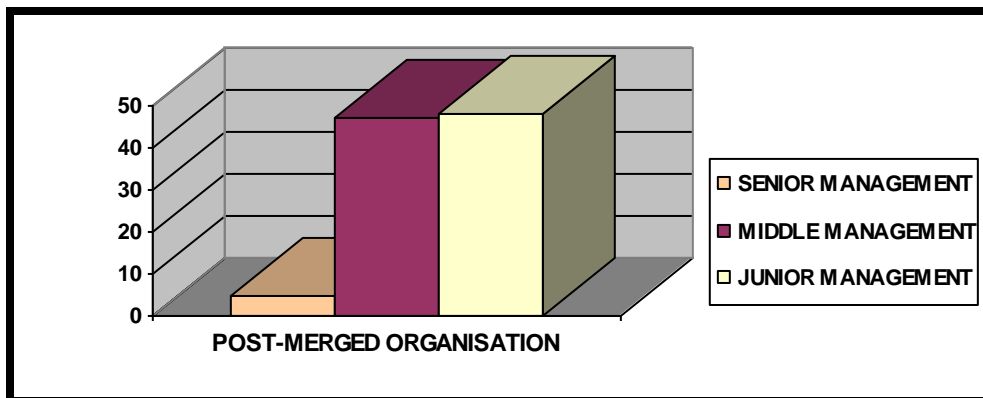
**Figure 5.4: Bar chart plot for Gender in MC1 & MC2**



### 5.2.1.3. MANAGEMENT LEVEL

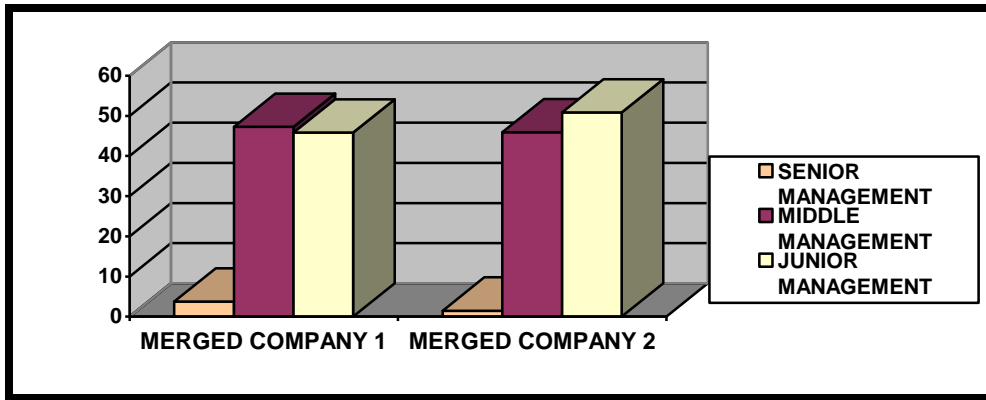
Subjects who occupy the junior management level made up the majority of the sample in the **post-merged organisation**, making up 48%, while the middle management level followed closely with 47%. Senior management made up only 5% of the sample. It is important to note that this organisation has a hierarchical structure with fewer positions at the senior management level and a greater number of positions at lower management levels. Figure 5.4 illustrate the results for the post-merged organisation.

**Figure 5.5: Bar chart plot for Management Level in Post-Merged Org.**



When comparing the frequency distributions for **levels of management** between **MC1 and MC2** the results were as follows, Junior management levels were 46% and 51% respectively, Middle management levels were 47% and 46% respectively while Senior management were 4% and 2% respectively as illustrated in Figure 5.6. The percentage breakdown of levels of management between the two companies is significantly similar, allowing for more valid inferences of variable.

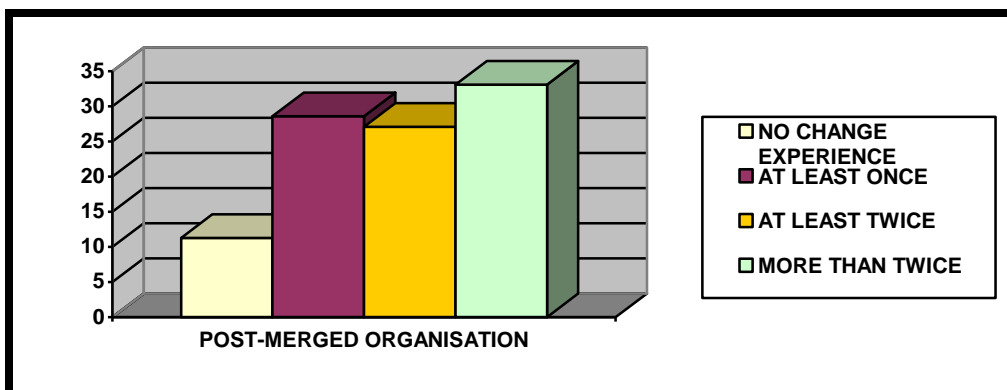
**Figure 5.6: Bar chart plot of Management Level in MC1 & MC2**



**5.2.1.4. LEVEL OF CHANGE EXPOSURE**

The frequency distribution for the variable organisational *change experience* will be discussed for the *post-merged organisation* only. Eleven percent of the sample was made up of subjects who were not exposed to any forms of organisational change. Twenty nine percent of the subjects were exposed to organisational change at least once in their careers, while 27% of the subjects were exposed to change at least twice in their careers. Thirty three percent of the subjects indicated that they were exposed to organisational change more than three times in their career.

**Figure 5.7: Bar chart plot for Change experience in Post-Merged Org.**



## 5.2.2. MEANS AND STANDARD DEVIATIONS

The means and standard deviations for the demographic variables ***age and length of service*** will be described using the measurements of central tendency (mean scores) and measures of dispersion (standard deviation).

### 5.2.2.1. AGE

The demographic information for the variable Age is presented in Table 5.1.

**Table 5.1: Measures of central tendency for Age in MC1 & MC2**

AGE		
	Merged Company one	Merged Company two
<b>Number</b>	72	61
<b>Mean</b>	44.55	45.19
<b>Standard Deviation</b>	9.09	6.95
<b>Minimum Age</b>	26	28
<b>Maximum Age</b>	62	58

The average age of the respondents in MC1 was 44.55 years, while 45.19 years was the mean average age of respondents in MC2. The minimum and maximum ages of responses in MC1 was 26 and 62 years respectively, while the minimum and maximum ages in MC2 were 28 and 58 years respectively.

### 5.2.2.2. LENGTH OF SERVICE

The demographic information concerning the length of service is presented in the following tables:

**Table 5.2: Measures of central tendency for Length of Service**

LENGTH OF SERVICE		
	Merged Company one	Merged Company two
Number	72	61
Mean	18.92	17.59
Standard Deviation	9.37	8.95
Minimum value	4	3
Maximum value	43	39

Table 5.2 compares the means and standard deviations of the variable length of service for MC1 and MC2. 72 respondents were from MC1 while 61 respondents were from MC2. The mean scores in the table reveal that subjects had an average of 18.92 years of service in MC1 while subjects in MC2 had an average of 17.59 years of service. The results reveal similar measures of dispersion between the two groups with regards to length of service, 9.37 for MC1 and 8.95 in MC2, implying that there is very little variability in scores between the two companies.

The results presented in tables and the frequency bar graphs indicate that respondents from both groups show similar mean values in terms of age, length of service, race and gender when compared to each other. The similarity in the demographic variables between MC1 and MC2 can perhaps be attributed to employee trends within the mining industry, which is characterised as an industry dominated by white males in the management categories (Mabena & Nengovhela, 2009), longer tenure and an older workforce (Anonymous, 2009).

### 5.3. CRONBACH ALPHA RESULTS

The Cronbach alpha was used to test the reliability of questions measuring the eight steps of Kotter’s (1996) change model as well as the four dimensions of employee engagement. As stated previously a Cronbach alpha value of between 0.4 and 0.7 indicates internal consistency and reliability of the research items. A value between 0.7 and 1, it indicates high internal consistency and reliability (Ho Yu, 2001).

The results for the Cronbach alpha tests conducted for Kotter’s (1996) change model is presented in Table 5.3. The results show a high internal consistency and reliability among seven of the research items in Kotter’s (1996) change management model.

**Table 5.3: Cronbach Alpha results for Kotter’s (1996) eight step model.**

Variable one	Variable	Kotter’s Eight Steps	Question	Cronbach alpha value
Kotter’s Eight Step model	Kotter 1	Create a sense of commitment, shared need and urgency	B1-B4	<b>0.5529</b>
	Kotter 2	Create a guiding coalition	B5-B8	0.8944
	Kotter 3	Develop a vision	B9-B12	0.8732
		Communicate the vision and consolidate commitment	B13-B16	0.8348
	Kotter 4	Enable employees to make the change	B17-B20	0.8593
	Kotter 5	Generate and celebrate short term wins	B21-B24	0.8305
	Kotter 6	Consolidate change and build on successes	B25-B38	0.8677
	Kotter 7	Make it sustainable	B29-B33	0.7595

The co-efficient reliability for step 1 is 0.5529 (items B1 to B4), indicating a moderate level of internal consistency and reliability among the test item. This can be attributed to the low coefficient value of 0.16 for item B4. These results can be



attributed to the fact that the sample answered with a response of mostly 4 or 5 on item B4, showing very little variability in responses amongst the sample.

Table 5.4 presents the Cronbach alpha coefficients for the dimensions of employee engagement. The dimension discretionary effort (items B42 to B45) has a coefficient value of 0.3932 indicates a low internal consistency and reliability among the items. Again, the low coefficient value can be attributed to the high response rates of 4 and 5 for items B42 to B45.

**Table 5.4: Cronbach Alpha results for Dimensions of Employee Engagement**

Variable	Variable	Dimensions of Employee Engagement	Question Items	Cronbach alpha value
Employee Engagement	One	Emotional commitment	B35-B37	0.7282
	Two	Rational Commitment	B38-B41	0.6984
	Three	Discretionary Effort	B42-B45	<b>0.3932</b>
	Four	Intent to Stay	B46-B49	0.9506

All other items in the research instrument have a Cronbach alpha of above 0.69 indicating that there is high internal consistency and reliability among these research items. The description of the sample group and the results of Cronbach alpha reveal that satisfactory measures were taken in ensuring that both the sample and the research instrument used in this study allow for a reliable and valid measure of the research questions. The findings for research questions one to six will be discussed under each research question heading.

## 5.4. DISCUSSION OF RESULTS FOR RESEARCH QUESTIONS

### 5.4.1. RESEARCH QUESTION ONE

***What is the level of employee engagement in a post-merged organisation?***

The levels of employee engagement will be described according to the four dimensions of engagement using the mean values. The mean score for emotional commitment is 4.1560 and discretionary effort is 4.1297, out of a maximum mean value of 5.000. These high values indicate that the sample show high levels of emotional commitment and give high levels of discretionary effort in their daily work in the post-merged organisation. Table 5.5 presents the results for engagement levels in the post-merged organisation.

