UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Gordon Institute of Business Science
University of Pretoria

The transfer of resources as a mediating factor between leadership and perceived post-acquisition performance

Ian Geldenhuys
Student number: 16393113

A research proposal submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

6 November 2017

ABSTRACT

The complexities associated with integrating acquired companies contributes to an ongoing trend of acquisitions failing to meet shareholder expectations. Leadership is at the forefront of driving the acquisition integration process and this study investigated the role that leadership plays in improving post-acquisition performance.

A review of the literature drew a comparison between the complexity associated with the acquisition integration environment, and the characteristics of contextual leadership and authentic leadership styles. It was proposed that leaders are able to enhance post-acquisition success by promoting the transfer of resources between acquired and acquiring companies.

Data was collected from leaders who have been exposed to an acquisition integration process and a quantitative method was followed to test the hypotheses. Regression analysis was used to investigate direct relationships, and the indirect effect of leadership on performance through resource transfer was tested through bootstrapping. The results showed that contextual leadership and authentic leadership have no relationship with post-acquisition performance. The mediating relationship was also found to not be significant.

The transfer of administrative, operational, and functional resources, as well as innovation capabilities was shown to have an impact on performance. Practically, this can be used by leaders to develop and implement pre-acquisition and post-acquisition strategy.

KEYWORDS

Acquisition

Post-acquisition integration

Leadership

Transfer of resources

Perceived post-acquisition performance

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment 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.

I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Ian Geldenhuys 6 November 2017

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1. INTRODUCTION TO THIS STUDY

The dynamic environment in which firms operate today means that constant change is a reality. To gain a competitive advantage over rivals, companies need to pursue strategies that promote growth and market power (Vasilaki & O'Regan, 2008), improve operating efficiency through economies of scale (DePamphilis, 2015), and promote diversification into new markets or through new products (DePamphilis, 2015).

Growth strategies can come from within an organisation, by making investments in research and development to produce new products or services, or by investing resources in sales and marketing tactics that promote organic growth. Alternatively, growth can come from outside the organisation, through the acquisition of competitor companies or companies that complement current products and services.

Acquisitions have become a popular strategy for companies wanting to accomplish their growth goals in an ever-changing global economy. The main reason for this is that through acquisitions, firms can realise their strategic goals in a shorter space of time than they would if they attempted to achieve them independently through organic growth (Haspeslagh & Jemison, 1991). An organic growth strategy often requires a large financial investment in research and development in order to realise growth targets, which also means that the company needs to wait a longer period of time before it sees a return on their investment.

For acquisitions to be deemed successful and to realise the return on investment, they need to be managed in a way that extracts the expected value. Vasilaki (2009) reported on the role that transformational and transactional leaders play within the acquisition context and the effects that these leadership styles have on post-acquisition performance. While it was shown that these leadership styles have a positive influence on the performance of acquired companies, the researcher proposes that the complexity of the acquisition integration process requires a different style of leadership.

This study will follow a similar format to that of Vasilaki's. It will expand on the literature within the leadership field by investigating the impact of contextual leadership and authentic leadership during the integration of an acquisition, and the effect that these leadership styles have on the perceived performance of acquired companies. Specific focus will be given to the transfer of resources between acquiring and acquired firms, as a proposed mediating factor between leadership and perceived post-acquisition performance. Thus, the researcher proposes that leadership influences the performance of acquired companies through the transfer of resources.

Most research in this context covers mergers and acquisitions (M&A). While this study could be applicable to both environments, it is proposed that the integration of an acquisition is a more complex process. Mergers can be described as simple processes based on the fact that integration between companies is compulsory post-merger. Acquisitions are more complex because there is often confusion about the level of integration that needs to take place post-acquisition, as well as uncertainty about who is responsible for making and communicating the integration decisions. This study will focus on acquisitions; however, much of the literature reviewed will refer to both mergers and acquisitions.

1.1 Introduction to the research problem

Acquisition research has found that the majority of acquisitions end in financial failure, and produce unwanted results for the companies involved and their shareholders (Marks & Mirvis, 2011). Shareholders of acquired companies generally enjoy encouraging short-term returns, however, investors from acquiring firms usually experience poor performance in the months following the transaction, along with negligible long-term gains (Agrawal & Jaffe, 2000). This ultimately results in a failure to realise the perceived benefits that drove the acquisition decision in the first place.

According to Lodorfos and Boateng (2006), the majority of acquisitions fail to create value for shareholders in the medium term. In addition, they also reported that up to 75 percent of acquisitions fail to realise their expected potential in the long term. If these statistics are accurate, it can be argued that there is a fundamental flaw in the belief that acquisitions are a good strategy for growth. Their view is supported by Harding and Rouse (2007) who reported that 83 percent of all acquisitions create less value than what was expected by shareholders, and that up to 53 percent, destroyed shareholder value of the combined companies.