**Table 5.5: Mean values for dimensions of Employee Engagement in the Post-Merged Organisation**

Variable	Mean Score	Standard Deviation	Minimum Value	Maximum Value
Emotional commitment	4.1560	0.5811	2.5	5
Rational Commitment	3.1992	0.7844	1	5
Discretionary Effort	4.1297	0.4763	3	5
Intent to Stay	3.6729	1.1621	1	5

The mean value for intent to stay is 3.6729, which indicates that individuals are more likely to remain with the post-merged organisation rather than leave. Rational commitment has a mean value of 3.1992 indicating that candidates want to remain neutral or indecisive regarding this dimension. It should be noted that the standard deviation values of 0.7844 indicate a significant dispersion of responses among the respondents regarding rational commitment.

Overall the results indicate that individuals in the post-merged organisation show high levels of engagement in two out of the four dimensions of employee engagement, with responses on intent to stay above 3.5000 but below 4.000. It is important to note that the raw score responses on the dimension discretionary effort ranged from a minimum of 3.00 to a maximum of 5.00, as opposed to responses on rational commitment and intent to stay where the minimum and maximum values were spread across a range of 1.00 to 5.00. This indicates that respondents across the sample felt more assured about the levels of discretionary effort than the other dimensions.

#### **5.4.2. RESEARCH QUESTION TWO**

***Is there a difference in the level of employee engagement between Merged Company one and Merged Company two?***

t-Tests were conducted to test the difference in the levels of engagement between MC1 and MC2 and is presented in Table 5.6. The ***p value for the t-test is less than 0.05 on emotional commitment.*** This implies that there is a significant difference in the level of emotional commitment between MC1 and MC2, with the mean value of company one being higher than that of company two.

**Table 5.6: Mean values for dimensions of Employee Engagement in the MC1 & MC2**

VARIABLE	MC1		MC2		t-test p value
	Mean	Std dev	Mean	Std dev	
Emotional commitment	4.29	0.55	4	0.59	<b>0.0042</b>
Rational Commitment	3.09	0.82	3.33	0.72	0.0784
Discretionary Effort	4.16	0.43	4.09	0.53	0.3884
Intent	3.85	1.15	3.47	1.15	0.6000

For the dimensions *rational commitment, discretionary effort and intent to stay, the p value is greater than 0.05*, implying that there is no significant difference in these dimensions between MC1 and MC2 at the 5% level of confidence. In other words, respondents feel similar levels of rational commitment, discretionary effort and intent to stay in both MC1 and MC2. Although values for rational commitment are similar for both companies, the responses from both MC1 and MC2 ranged from 3.09 to 3.33. A mean value close to 3.000 implies that both groups remain neutral or undecided on their responses regarding rational commitment. Results for intent to stay are closer to a mean of 4.000 for MC1 and just under 3.50 for MC2.

### 5.4.3. RESEARCH QUESTION THREE

*To what extent was change management implemented (using Kotter's eight step model, 1996) in Merged Company one and Merged Company two.*

Table 5.7 show the results for the Friedman analysis conducted on Kotter's (1996) eight step model for MC1. The results show a ***p value of 0.0001***, which is less than 0.05 indicating that ***there is a significant difference in the implementation of the eight steps of Kotter's change model (1996) in MC1.***

**Table 5.7: Friedman's Test for Merged Company 1**

Merged Company 1 ( $p = 0.0001$ )		
Kotter's eight steps	Mean	Standard Deviation
Kotter 4	3.9757	0.5892
Kotter 3	3.9618	0.6133
Kotter 1	3.9271	0.5248
Kotter 5	3.7986	0.6303
Kotter 7	3.6944	0.7099
Kotter 2	3.6424	0.7205
Kotter 6	3.6181	0.7622
Kotter 8	3.5278	0.7044

The mean values for steps 4, 3 and 1 (means of 3.9757, 3.9618 and 3.9271 respectively) differ significantly from steps 2, 6 and 8 (means of 3.6424, 3.6181 and 3.5278 respectively). The results indicate that the respondents in MC1 agree that steps 4, 3 and 1 of Kotter's (1996) eight step model were fully implemented during the merger. The same respondents maintain that steps 2, 6 and step 8 were not implemented to the same extent as the other steps of the model. It should be noted however that the mean scores for all eight steps are over 3.5.

This indicates that the group generally agrees that all eight steps of the Kotter's change management model (1996) were implemented during the merger.

**Table 5.8: Friedman's Test for Merged Company 2**

Merged Company 2- $p= 0.0001$		
Kotter's Eight steps	Mean	Standard Deviation
Kotter 1	3.6639	0.5967
Kotter 4	3.4467	0.6694
Kotter 3	3.3361	0.7157
Kotter 7	3.2500	0.6755
Kotter 8	3.2295	0.5942
Kotter 5	3.1762	0.7532
Kotter 6	3.1516	0.7504
Kotter 2	3.0574	0.7533

The results from the Friedman test for MC2 indicate a ***p value of 0.0001***, indicating that ***there is a significant difference in the extent of implementation of the eight steps of Kotter's model (1996) in MC2 (p is less than 0.05)***. Steps 1 and 4 (mean values of 3.6639 and 3.4467 respectively) differ significantly to steps 5, 6 and 2 (means of 3.1762, 3.1516 and 3.0574 respectively).

The results imply that the sample from MC2 support the notion that step 1 was implemented and step 4 was partially implemented during the merger. The same group remains neutral as to whether that steps 7, 8, 5, 6 and 2 of the change model were implemented during the merger. It should also be noted that all mean values except that of step 1 are below 3.5.

t-Tests were also conducted on the questions measuring the eight steps of Kotter's model (1996), in an attempt to measure the significant difference in change management implemented between MC1 and MC2.

**Table 5.9: t-Tests for Kotter's Eight Step Model comparing Merged Company 1 & Merged Company 2**

VARIABLE	MC1		MC2		t-test p-value
	Mean	Std dev	Mean	Std dev	
Kotter1	3.93	0.52	3.66	0.59	0.0085
Kotter 2	3.64	0.72	3.06	0.75	0.0001
Kotter 3	3.96	0.61	3.34	0.72	0.0001
Kotter 4	3.98	0.59	3.45	0.67	0.0001
Kotter 5	3.80	0.63	3.18	0.75	0.0001
Kotter 6	3.62	0.76	3.15	0.75	0.0005
Kotter 7	3.69	0.71	3.42	0.68	0.0003
Kotter 8	3.53	0.70	3.23	0.59	0.0091

All the *p values for the t-test were less than 0.05*. The t-test results reveal a significant difference between MC1 and MC2 with regards to the implementation of the eight steps of Kotter's (1996) change management model. These results tie in with the Friedman analysis which shows significant differences in implementation of Kotter's eight steps (1996) within each merged company. For MC1, four out of the eight mean scores were over 3.8 while the remainder four values were over 3.53. This indicates that the sample from MC1 agree that all eight steps of Kotter's change management model (1996) were implemented during the merger. The results for MC2 show mostly means values below 3.5 (7 out of 8 steps) indicating that the group remain neutral in their response to whether the eight steps of change management took place.

To answer research questions four, five and six, the Analysis of variance (ANOVA) was used to measure the relationship between the dimensions of employee engagement, and the independent variables, organisational change experience, age and length of service. The statistical test was conducted on the single post-merged organisation (both companies combined). The test results for the ANOVA are presented in table form comparing the independent variables to each of the four dimensions of employee engagement.

#### 5.4.4. RESEARCH QUESTION FOUR

*Is there a relationship between organisational change experience and the level of employee engagement in the post-merged organisation?*

The results in Table 5.10 reveal that there is no significance relationship between the dimensions of employee engagement and previous organisational change experience in the post-merged organisation.

**Table 5.10: Analysis of variance for Organisation Change Experience and Employee Engagement.**

ORGANISATIONAL CHANGE EXPERIENCE			
Dimension	F Value	Pr > F	Significance (p value)
Emotional Commitment	0.36	0.7849	0.000
Rational Commitment	0.62	0.6028	0.000
Discretionary Effort	0.57	0.6378	0.000
Intent to Stay	0.71	0.5482	0.000



To gain more insight into the relationship between the independent and dependent variable, the mean values for the dimensions of employee engagement and change experience are presented in Table 5.11.

**Table 5.11: Measures of central tendency for Organisational Change Experience and Employee Engagement**

LEVEL OF CHANGE EXPERIENCE									
		Emotional		Rational		Effort		Intent	
Level	Number	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
1	15	4.2000	0.7746	3.2667	1.0110	4.1333	0.5659	3.7667	1.3075
2	38	4.0855	0.4767	3.2434	0.6962	4.0921	0.4665	3.5658	0.9961
3	36	4.1667	0.4743	3.1111	0.8333	4.1042	0.4199	3.5694	1.2125
4	44	4.1932	0.6753	3.2102	0.7509	4.1818	0.5068	3.8182	1.2228

The means scores for the four dimensions of employee engagement are evenly spread among three of the four change experience groups. The means scores for emotional commitment, discretionary effort and rational commitment across the four categories are very similar in weight (a difference in mean value of 0.1000 between categories). It is also significant to take note the differences in mean scores between the dimensions of engagement. The means across all four categories of emotional commitment and discretionary effort are above 4.000. Rational commitment results indicate means closer to 3.000 while intent to stay shows a slight variation between groups with mean values ranging form 3.5658 to 3.8182.

Although the findings reveal no statistical significance among the categories of change experience, the mean values among the dimensions of engagement are

worth noting. Of particular interest to this study are the consistently average mean values for the dimension rational commitment, the high mean values for emotional commitment and discretionary effort and the varying mean values for intent to stay across all the statistical tests.

#### 5.4.5. RESEARCH QUESTION FIVE

***Is there a relationship between age and the level of employee engagement in the post- merged organisation?***

The results for the Analysis of variance are presented in Table 5.12. The results reveal that there is no significant relationship between the dimensions of employee engagement and the variable age in the post-merged organisation.

**Table 5.12: Analysis of variance for Age and Employee Engagement**

AGE			
	F Value	Pr > F	Significance p value)
Emotional Commitment	1.41	0.2246	0.000
Rational Commitment	0.90	0.4819	0.000
Discretionary Effort	0.15	0.9805	0.000
Intent to Stay	0.33	0.8967	0.000

The means and standard deviations for age categories within each dimension of employee engagement was calculated and illustrated in Table 5.13.

**Table 5.13: Measures of central tendency for Employee Engagement and Age**

AGE									
		Emotional		Rational		Discretionary Effort		Intent	
Category	Number	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
-35	22	4.2273	0.6070	2.9091	0.9684	4.1818	0.3551	3.3182	1.3367
36-40	21	4.2143	0.7512	3.1548	0.8820	4.0833	0.6583	3.5833	1.1682
41-45	22	3.9432	0.6265	3.1023	0.7702	4.1023	0.4202	3.4205	1.1164
46-50	28	4.2768	0.4158	3.4821	0.6121	4.1429	0.4586	3.8839	1.1003
51-55	29	4.1466	0.5283	3.2845	0.7372	4.1293	0.4043	3.9397	1.0620
56+	11	4.0455	0.5570	3.1136	0.5954	4.1364	0.6742	3.8182	1.2303

The mean score for emotional commitment ranges between a high of 4.2768 and a low of 3.943. Minor differences in means scores across the age categories can also be observed for discretionary effort (4.1818 and 4.0833). It is significant to note at this stage that all age categories for discretionary effort have mean values above 4.000.

The results for the dimensions rational commitment and intent to stay indicate bigger differences in means values across the age categories. Mean values for intent to stay was highest in age group 51-55 years (3.9397) and lowest in age group below 35 years (3.3182). With regard to rational commitment, means values were highest for 46-50 years (3.4821) and lowest among the below 35 age category (2.9091). These differences however do not signify any statistical significant among the categories of age and the dimensions of employee engagement.

#### 5.4.6. RESEARCH QUESTION SIX

***Is there a relationship between length of service and the level of employee engagement level in the post-merged organisation?***

The results in Table 5.14 reveal no significant difference in the dimensions of employee engagement and length of service in the post-merged organisation.

**Table 5.14: Analysis of variance for Length of service and Levels of employee engagement**

LENGTH OF SERVICE			
	F Value	Pr > F	Significant p value
Emotional Commitment	1.64	0.1839	0.000
Rational Commitment	0.92	0.4318	0.000
Discretionary Effort	2.11	0.1026	0.000
Intent to Stay	1.08	0.3591	0.000

The results presented in Table 5.15 show minor differences in mean values for emotional commitment, rational commitment and discretionary effort across all categories of length of service. While mean values for emotional commitment and discretionary effort are over 4.000 across the categories of length of service, the values for rational commitment are closer to the average value of 3.000 (2.9688 lowest value to 3.2926 highest value).

It is important to note differences in the means values across the categories for intent to stay dimension. Table 5.15 show a high mean score of 4.2813 for persons with 30 years and longer service and a lower mean score of 3.4609 for persons employed for 9 years or less. Although not statistically significant, the

means scores for rational commitment (although similar across the groups), was generally lower than other dimensions of engagement. The average mean score for rational commitment was 3.000.

**Table 5.15: Measures of central tendency for employee engagement and Length of service**

LENGTH OF SERVICE									
Categories		Emotional Commitment		Rational Commitment		Discretionary Effort		Intent to stay	
Level	No	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
9 and less	32	4.0938	0.6891	2.9688	1.0155	4.1719	0.4185	3.4609	1.3724
10-19	38	4.1118	0.6306	3.2632	0.7644	4.0987	0.5531	3.5000	1.1165
20-29	47	4.1702	0.5030	3.2926	0.6349	4.0479	0.4534	3.7500	1.0387
30+	16	4.3438	0.4270	3.2344	0.6737	4.3594	0.4079	4.2813	1.0119

## 5.5. SUMMARY OF CHAPTER

Chapter five presents the results of the research findings with an objective of finding answers to the research questions of the study and achieving the primary and secondary objectives of the research study. The results indicate that employees within the post-merged organisation experience high levels of employee engagement on two of the four dimensions of engagement (emotional commitment and discretionary effort). The results also indicate a significant difference in the emotional commitment dimension between merged company one and two. Although not statistically significant, the means values for intent to stay differed by 0.40 between MC1 and MC2 but on average remained above average for the post-merged organisation. Rational commitment was neutral in both companies but slightly higher in MC1. No significant difference was found between the dimensions of employee engagement and the variables age, length of service and previous organisational experience.

The sample used for the study was divided in two groups representing MC1 and MC2. The descriptive statistics revealed that both groups show similar characteristics in their demographic makeup of age, length of service and management level and slight differences in gender. This similarity between the two groups will allow for better interpretation and inferences of results in the next chapter. The interpretation of data and its relevance to current literature will be explored in chapter six under the heading discussion of results.

## **CHAPTER SIX: DISCUSSION OF RESULTS**

### **6.1. INTRODUCTION**

This chapter discusses the results presented in chapter five relation to study objectives and research questions of the study. The interpretation of the results is supported by insights presented in chapter two and additional research that was consulted to help validate or refute the research findings. From the results it will be demonstrated that the research objectives (primary and secondary) have been achieved.

This chapter will describe the demographic profile of the respondents in relation to their representation within the mining industry. The research questions will be discussed in accordance with the findings of the study and analyzed in detail with reference to existing research available in the field of employee engagement and change management in mergers.

### **6.2. DISCUSSION OF DEMOGRAPHIC PROFILES**

The majority of the respondents of this study were male who comprised 85% of the sample. In terms of race, Whites made up the majority of the sample comprising 66% of the sample, while Africans comprised 31% of the sample. Indians and Coloureds made up the remaining 3% of the sample. These results indicate that white males made up the largest part of the sample in the post-merged organisation. From these results, one can infer that white males still dominate the mining industry in terms of demographic representation on the management level.

The research study conducted by Colley (2005) provides support for this statement. In a study on race and gender representation, Colley (2005) found that white males represent the dominant group on the management levels in all types of mining organisations within the mining industry.

The respondents' ages ranged from a minimum of 27 years to a maximum of 60 years with an average age of 43 years in the post-merged organisation. The majority of the respondents were between ages 46 to 55 years (43% of the sample). Most of the respondents in the sample were employed in the company for more than 10 years (76%). The results indicate that employees in the mining industry tend to stay with their organisation for longer periods, indicating very low levels of employee turnover. Bearing in mind that the majority of the sample were white males, it can be inferred that low turnover rates are typical among white males in the mining industry (Anonymous, 2009).

In terms of levels of management, the senior managers represented 5% of the sample, while junior and middle managers represented 48% and 47% respectively. The majority of the respondents in this study had been exposed to previous organisational change initiatives including previous mergers, downsizing and rightsizing interventions. 89% of the sample was exposed to one or more change experience while only 11% was not exposed to previous organisational change during their careers. 54% of the respondents came from MC1 while 46% of respondents came from MC2.



The following section will discuss the results presented in chapter five, in response to the six research questions. Continuous reference will be made to existing research in the field of change management, mergers and employee engagement. Before proceeding with the discussion of the results it is important to reiterate the purpose of the research.

The main purpose of this study was to explore the relationship between change management implementation and employee engagement in the post-merged organisation. The reason for engaging in this field of study was predominantly to provide support to reliable data to managers in business on change management implementation as a significant factor in securing employee engagement in mergers. The research study aimed at answering six research questions designed to achieve the objectives of the study. The findings of the study will be discussed under each of the six research question headings.

### **6.3. DISCUSSION OF RESEARCH FINDINGS**

Due to the nature of the findings in chapter five, the discussion of results for research questions one, two and three will be presented together to allow better understanding of the results and interpretation of the findings. Continuous reference will be made to the tables presented in chapter five when discussing the results.

### **6.3.1. RESEARCH QUESTION ONE**

#### ***What are the levels of employee engagement in a post-merged organisation?***

Table 5.1 in chapter five indicates that the level of employee engagement with regards to the dimensions of emotional commitment and discretionary effort is high in the post-merged organisation (scores over 4.000). The response on the dimension intent to stay was above the average score of 3.6729. The mean score for rational commitment was 3.1992 indicating that candidates remained neutral in their response on this dimension. Overall the results indicate that individuals in the post-merged organisation show high levels of engagement in two out of the four dimensions. The questions detail and results per dimension will be presented in tabular form under the respective headings. Questions that achieved either a high or low response score will be highlighted during the discussion.

#### **6.3.1.1. EMOTIONAL COMMITMENT AND DISCRETIONARY EFFORT**

Tables 6.1 and 6.2 expand on the research questions included for the dimensions emotional commitment and discretionary effort. The tables illustrate a high percentage response rate from the sample for the two dimensions. It is refreshing to note the extremely high percentage frequencies for questions “I believe in what I do every day at work (question 34 in table 6.1) and “when needed I am willing to put in extra effort to get a job done (question 45 in table 6.2).

**Table 6.1: Percentage response on Emotional commitment**

EMOTIONAL COMMITMENT	DETAILED QUESTION MEASURING DIMENSION	PERCENTAGE RESPONSE FOR POST-MERGED ORG.
34	I believe in what I do every day at work.	97%
35	I enjoy working with my team.	87%
36	When speaking to others, I speak highly of my supervisor.	73%
37	I am proud to work for my organisation.	82%

**Table 6.2: Percentage response on Discretionary effort**

DISCRETIONARY EFFORT	DETAILED QUESTION MEASURING DIMENSION	PERCENTAGE RESPONSE FOR POST-MERGED ORG.
42	I frequently try to help others who have very heavy work loads.	83%
43	There are days when I do not put much effort into my job. <i>(Reverse questioning indicating a positive 89% response).</i>	11%
44	I am constantly looking for ways to do my job better.	93%
45	When needed I am willing to put in extra effort to get a job done.	94%

According to the Corporate Leadership Council (2004) emotional commitment refers to the extent to which employees derive pride, enjoyment, inspiration, or meaning from something or someone in the organisation. Emotional commitment is considered far more valuable than rational commitment in driving discretionary effort as a high performing workforce becomes synonymous with high levels of emotional commitment. As mentioned previously the mean values for emotional commitment and discretionary effort for the post-merged organisation and the separate merged companies remain significantly high (above 4.000) for all the statistical tests conducted in this study.

### **6.3.1.2. RATIONAL COMMITMENT**

Rational commitment refers to the extent to which an employee believes that their managers, teams or organisations have their self-interest in mind in terms of the financial, developmental growth or professional career (Corporate Leadership Council, 2004). The results of the study reveal that the majority of the respondents in the post-merged organisation remain neutral with regards to whether they believe their managers, teams and organisations have their interest in mind when it comes to their financial, personal and professional growth.

According to this definition rational commitment needs to be present (together with emotional commitment) in order for an employee to give discretionary effort and have intentions to stay with the organisation. A consideration arising out of this study whether discretionary effort and intent to stay is a factor of both rational and emotional commitment, considering that high means values were achieved for emotional commitment and discretionary effort, above average values for intent to stay, while rational commitment values remained on a neutral level.

Table 6.3 presents the detailed percentage responses per question on the dimension rational commitment. It can be observed from the Table 6.3 that approximately 60% of the respondents believe that opportunities for advancement lay outside the influence of their supervisors they worked with (question 39) while more than 40% believed that opportunities for development and career advancement lay outside the influence of the team or organisation they worked in (questions 38 and 40).

**Table 6.3: Percentage response on Rational Commitment**

RATIONAL COMMITMENT	DETAILED QUESTION MEASURING DIMENSION	PERCENTAGE RESPONSE FOR POST-MERGED ORG.
38	My best way for me to develop my skills in my organisation is for me to stay with my current team.	59%
39	The best way for me to advance in this organisation is for me to stay with my current supervisor.	38%
40	The best way for me to advance in my career is for me to stay with my current organisation.	55%
41	My performance will suffer if I worked with any other team in my organisation.	20%

### 6.3.1.3. INTENT TO STAY

Intent to stay refers to the employee's desire to remain with the organisation and influences the organisation's ability to retain the employee (Corporate Leadership Council, 2004). Low intentions to stay implies that the employees intend looking for a job, have thoughts of quitting their current job or have taken the necessary steps to find alternative employment. Although a mean value for intent to stay is 3.6729 (out of maximum of 5), it is concerning that the value is not over the value of 4.000. Table 6.4 presents a detailed breakdown of the percentage responses per question on the dimension of intent to stay. It should be noted that questions 46 to 49 were reversed questions.

**Table 6.4: Percentage response on Intent to Stay**

INTENT TO STAY	DETAILED QUESTION MEASURING DIMENSION	PERCENTAGE RESPONSE FOR POST-MERGED ORG.
46	I intend to look for another job in another organisation within the next year	23%
47	I frequently think about quitting this job and leaving this organisation	22%
48	I am actively looking for another job with another organisation	14%
49	I have recently made phone calls or sent out my resume in order to find another job with another organisation	21%

It is alarming to note that over 20% of the sample indicated that they would more likely look for another job, frequently think about quitting and have recently made phone calls or sent their resumes to find jobs with other organisations. It is important to analyse these responses in light of the economic downturn of 2009 to 2010, in relation to the lack of employment opportunities in the labour market. Currently employees may exhibit higher levels of intent to stay with an organisation based on the lack of outside career opportunities. The mean value of 3.6729 may shift on either side of the scale depending on the conditions they may face at a given point in time.

It is significant to note at this point of the study that the turnover rates in the post-merged organisation were: 7% for 2008, 4% for 2009 and 4% for 2010 (Anonymous, 2010). While turnover rates are below the market trends within the mining industry, the steady decline in the turnover rate can be attributed to the economic downturn of the labour market and lack of external employment opportunities. The concern to the post-merged organisation is whether turnover levels can reverse should the economy show signs of improving and job opportunities become more available.

### 6.3.2. RESEARCH QUESTION TWO

#### ***Is there a difference in the level of employee engagement between Merged Company one and Merged Company two?***

t-Tests were conducted to test if there is a difference in the levels of engagement between Merged Company one (MC1) and Merged Company two (MC2). The results presented in Table 5.2 in chapter five indicate a significant difference in the dimension of emotional commitment between MC1 and MC2 at the 5% level of confidence, with MC1 having a higher mean value than MC2.

The Corporate Leadership Council (2004) see emotional commitment as the extent to which employees value, enjoy and believe in their jobs, managers, teams or organisations. According to the Corporate Leadership Council (2004) high levels of emotional commitment are linked to high levels of discretionary effort. Although there is a difference in emotional commitment between MC1 and MC2, indicating that the respondents from both companies differ with regards to their feelings toward their jobs, managers and organisations, both groups show significantly high mean values for the dimension discretionary effort.

The results show no significant difference in the dimensions of rational commitment, discretionary effort and intent to stay between MC1 and MC2. In other words, respondents feel similar levels of rational commitment, discretionary effort and intent to stay in both MC1 and MC2. It is important to note at this stage

of the analysis that mean scores for rational commitment are below 3.50 for both MC1 and MC2.

The differences in mean values for the dimension intent to stay are worth noting. While the results show no significant difference in intent to stay between MC1 and MC2, the means values on intent to stay differ between the two companies. When relating the results back to the post-merged organisation, concerns are raised when one compares the turnover rates between the two companies over the last three years (indicated in Table 6.5).

**Table 6.5: Comparison of turnover rates between MC1 and MC2**

TURNOVER RATES			
	2008	2009	2010
Merged Company 1	8%	2%	2%
Merged Company 2	6%	6%	7%

Table 6.5 show significant differences in turnover rates between MC1 and MC2, with MC2 having higher turnover rates in 2009 and 2010 (Anonymous, 2010). The differences in mean values between MC1 and MC2 regarding the intent to stay, may account for the differences in turnover rates between the two companies over the last three years. Overall the results for intent to stay remain high for the post-merged organisation with no significant differences between MC1 and MC2.



### **6.3.3. RESEARCH QUESTION THREE**

***To what extent was change management (using Kotter's eight step model, 1996) implemented in Merged Company one and Merged Company two.***

The *p values* for the t-test were less than 0.05 for all the eight steps of the change model. The result revealed a significant difference in the extent of change management implemented between MC1 and MC2 (using Kotter's change model, 1996).

The results for MC1 indicate that the respondents agree that all eight steps of Kotter's (1996) change model were implemented during the merger. Four of the means scores were above 3.80 while the remaining four were above 3.50. The means scores for MC2 show mostly values below 3.5 (7 out of 8 means) indicating that the group remained neutral in their response to the eight steps, showing slightly higher responses for step 1 and step 4 of the change model. The results for all three research questions will be discussed together in the following section.

### **6.3.4. DISCUSSION OF RESULTS FOR RESEARCH QUESTION ONE, TWO AND THREE**

According to the results for research questions one, two and three it can be clearly stated that the respondents experience generally high levels of emotional commitment, discretionary effort and intent to stay in the post-merged organisation. Respondents however remained neutral on their levels of rational commitment in the post-merged organisation.

When comparing the levels of engagement between merged company one and merged company two, it is significant to note the difference in the dimension of emotional commitment between the companies while both companies share the same levels of discretionary effort (high), intent to stay (above average to high) and rational commitment (undecided/neutral). These results are presented in Table 6.6.

**Table 6.6: Comparison of Results for Research questions 1 and 2**

Results for Research questions 1 and 2									
Question	Description	Emotional commitment		Rational Commitment		Discretionary Effort		Intent to Stay	
Research question 1	Engagement levels in post-merged organisation	High		Neutral		High		Medium to high	
Research question 2	Engagement levels in MC1 and MC2	MC1	MC2	MC1	MC2	MC1	MC2	MC1	MC2
		High	High	Neutral	Neutral	High	High	High	Above average to high
		Significant difference between groups		No significant difference between groups		No significant difference between groups		No significant difference between groups	

In terms of the Kotter's (1996) change management model, respondents from MC1 responded positively, agreeing that all eight steps of Kotter's model were implemented during the merger, with specific emphasis on step 1 (establishing a sense of urgency)' step 3 (developing a vision and strategy) and step 4 (communicating the change vision). Respondents from MC2 indicated that steps 1 and 4 were implemented and remained neutral in their responses on the remainder of the steps. The mean values for step 1 and step 4 were however not over 4.000. The results for research questions two and three are presented in Table 6.7.

**Table 6.7: Comparison of results for Research Questions 2 and 3**

COMPARING CHANGE MANAGEMENT INITIATIVES TO ENGAGEMENT DIMENSIONS													
COMPANY	KOTTER'S EIGHT STEP CHANGE MODEL								ENGAGEMENT DIMENSIONS				
	S 1	S2	S3	S4	S5	S6	S7	S8	Eng 1	Eng 2	Eng 3	Eng 4	
MC1	Y	Y	Y	Y	Y	Y	Y	Y	H	N	H	H	
MC2	Y	N	N	Y	N	N	N	N	H	N	H	N	
Key :	S- Kotter's Steps Eng 1- Emotional commitment Eng 2- Rational commitment Eng 3- Discretionary Effort Eng 4- Intent to stay  Y- Almost agree that step was implemented Y- Agree that step was implemented (mean value over 4.000) N- Neutral response (mean between 2.9000 and 3.1000) H – high mean value, with significant difference H – High mean value, but no significant difference												

The findings from the statistical analysis for research questions one, two and three reveal that there is a significant difference in the dimension of emotional commitment between MC1 and MC2 as a result of the differences in change management steps implemented during the merger. However, the differing levels of change management implementation did not significantly impact on the respondents' level of discretionary effort and intention to stay with the organisation as well as the respondents' rational commitment. In addition, rational commitment remains neutral irrespective of the whether all or a few steps of change initiatives implemented.

It is important to take note of the following information regarding the post-merged organisation before continuing with the research validations. The Human Resources manager in the post-merged organisation confirmed that no retrenchments or layoffs resulted from the merger and that the organisation communicated no intention to downsize in the near future (S. Bosman, personal

communication, March 27, 2010). The sample of respondents also experienced the merger as an opportunity for growth where the companies would benefit from the synergistic relationship. If one takes these factors into consideration when analysing the atmosphere around the merger, one can understand the sense of increased positivity regarding the three dimensions of engagement. The implication for this study is that one must consider the circumstances or conditions within which a merger takes place. The following study speaks to such circumstances around mergers.

The Kenexa Research Institute (KRI) conducted a study in 2004 comparing employee responses to engagement drivers under three different conditions, (i) working for an organisation that has experienced no merger and acquisition activity in the past 12 months, (ii) working for an organisation that has merged with or acquired by another company in the past 12 months and has not laid off employees, (iii) working for an organisation that has been merged with or acquired by another company in the last 12 months and has laid off employees (Wiley, 2009).

The study revealed that when a merger occurs with no layoffs employees are much more favourable on the following engagement drivers: confidence in senior leaders, seeing a promising future for themselves, the opportunity for skill improvement and being able to provide customers with higher quality products and services. Employees see more opportunities for improving their skills in the larger merged entity and see themselves in a better position to provide customers with

better products and services. As a result, employees exhibit more favourable attitudes towards the merger and generally show satisfactory levels of engagement. The results reveal that it is not the merger that causes a significant slide in employee engagement, but rather the combination of a merger with employee layoffs that result in lower levels of employee engagement (Wiley, 2009).

These findings are supported by Fedor and Harold (2004). They maintain that when an organisation is not doing enough to keep pace with the changing environment and is unable to manage change initiatives, it sends a negative message to their employees that the management is not concerned for the long term success of the organisation. This message impacts negatively on an individual's level of respect for the organisation. Accordingly, the KRI (2004) survey thus states that employees that see mergers as growth opportunities tend will tend to provide support for the change initiative.

The Gallop survey of 2009 provides support for change programmes and communication drives that increases positively to the employee and sends a message that the organisation has intentions to improve and remain competitive (Gill, 2009). According to this survey, communication initiatives convey the message of the new vision and a sense of urgency to change to the employee. This argument can be directly linked to Kotter's (1996) step 4 (develop a vision and strategy) and step 1 (creating a sense of urgency). According to the Gallup survey, 46% of companies with very successful merger and acquisition deals, report a very

effective track record in communicating and managing change with employees (Crabtree, 2004).

Kular, Gatenby, Rees, Soane and Truss (2008) in their study on sustaining engagement levels during change have shown that promoting a culture of communication (step 3) and integrity during change gives individuals a sense of pride resulting in discretionary effort. The Gallop survey (Gill, 2009) and Kular *et al.* (2008) provide support for the findings in the current research where both merged companies agreed that step 1 and step 4 were implemented during the merger, with MC1 also supporting that step 3 was implemented.

The above research supports some of the findings in this study in the sense that employees show support for a merger if there are no layoffs (as in the case of the current sample organisation). The research also has indirectly shown that communicating the vision (related to step 3), developing the vision and strategy (related to step 4) and creating a sense of urgency (related to step 1) do impact on the employee engagement levels in the post-merged organisations.

#### **6.3.5. SUPPORTING LITERATURE FOR RESEARCH QUESTION TWO**

Panchal and Cartwright (2001) investigated post-merger stress in sales employees from a recently merged organisation. The results revealed that the employees from the dominant pre-merger company reported the highest stress levels and the most negative work attitudes. The acquired company employees and the new employees were significantly more satisfied with their jobs and more committed to

the organisation than the acquiring company employees. Panchal and Cartwright (2001) attribute these findings to the Social identify theory which states that because the merged organisation does not provide the acquirer group with a positive social identity, they stop identifying with the post-merged organisation in an attempt to maintain self-worth, thus the feelings of negative work attitudes. For the purpose of clarity it should be noted that Merged Company one is the acquiring group while Merged Company two is the acquired group.

These findings are in conflict with the research by Buono and Bowditch (1989) who have shown that the stress associated with mergers often result in uncertainty and negative reactions in the acquired and acquiring group, often resulting in employees reducing levels of commitment, increasing anxiety and making attempts to find new employment opportunities (opposite of intent to stay).

Schweiger, Ivancevich and Power (1987) studied the behaviours of managers of the acquiring group and the acquired group. The results revealed that managers of the acquired group were affected by mergers as a result of feelings of loss, autonomy and status, resulting in 58% of managers in an acquired firm leaving the company within five years or less of the acquisition. These findings are supported by Schwieger and Denisi (1991) and Covin *et al.* (1997).

Schweiger and Denisi (1991) carried out a longitudinal study to measure the impact of mergers and acquisitions on levels of employee uncertainty and the outcomes associated with it. Their findings indicate a significant increase in overall

stress levels, perceived uncertainty, and absenteeism, and significant declines in job satisfaction, commitment and perceptions of the company's trustworthiness. They also found a significant decline in intentions to remain with the organisation. Covin *et al.* (1997) found that employees of the acquired companies had significantly lower merger satisfaction scores than either employees of the acquiring firm or new hires (a study conducted on 2845 employees of Fortune 500 companies).

The research referenced above provides an array of arguments for and against factors contributing to employee negativity in mergers. These arguments however do not provide full support for the research findings of this study. The two companies (MC1 and MC2) show no significant difference in their levels of employee engagement in three of the four dimensions. Although there is a significant difference in the emotional commitment between MC1 and MC2, the means scores for both companies remain high, with a mean value of 4.00 and above respectively. It thus remains difficult to make any inferences regarding the engagement levels between the acquired and acquiring company in the current study especially when one considers the neutral responses to the rational commitment dimension, the varying mean scores in intent to stay and the high levels of discretionary effort and emotional commitment.

To answer research questions four, five and six, an ANOVA was done on the four dimensions of employee engagement, namely emotional commitment, rational commitment, discretionary effort and intent to stay and on the independent



variables change experience, age and length of service. The statistical test was conducted on the single post-merged organisation (both companies combined). The discussions for each research question will be presented under each research question heading. The test results for the ANOVA are presented comparing the independent variables to each of the four dimensions of employee engagement.

#### **6.3.6. RESEARCH QUESTION FOUR**

***Is there a relationship between organisational change experience and the level of employee engagement in post-merged organisation?***

The results indicate that there is no significant relationship between organisational change experience (previous exposure to change) and employee engagement. The means scores for the dimensions of employee engagement are evenly spread across all the nominal categories of change experience. The means scores for emotional commitment and discretionary effort are very similar, indicating that all groups feel equally engaged with regards to the two dimensions, irrespective of their level of prior organisational experience. Similarly, mean scores for rational commitment across the four groups are similar in value but remain significantly lower than the emotional commitment and discretionary effort dimensions (ranging from 3.1111 to 3.2667). In other words, individuals show similar levels of rational commitment irrespective of the number of change experiences they have undergone.

With regard to intent to stay, the groups who have had no change experience and those that experienced change more than three times in their career show similar means scores. Groups that experience change at least once and at least twice show similar and lowers mean scores. In spite of the mean score differences, it must be remembered that no significant relationship was found between the independent variables and intent to stay dimension.

While there is some scant evidence that experience with change processes can lead to more positive reactions to change (Saunders & Thornhill, 2002), the empirical evidence on this subject is limited and findings that are inconclusive. Saunders and Thornhill (2002) found that employees with extensive change experience used less effort to resist change and showed more loyalty towards the organisation, but also exhibited more passive reactions to change. A study by Stensaker and Meyer (2009) compared reactions to change among employees with extensive versus limited change experience. Their findings suggest that many individuals learn to cope with fast-paced change initiatives and appear to react through loyalty when implementing change. However, loyal behaviour can be based on either positive or negative feelings about change, manifesting in either enthusiasm or passive reaction to change.

There are several schools of thought on organisational change experience ranging from the impact of change experience to employee reactions to change. According to the study by Schneider *et al.* (1996) previous track records of successful change initiatives influences an employee's readiness to change while unsuccessful

change programmes makes employees reluctant towards new change initiatives. An individual's experience of previous change (at the organisational level) and job satisfaction (at the individual level) has a significant influence on the individual's emotional involvement and commitment to change. These results are supported by Wanous *et al.* (2000) who correlate a positive relationship between an employee's previous history of change and their motivation to keep on trying to make change work. Studies by Devos *et al.* (2002) indicate that the history of change influences an employee's commitment to change, while top management integrity and reward systems have little influence on the commitment levels.

It should be noted that the current research study did not measure organisational change cynicism and reactions to change in terms of positive or negative experiences with past change. It is however important to note that the majority of the sample in the post-merged organisation have long years of service with their companies prior to the merger. It should be also noted that past change in both merged companies involved positive changes toward growth and diversification (Anonymous, 2010). Based on these arguments, it can be stated that employee's experiences of previous change were mostly positive. In spite of this conclusions however, using the current literature to support or refute the findings of the study remains a challenge. To reiterate the findings of the research study it must be stated that there is no significant relationship between previous change experience and engagement levels.

### 6.3.7. RESEARCH QUESTION FIVE

***Is there a relationship between age and the level of employee engagement levels in the post-merged organisation?***

The results presented in Table 5.13 indicate that the level of employee engagement is similar across the various age groups. The mean value for emotional commitment ranged from 4.2768 and 3.9432, indicating that individuals across the four age groups show almost similar levels of emotional commitment. Similar differences in means scores can be seen for rational commitment, intent to stay and discretionary effort.

The dimension discretionary effort had the highest mean average of over 4.000. This indicates that individuals across all the age groups were more likely to put in discretionary effort into their work as opposed to rational commitment and intent to stay. The mean scores for rational commitment ranged from a lower mean value 2.9091 and to upper value of 3.4821 across the age groups, signifying that the age groups differed slightly in their levels of rational commitment. Very significant to the findings were the differences in mean scores in the dimension of intent to stay. The lowest mean value of 3.3182 was found in age group 35 while the highest value of 3.9397 came from the age group 51-55 years. In spite of the large spread of mean values, it should be noted that there is no significant difference between age and the four dimensions of employee engagement.

Few empirical studies have examined how individual factors relate to engagement (Avery, McKay & Wilson, 2007). Even less is written about how age is related to engagement levels during an organisational change or transition. The few available studies will be discussed in relation to the results of this research.

The Corporate Leadership Council (2004) in their survey of 59 organisations in 27 countries found no significant relationship in the levels of rational or emotional commitment between Generation X (those born between 1970 and 1980) and Generation Y (those born between 1990-2000). These findings are particularly significant in that correlates with the findings of this study.

A study by Fedor and Harold (2004) found that age was negatively related to change acceptance and that this effect was worsened by not managing the change process fairly. In contrast, good change management worked well for younger employees, but created challenges when involving older works in similar activities. These results raise a challenging question about change and an aging workforce, such as, do older employees' motivational levels result in less adaptive efforts during change? Fedor and Harold (2004) believe that older employees may need forms of support that are different from process fairness and management commitment to the change.

The Sirota Intelligence group conducted a study of cross generational attitudes in more than 300,000 employees, in over 50 organisations during 2006 and 2007. The study focused on the engagement levels on the following four generation

groups: Generation Y (ages 27 and younger); Generation X (ages 28-42); Baby Boomers (ages 43-62) and Traditionalists (ages 63 and older). The Sirota survey revealed the following results on engagement levels among the 300,000 employees. The Traditionalist generation (referred to as the Silent Generation in chapter two) showed an employee engagement level of 84%, Baby Boomers 77%, Generation X 78% and Generation Y 80% (Vittolino, 2008).

According to the results, Traditionalists showed the highest levels of employee engagement. However the engagement levels across the remainder of the groups was within a relatively narrow range of between 77% and 80% indicating that the groups shared very similar engagement levels. A common reason provided for individuals in the 65 years and older group may be attributed to the Traditionalists seeking financial security as they near retirement. Accordingly, the study asserts that Traditionalists remain uncertain about whether they will have financial resources to enable them to retire and consequently stay longer with the organisation than the planned retirement age. This research supports the findings of the current study.

The MetLife Mature Market Institute in partnership with the Boston College Sloan centre conducted a study on age and work by exploring the drivers of engagement for employees of different ages and demographic characteristics. This study found that older workers tend to be more engaged than younger workers. The researchers however caution against the one size fits all approach, and call for multiple factors that will strengthen the quality of employment. Access to flexibility

for work and family responsibility were rated high by Generation Y, while Generation X valued training and development opportunities and having supervisory roles. Young boomers (1955 to 1964) felt more engaged when they were included in their work team while older boomers and traditionalists felt more engaged when their supervisors showed them support (Business wire, 2009). It is important to note that the studies on age and employee engagement described above were not conducted during an organisational transition process like a merger or restructuring.

#### **6.3.8. RESEARCH QUESTION SIX**

***Is there a relationship between length of service and the level of employee engagement level in the post-merged organisation?***

The results in chapter five indicated that there is no significant relationship between length of service and the dimensions of employee engagement. Differences in mean scores for the categories of length of service and the dimensions of emotional commitment, discretionary effort and rational commitment were negligible in value. Mean values for emotional commitment and discretionary effort remained high across all categories. Although not statistically significant, the means scores for rational commitment was generally lower across all groups, with employees working for less than 9 years having the lowest mean value of 2.9688.

The results for the dimension intent to stay revealed differences in mean values among the categories of length of service. Individuals employed for 30 years or

longer showed a high mean value of over 4.000, while individuals employed for nine years or less showed a lower mean value less than 3.500. These differences may imply that employees with less than nine years service are less likely to remain with the organisation while employees with many years of service (30+) would prefer to remain with the organisation (possibly till retirement). It must be noted however that no significant relationship was found between the variable length of service and intent to stay.

The available literature on employee engagement and length of service will be used to verify or refute the current research findings. It is important to note however that these research studies were not conducted during a merger.

The Sirota survey (2008) found a strong pattern of difference between employees' attitudes and engagement in their jobs, based on how long they have been with their employers. Individuals employed for less than a year showed the highest level of engagement and show overwhelming enthusiasm when starting a job. However, according to the survey results, there is a measurable decline in the level of morale after the first year (often after the first 6 months) which continues through the fifth year where many new employees begin losing their enthusiasm for their new jobs regardless of how old they are (Sirota survey, 2008).

The survey reveals that employee engagement levels improved after individuals have been employed for more than six years with levels reaching their peak after an individual was employed for more than 10 years. Traditionalists (those over 60



years) whether newly hired or long-tenured, showed favorable engagement levels than all other generations at any point in their measured tenure. This can be attributed to traditionalist being uncertain about their financial resources to enable them to retire and may seek longer terms of employment than their retirement date. In general an employee's continued or maintained a level of engagement depending on how well management met their needs and expectations during their employment.

Buckingham (2001) found that the longer employees remained with an organisation, the more disengaged they became. Similarly, researchers at Gallup (Brim 2002) and Truss, Soane, Edwards, Wisdom, Croll and Burnett (2006) identified an inverse relationship between employee engagements or the degree to which a worker is fulfilled by his or her job, and the length of service. These findings are supported by Robinson *et al.* (2004) who found in an attitude survey of over 10,000 employees in 14 organisations that engagement levels decline as an employee length of service increases.

According to the Corporate Leadership Council (2004), employee engagement levels are not affected by an individual's length of service in terms of being highly committed or highly uncommitted. This research provides support for the current research findings of this study. The Corporate Leadership Council (2004) however are of the view that new hires will try harder to stay with an organisation when they understand the importance of their job and receive information on the organisation's vision and strategy. The Corporate Leadership Council (2004)

survey reveals that that by pulling the on-boarding levers, there could be a significant impact on an individual's discretionary effort in their job.

#### **6.4. SUMMARY OF CHAPTER**

The chapter provided a detailed discussion on the research findings presented in chapter five in relation to the current research that has been documented on change management and employee engagement in mergers. With regards to the answering research question one, the study revealed significantly high levels of employee engagement in dimensions of emotional commitment and discretionary effort and above average levels on intent to stay. The sample in the post-merged organisation show neutral responses to the fourth dimension, rational commitment (value of 3.1992). Regarding research question two, the results showed a significant difference in the level of emotional commitment between MC1 and MC2. No significance difference was found between rational commitment, discretionary effort and intent to stay between MC1 and MC2.

The study found significant differences between MC1 and MC2 in their response on Kotter's (1996) eight steps of change implementation (research question three). MC1 agreed that all eight steps of the change model were implemented before, during and after the merger. MC2 agreed that steps 1 (creating urgency for change) and partially agreed that step 4 (communication the vision and strategy) were implemented during the merger but remained neutral in their response on the remaining steps.

The study found no significant relationship between the employee engagement and the demographic variables age and length of service. Although the mean scores differed among the age and length of service categories, no statistical significant was recorded in the post-merged organisation. The research findings also revealed no significant relationship between organisational change experience and employee engagement levels. Accordingly, when answering research questions four, five and six, it can be stated that employee engagement is not significantly related to the demographic variables age and length of service and the variable organisational change experience.

This chapter provided a detailed discussion on the findings of the research with the aim of achieving the objectives of the study and answering the research questions. With reference to the research topic ***“employee engagement: the impact of change management implementation on mergers”***, it can be stated that there is a significant difference in the level of emotional commitment between MC1 and MC2 as a result of the difference in change management implementation between MC1 and MC2. In addition, it can be stated that the level of rational commitment remains neutral in the post-merged organisation, irrespective of whether change management was fully or partially implemented during the merger.

## **CHAPTER SEVEN: CONCLUSION**

### **7.1. INTRODUCTION**

This chapter aims to draw conclusions from the presentation and discussion of results presented in chapters five and six. The chapter presents a short summary of the purpose of the study and the research findings, followed by the set of recommendations and limitations of the study. This chapter also explores ideas for academic research and recommends a model on employee engagement. Recommendations for business and further research, based on the research findings and literature reviews, are also presented in this chapter.

### **7.2. SUMMARY OF FINDINGS**

The problem facing industry today is that while companies continue to adopt mergers as part of their business strategy, few enjoy the benefits of the synergies planned for the merged organisation. Research has shown that managers and change agents fail to see change management programmes and employee engagement as important considerations during the merger process. While research has repeatedly shown that employee engagement is positively linked to business outcomes like increased productivity, profitability, retention and safety (Haid & Sims, 2009), little attention is given to securing employee engagement after the merger process. The question that one is confronted with is whether existing business and academic research guide good management decisions regarding organisational change strategies like mergers.

It must be noted that there is an abundance of business research and academic literature on change management and employee engagement. Similarly the subject of mergers has been researched in detail, with particular attention given to the role of leadership, culture and communication during the merger process. In spite of the existing body of knowledge on each topic there is limited research relating change management implementation and employee engagement in post-merged organisations.

This study was consequently motivated on the premise that more research was needed in the area of change management and employee engagement in mergers. The study focused on exploring the relationship between change management implementation and employee engagement in a post-merged organisation and aimed to show that organisations that fail to implement change management fail to engage their employees. The research focused on assessing the levels of employee engagement in the merged organisation as well as comparing the engagement levels between the two companies that merged. In addition the study aimed at exploring the relationship between employee engagement and the demographic variables age and length of service, and variable organisational change experience in the merged organisation.

The results of the study showed significantly high levels of engagement among two of the four dimensions of employee engagement, namely, emotional commitment and discretionary effort in the post-merged organisation. The sample remained neutral in their response on rational commitment but showed higher than average

responses on intent to stay. The results also indicated a significant difference in the dimension of emotional commitment between Merged Company one (MC1) and Merged Company two (MC2) at the 5% level of confidence. No significant relationship was found between the dimensions of employee engagement and the demographic variable age and length of service and the variable organisational change experience.

The study found that MC1 implemented a change management programme during the merger process. MC1 agreed that all eight steps of Kotter's (1996) change model were implemented during the merger with agreement that steps 1 (establish a sense of urgency), step 3 (develop a vision and strategy) and step 4 (communicating the change vision) were fully implemented. Merged Company two agreed that steps 1 (establish a sense of urgency) and partially agreed that step 4 (communicating the change vision) were implemented during the merger but remained neutral in their responses on the remainder of the steps. These findings support the predictions made at the outset of the study regarding the extent of change implementation between MC1 and MC2.

Based on the findings of this study, one can make the following inferences.

- The extent to which change management was implemented during a merger differed between the acquiring company (in this study MC1) and the acquired company (MC2).
- The acquiring company implemented change management programmes but this remained mostly absent in the acquired company.

- The extent of change management implementation between the acquiring company and the acquired company may account for the significant difference in the dimension emotional commitment between the two companies.
- Change management (described according to Kotter's eight step model, 1996) is not always significantly related to employee engagement in the post-merged organisation.
- Creating a sense of urgency and communicating the new vision and strategy may be related to the dimensions of emotional commitment, discretionary effort and intent to stay among employees.
- There is no significant relationship between the dimensions of employee engagement and the demographic variables age and length of service for the sample.
- There is no significant relationship between organisational change experience and employee engagement for the sample.
- Employee engagement levels remained relatively high in the acquired and acquiring companies, implying that other factors other than change management programmes may be accountable for the level of engagement in the post-merged organisation.

The findings of the study provide valuable insights into the field of change management and employee engagement in mergers. Recommendations based on these findings will thus be discussed according to proposals for academic research, business research and further research.

## **7.3. RECOMMENDATIONS**

The current study focused on researching change management theories and models with the aim at exploring the relationship between change management implementation and employee engagement in mergers. The study however failed to consider the individual differences in employees as a factor for consideration during change. It is therefore recommended that organisations implementing change programmes consider the psychological side of change in terms of how individual differences impact on reactions to change.

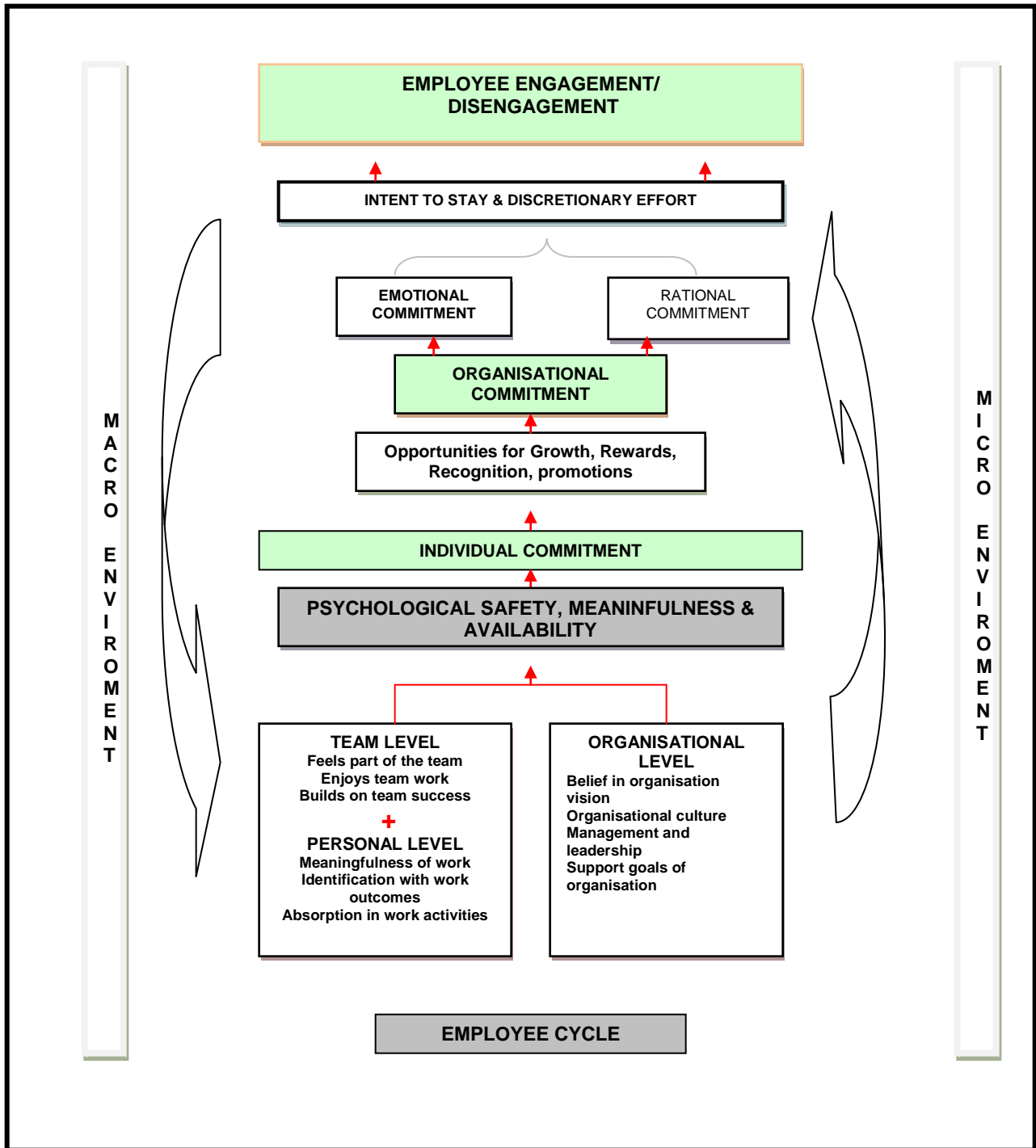
### **7.3.1. RECOMMENDATION FOR ACADEMIC RESEARCH**

This study recommends that researchers interested in the field of employee engagement and change management in mergers focus their research on the psychological side of change management. As part of the contribution to academic research this study recommends a model on employee engagement that would need to be explored in greater detail as a research study. The recommended model describes the organisation in terms of their ability to provide psychological safety, meaning and availability to the employee in relation the organisation's ability to engage or disengage the individual.

This recommended employee engagement model borrows from Khan's (1990) research on engagement and from the Corporate Leadership Council model (2004) of employee engagement. In addition several literary works are consulted to complement the model. The recommended model is illustrated in Figure 7.1.



**Figure 7.1: Recommended Employee Engagement Model**



The recommended model of employee engagement will be discussed using a theoretical framework that describes the stages of development of the individual towards engagement or disengagement. These stages take place within the context of the macro and micro environments that the organisation operates in. Each stage will be explored in detail below.

### **7.3.1.1. THEORETICAL FRAMEWORK FOR EMPLOYEE ENGAGEMENT**

Organisations do not operate in a vacuum. The dynamic environmental forces both on a macro and micro level continuously influence the business, impacting on the organisation in a positive and/or negative way.

#### **i. IMPACT OF ENVIRONMENTAL FORCES**

On a macro level, global markets, competitors and economic forces play a significant role in shaping the business survival and growth strategies and consequently influence the individual's sense of psychological safety and security about their future in the organisation. On a micro level, the company values, organisational design, organisational culture and climate impact on the organisation's ability to provide a work environment that is favourable to its workforce (Cummings & Worley, 2009). These factors are constantly evolving and continuously pose either a threat or opportunity to an individual's career.

The manner in which an organisation reacts to change (in the internal and external environments) is crucial in influencing the employee's feelings of security and safety (Walter & Self, 2003) and their levels of morale, job satisfaction and

productivity (Rathogwa, 2008). The individual and the organisation are thus in a continuous cycle of flux, constantly evaluating and interpreting the environment in terms personal or organisational gain and control. On a more personal level the individual attempts to make sense of the work environment by aligning to the team and organisation that he/she operates in (Lawson & Price, 2003).

## ii. LEVELS OF INFLUENCE (PERSONAL, TEAM & ORGANISATIONAL

An individual that feels a sense of belonging to the organisation and finds meaning in the work they do becomes more positive toward the intended job outcomes. On the *personal level* the individual begins to identify with the work outcomes and what needs to be done to stay productive. There is no internal conflict between what the individual can offer the organisation and what the organisation demands from the individual (Corporate Leadership Council, 2004).

As the individual interacts with the team and conditions within the team allow for individual growth, the individual achieves alignment on the *team level*. There is alignment between the individual's job outputs and career growth aspirations and the team outputs and growth intentions. An individual that feels part of the team and enjoys working with the team believes that the value that he or she is adding builds on the team success. The individual that achieves alignment on the individual and team level will move to align on *organisational level*. An individual that supports the company vision, culture and leadership views the organisation as progressive and attractive with a growing future (Corporate Leadership Council, 2004).

Alignment on all three levels within the organisation will result in a feeling of psychological safety, meaningfulness and availability in the individual. Individuals that fail to achieve alignment in any one of the levels will eventually become disillusioned and then disengage with the organisation (Khan, 1990).

### iii. PSYCHOLOGICAL SAFETY, MEANING AND AVAILABILITY

According to Kahn (1990) there are three psychological conditions that need to be present for the individual to engage with their work. Khan (1990) argues that individuals asked themselves three fundamental questions in each role or situation they are in: (i) How *meaningful* is it for me to bring myself into this performance; (ii) How *safe* is it to do so? (iii) How *available* am I to do so? An individual that answers positively to all three questions will experience greater levels of the psychological conditions. Khan (1990) concluded that individuals become engaged at work in situations that offer them more ***psychological meaningfulness and psychological safety and when they could be more psychologically available.***

### iv. INDIVIDUAL AND ORGANISATIOAL COMMITMENT

Increased levels of meaningfulness and safety lead to increased levels of ***individual commitment.*** An individual with high levels of commitment tends to exert additional effort in their work so as to secure their position within the organisation. The conditions within the organisation must also exist to move the individual to the next level of commitment called ***organisational commitment.*** As the individual starts to experience opportunities for growth, rewards and recognition

from the organisation (both formally and informally) he or she begins to experience a sense of organisational commitment. Organizational commitment differs from engagement in that it refers to a person's attitude and attachment towards their organization (Saks, 2005).

Alignment between the levels of influence, increased feelings of psychological safety and meaningfulness and high levels of individual commitment ultimately results in increased levels of organisational commitment. The longer the employee experiences organisational commitment and the more the opportunities present itself within the organisation, the greater the ***level of emotional and rational commitment in the individual***. This in turn leads to high levels of ***discretionary effort and intents to stay*** with the organisation (Corporate Leadership Council, 2004). If the organisation fails to provide rewards and recognition for the individual, he/she reduces the engagement level. The individual will continuously scan the environment waiting for opportunities for growth. However continued disengagement eventually leads to a decrease in the level of organisation and individual commitment which in turn leads to a decrease in discretionary effort and an increase in the intention to leave the organisation.

Psychological safety, meaning and availability to the individual thus constitute the building blocks of organisational commitment. The higher the level of organisational commitment and the better the opportunities for rewards, the greater the level of engagement felt by the individual (Khan, 1990).

The recommended model for employee engagement traces the developmental stages of an employee's level of engagement within the context of the organisation. For the purposes of academic research it is advised that the researcher interested in studying the field of employee engagement consider exploring the recommended employee engagement model. Before engaging in the field of academic research however, one should consider the proposals made in the business and further research sections which may be used to additional research.

### **7.3.2. RECOMMENDATION FOR BUSINESS RESEARCH**

Recommendations for business research will be discussed under headings that relate to business decisions around mergers, and focus mainly on the role of the employee during merging process. It is recommended that managers or change agents consider the following employee related factors when planning a merger, namely, the emotional state of the workforce, employee readiness for change, the psychological contract between the organisation and the employee involvement in the merger process.

#### **i. MEASURE EMOTIONS**

Change resulting from mergers is a very emotive event. The issue of emotions however is rarely discussed, with literature focusing mainly on the rational and cognitive aspects of individual change (Kiefer, 2002). Individuals experience feelings of loss and insecurity during and after change (Levinson, 2000). Based on the findings of Levinson (2000), it is recommended that managers planning a

merger measure the emotional state of their workforce. Measuring the emotions of the workforce can involve a one on one meeting between the manager and his or her subordinate. It could also involve focus groups where a qualified change agent explores the emotional state of employee and test their reactions. Once these emotions are identified, the organisation needs to engage their employees according to the level of discomfort experienced during the change process.

## **ii. TEST EMPLOYEE READINESS FOR CHANGE**

The results of the research study show that step 1, creating urgency for change (Kotter, 1996) was implemented during the merger for both companies. This step may be accountable for the significant difference in emotional commitment between the two companies. Based on the results of the emotional measurement described above, managers will be better able to determine to what extent their employees need to understand the threats warranting change and opportunities that the merger presents. It is therefore recommended that organisations ensure that they understand the employee's level of readiness for change before creating urgency for change as part of the merger process.

## **iii. RE-ESTABLISH THE PSYCHOLOGICAL CONTRACT**

According to Levinson (2000), employees from the acquired company (MC2 in this study) usually experience feelings like a lack of control and lack of appreciation during the change process. These feelings may impact on the psychological contract between the individual and the organisation. Argyris (1960) defined the psychological contract as the sum of the mutual expectations between the

organisation and employee. The psychological contract provides a sense of control and gives employees the feeling that they are able to influence their destiny in an organisation.

It is recommended that managers or change agents consider reestablishing the psychological contract with each employee in the organisation after the merger. The aim of re-establishing the psychological contract is to reduce uncertainty among employees by giving them a greater sense of predictability, security and control (Rousseau, 1989). The new psychological contract helps employees to better deal with changes that management commits to after the merger.

#### **iv. OVERCOME INSECURITY THROUGH INVOLVEMENT**

Organisational change leads to tremendous amounts of stress and anxiety among employees, especially if employees are uncertain about their future. Managers or change agents need to become more sensitive to feelings of insecurity among the workforce. According to the results of this study, creating a sense of urgency (step 1) and communicating the vision and strategy (step 4) during the change process may account for the levels of emotional commitment, discretionary effort and intent to stay among employees. It is therefore recommended that managers or change agents involve their employees before, during and after the change process, as a means of reducing feelings of uncertainty and engaging employees after change has taken place.



The following is a recommendation on how to involve employees during change:

- Assist employees in understanding the need for change and the urgency around changing the current state.
- Communicate the company vision and provide clarity about the company's new business and human resource strategy before and in the change process.
- Ensure that all employees understand the purpose of the change process and can envisage the end state.
- Create forums for sharing of ideas and concerns around the opportunities, risks and challenges that the change process can create.
- Involve employees in the change process through effective leadership and both formal and informal communication networks.
- If the change process involved downsizing with layoffs, ensure that employees are kept informed throughout the change process. If there is no intention of lay-offs, communicate this early during the change process.

Managers and change agents need to ensure that proper planning go into the change communication before the change takes place and they need to guard against rumours and office gossip that can ruin the positive intentions of the change process.

Before moving onto the recommendations for further research, it is important to identify the limitations of the study. Future investigations need to consider the limitations of this current study when using the research findings.

### **7.3.3. LIMITATIONS OF THE STUDY**

The level of employee engagement and change management implementation was measured in a post-merged organisation. It should be noted that the culture of the post-merged organisation from which the sample was drawn is uniquely different to other organisations in the same industry. Although not empirically proven, the culture, climate and company values may be largely responsible for the relatively low turnover rates within the organisation. As a result, it is inappropriate to generalize these findings to other industries where organisational cultures may differ considerably (Anonymous, 2010).

A second concern is that the study was conducted during the economic downturn of 2009 and 2010 where organisations were still in an economic slump. The lack of career opportunities in the external market in terms of alternative employment may influence the employee's intent to stay with the organisation and thereby influenced the levels of employee engagement. Intent to stay is one of the dimensions of employee engagement.

Another limitation of the study pertains to the sample size. The sample was drawn from a single organisation using the convenience sampling method. This sample does not adequately represent the general population in the mining industry that has undergone mergers. In order to generalize the research findings, it is recommended that a larger sample be drawn from more than one organisation within the different industries.

#### **7.3.4. RECOMMENDATION FOR FURTHER RESEARCH**

Employee engagement is a meaningful construct that is worthy of further research. This study has shown that change management as illustrated by Kotter's (1996) eight step model shows no significant relationship with employee engagement, except for the steps of communication and creating a sense of urgency around change. It thus becomes important to understand which factors may potentially influence employee engagement during a change process.

##### **7.3.4.1. IMPACT OF INDIVIDUAL DIFFERENCES**

Further research should attempt to investigate possible links between the individual's psychological differences and their engagement level. The study conducted by Khan (1990) argued that psychological differences may impact on an individuals' ability to engage or disengage in their role performance. Accordingly, people would engage differently "given their experiences of psychological meaningfulness, safety and availability in specific situations" (Kahn, 1990, p.718).

It should be noted that the study by Khan (1990) was not conducted during an organisational transition process. However, if employee engagement is factor of individual differences, employees may react differently to change management, depending on the organisation's ability to fulfill the three needs of meaningfulness, safety and availability. It is therefore recommended that further research be conducted to test significant relationships between the individual psychological differences and levels of employee engagement in post-merged organisations.

#### **7.3.4.2. LONGITUDINAL STUDY DURING ECONOMIC CYCLE**

Further research must also include a longitudinal study measuring employee engagement in a post-merged organisation during various economic cycles, over a ten year cycle. Opportunities for switching jobs or careers are impacted by the economic cycle which may affect an employee's commitment and loyalty to remain with an organisation. A longitudinal study could investigate how economic cycles influence employee engagement levels.

#### **7.3.4.3. RESEARCH ON MULTIPLE INDUSTRIES**

It is recommended that research be conducted on a diverse set of industries. The mining industry is characterised by a workforce that has generally lower levels of turnover on the management levels (Mabena & Nengovhela, 2009). It will be interesting to note the relationship between change implementation and employee engagement in post-merged organisations, where turnover levels are generally high.

The current study focused on “employee engagement: the impact of change management implementation in mergers”. For the purpose of business and further research, it is recommended that attention be given to individual factors impacting employee engagement in mergers.

## 7.4. SUMMARY OF CHAPTER

The research has shown that creating a sense of urgency and communicating the change vision and strategy is related to high levels of emotional commitment and discretionary effort and above average levels of intent to stay in the post-merged organisation. The results also show that there is a significant difference in the level of emotional commitment between the two merged companies based on the change management implemented during the merger process. The level of change management implemented differed significantly between the two merged companies. However this difference had no impact on the level of rational commitment, which remained neutral for both merged companies. No other significant relationships were found between employee engagement and dimensions discretionary effort, rational commitment and intent to stay and variables age, length of service and change experience.

The findings of this study provide useful insights for organisations planning a merger. With the significant number of merger failures, it is important that management consider the individual factors impacting on change, before embarking on a change programme. Organisations that make efforts to increase levels of engagement will reap the benefits of increased performance and productivity, lower levels of turnover and illicit greater commitment. Academic research is encouraged to explore the proposed model of employee engagement in conjunction with the recommendations for business and further research. Findings of this study may be used in conjunction with existing literature to inform change strategies when mergers are on the horizon.

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## ANNEXURE ONE

### RESEARCH QUESTIONNAIRE CONSENT SECTION

I am currently doing research on employee engagement and change management in mergers. I am trying to find out more about the use of change management programmes as a management tool in mergers. When answering the questions, please refer to the period of the merger and do not relate your responses to the current changes the organisation may be undergoing.

The questionnaire has two sections and it is estimated that it will take about 15 minutes to complete. Please be as honest as possible when answering the questions, writing down the first response that comes to mind. Please answer ALL questions.

Your response to the questionnaire will be kept confidential. You are NOT REQUIRED to write your name, department or any confidential or personal detail on the survey. Your participation is voluntary and you are allowed to withdraw at any time without penalty. By completing the survey, you indicate that you voluntarily participate in this research.

If you have any concerns, please contact me or my supervisor on the details below

Researcher name: Hemuna Bhola  
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Phone: 011 771 4000

## SECTION A: DEMOGRAPHIC DATA

Please place a cross in the appropriate box for questions 1, 2, 3 & 7 Please fill in your answer in the space provided for questions 4, 5& 6.	<b>For official use</b>								
<p>1. Please indicate your Race</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>African</td><td style="text-align: center;">1</td></tr> <tr><td>Coloured</td><td style="text-align: center;">2</td></tr> <tr><td>Indian</td><td style="text-align: center;">3</td></tr> <tr><td>White</td><td style="text-align: center;">4</td></tr> </table>	African	1	Coloured	2	Indian	3	White	4	a.1 <input style="width: 40px; height: 20px;" type="text"/>
African	1								
Coloured	2								
Indian	3								
White	4								
<p>2. Please indicate your grade/level within the organisation</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Junior management - C band – C1 to C5</td><td style="text-align: center;">1</td></tr> <tr><td>Middle Management - D band – D1 to D5</td><td style="text-align: center;">2</td></tr> <tr><td>Senior Management - E Band - E1 to E5</td><td style="text-align: center;">3</td></tr> </table>	Junior management - C band – C1 to C5	1	Middle Management - D band – D1 to D5	2	Senior Management - E Band - E1 to E5	3	a.2 <input style="width: 40px; height: 20px;" type="text"/>		
Junior management - C band – C1 to C5	1								
Middle Management - D band – D1 to D5	2								
Senior Management - E Band - E1 to E5	3								
<p>3. Please indicate your gender</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Male</td><td style="text-align: center;">1</td></tr> <tr><td>Female</td><td style="text-align: center;">2</td></tr> </table>	Male	1	Female	2	a.3 <input style="width: 40px; height: 20px;" type="text"/>				
Male	1								
Female	2								
<p>4. Please indicate the number of years you are working for the organisation. .....years</p>	a.4 <input style="width: 40px; height: 20px;" type="text"/>								
<p>5. Please indicate how long you are at your current Business Unit .....years</p>	a.5 <input style="width: 40px; height: 20px;" type="text"/>								
<p>6. Please indicate how old you are in years. .....years</p>	a.6 <input style="width: 40px; height: 20px;" type="text"/>								
<p>7. Please indicate if you were exposed to other organisational changes in your career prior to the merger of 2006. This can include downsizing, restructuring and or mergers/acquisitions.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>NO changes</td><td style="text-align: center;">1</td></tr> <tr><td>Yes: at least once in my career</td><td style="text-align: center;">2</td></tr> <tr><td>Yes: at least twice in my career</td><td style="text-align: center;">3</td></tr> <tr><td>Yes: more than twice in my career</td><td style="text-align: center;">4</td></tr> </table>	NO changes	1	Yes: at least once in my career	2	Yes: at least twice in my career	3	Yes: more than twice in my career	4	a.7 <input style="width: 40px; height: 20px;" type="text"/>
NO changes	1								
Yes: at least once in my career	2								
Yes: at least twice in my career	3								
Yes: more than twice in my career	4								

## SECTION B

**NOTE:** Previous Organisation : COMPANY BEFORE MERGER  
Current or New Organisation/ Leadership : POST-MERGED ORGANISATION

**INSTRUCTIONS:** Please place a cross in the appropriate box.

SECTION B		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My previous organisation needed to change to stay ahead in the market .	1	2	3	4	5
2	The leaders of my current organisation were committed to the change process during the merger.	1	2	3	4	5
3	The current leadership was very involved in the change initiatives during the merger.	1	2	3	4	5
4	My way of work needed to change if I was to succeed in my career.	1	2	3	4	5
5	A change management team was entrusted to lead the change process at my business unit during the merger.	1	2	3	4	5
6	The team handling the change process at my Business unit during the merger was experts in their field.	1	2	3	4	5
7	The change management team made it easy for me to make sense of the changes taking place at the time of the merger.	1	2	3	4	5
8	I feel satisfied with the change management team guiding the change process during the merger.	1	2	3	4	5
9	The milestones of the merger were clearly defined throughout the change process.	1	2	3	4	5
10	The vision of the new merged company seemed realistic and achievable.	1	2	3	4	5
11	The link between the vision and the strategic goals of the merged company was clear.	1	2	3	4	5
12	I clearly understood the strategic goals of the merged organisation.	1	2	3	4	5
13	I was satisfied with the method of communication used to inform me of the changes resulting from the merger.	1	2	3	4	5
14	I received sufficient information about the merging company that assisted me in making decisions about my career.	1	2	3	4	5
15	I supported the strategic goals of the new merged company.	1	2	3	4	5
16	I felt a sense of commitment in realizing the new vision of the merged company.	1	2	3	4	5
17	I was given the necessary tools and resources that helped me during the change process of the merger.	1	2	3	4	5
18	Leaders were present to handle my concerns and clarify my questions about the merger.	1	2	3	4	5
19	I was kept informed of the changes that would impact on me and my organisation during the merger.	1	2	3	4	5
20	I was constantly reminded of the importance of the change management process during the merger.	1	2	3	4	5
21	I was given constant feedback on quick wins during the change process at the time of the merger	1	2	3	4	5
22	My business unit felt that we were fortunate to be part of the new company after the merger.	1	2	3	4	5
23	My change management team helped us celebrate our new organisation after the merger.	1	2	3	4	5
24	I had trust in the change management process used during the merger.	1	2	3	4	5

## SECTION 2

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
25	The information that was communicated to me during the merger was honest and relevant.	1	2	3	4	5
26	I felt empowered to handle changes taking place in my organisation during the merger.	1	2	3	4	5
27	The felt comfortable and safe with the changes that were taking place around me during and after the merger.	1	2	3	4	5
28	The change management team helped keep the momentum for change during and after the merger.	1	2	3	4	5
29	There is alignment between the performance system and reward system in the new merged organisation.	1	2	3	4	5
30	I am now rewarded for delivering on my goals in the new organisation.	1	2	3	4	5
31	I am sufficiently trained to ensure successful integration into the new organisation	1	2	3	4	5
32	The goals of the merged organisation are clear to me.	1	2	3	4	5
33	It is easy to achieve the goals of the merged organisation using the business systems and processes.	1	2	3	4	5
34	I believe in what I do every day at work.	1	2	3	4	5
35	I enjoy working with my team.	1	2	3	4	5
36	When speaking to others, I speak highly of my supervisor.	1	2	3	4	5
37	I am proud to work for my organisation.	1	2	3	4	5
38	My best way for me to develop my skills in my organisation is for me to stay with my current team.	1	2	3	4	5
39	The best way for me to advance in this organisation is for me to stay with my current supervisor.	1	2	3	4	5
40	The best way for me to advance in my career is for me to stay with my current organisation.	1	2	3	4	5
41	My performance will suffer if I worked with any other team in my organisation.	1	2	3	4	5
42	I frequently try to help others who have very heavy work loads.	1	2	3	4	5
43	There are days when I do not put much effort into my job.	1	2	3	4	5
44	I am constantly looking for ways to do my job better.	1	2	3	4	5
45	When needed I am willing to put in extra effort to get a job done.	1	2	3	4	5
46	I intend to look for another job in another organisation within the next year.	1	2	3	4	5
47	I frequently think about quitting this job and leaving this organisation.	1	2	3	4	5
48	I am actively looking for another job with another organisation.	1	2	3	4	5
49	I have recently made phone calls or sent out my resume in order to find another job with another organisation.	1	2	3	4	5