Many factors have been attributed to the reasons for this dismal track record. Marks and Mirvis (2011) gave evidence to support that many acquiring companies over value acquisitions and end up paying the wrong price. Paul and Berry (2013) argued that poor execution of an acquisition leads to too much uncertainty among management and employees, and this makes it difficult for them to buy into a new strategy. The strength of due diligence in the financial and human capital resources of the acquired company (Galpin & Herndon, 2014), is also an important factor to consider when evaluating post-acquisition performance.

Research has noted the level of integration that takes place between the acquired and acquiring firms as a reason for acquisition success or failure. Haspeslagh and Jemison (1991) reported that if the acquired and acquiring firms do not come together and begin to work towards a common objective, the expected value will never be created through the acquisition. This is an important concept within acquisition strategy as it is critical to understand that by bringing two separate companies together, an integration of goals creates a sense of direction. The decision to acquire would be determined by the belief that the synergies between the two companies were enough to generate the expected value, but this value can only be realised if the company is successfully integrated (Venema, 2012).

To a large extent, the level of integration that takes place between two companies post-acquisition is as a result of the amount of resources that are shared between the two firms post-acquisition. Vasilaki (2009) argued the assumption that by transferring resources between the two firms, the expected synergies become apparent and these synergies lead to improved results for the combined firm. The attractiveness of acquiring a company is largely due to the fact that the target acquisition has a certain type of resource that the acquiring company does not have. The resource can be tangible assets such as infrastructure or better distribution channels, or it can be an intangible asset such as a reputation of expertise.

During integration, the leaders tasked with coordinating the process determine the level of resource transfer between the acquired and acquiring companies. Their actions and decisions determine the level of transfer, thus, they have control over this aspect of the integration process. In addition, the level of resource transfer between companies has an effect on the performance of the organisation post-acquisition. There is an unplanned sequence of events whereby leadership indirectly affects post-acquisition performance through the transfer of resources between acquired and acquiring companies. It is therefore postulated that leadership affects the transfer of resources, and that this effect is then causally propagated through to the perceived performance of an organisation, post-acquisition (Hayes & Preacher, 2014).

If post-acquisition management teams do not make decisive interventions to promote resource sharing early enough in the integration process, the possibility of failing to realise value post-acquisition, increases. Measuring the effect that these leadership decisions have on the performance of acquisitions is the main aim of this research. However, the mediating effect that the transfer of resources has on this relationship is also of interest and the researcher also explored the extent of this effect.

1.2 Purpose of this study

It is against this backdrop that the purpose of this study will be to analyse the effect that leadership has on organisational performance via the transfer of resources between acquired and acquiring companies. A second aim of this study will be to determine whether the transfer of resources between acquired and acquiring companies has an impact on organisational performance. Therefore, the intention is to test the assumption that poor leadership is a reason why post-acquisition integration fails, and it will be argued that a better understanding of the leadership traits required during the integration process will lead to the promotion of resource sharing and improved post-acquisition performance (Vasilaki, 2009).

The objectives for this study are detailed below:

Objective 1:

To extend the literature on the leadership and performance relationship in complex environments by investigating the effect that contextual leadership and authentic leadership has on the performance of acquisitions.

Objective 2:

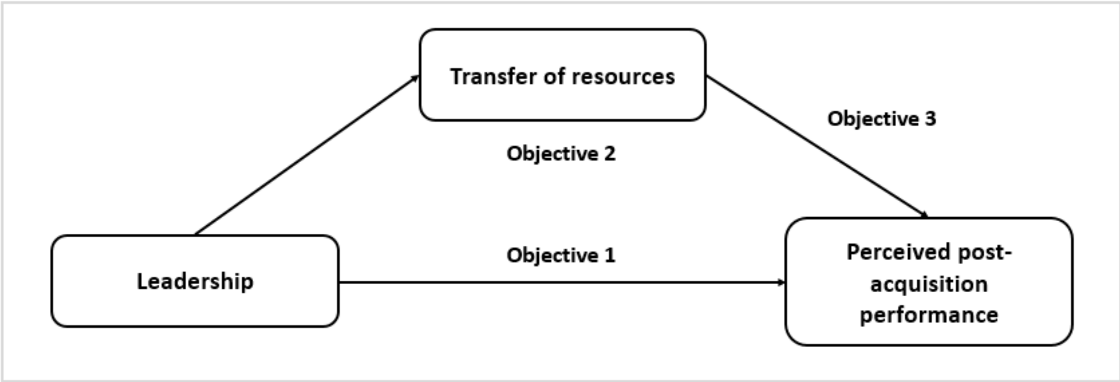
To investigate the extent to which the leadership and performance relationship is mediated by the transfer of resources between acquired and acquiring companies.

Objective 3:

To test the proposal that resource transfer between acquired and acquiring companies has a positive effect on post-acquisition performance.

Figure 1 conceptualises the high level constructs covered in this study. The relationships between these constructs are shown by the arrows, which also indicate the research objectives.

Figure 1: Conceptual framework for this study



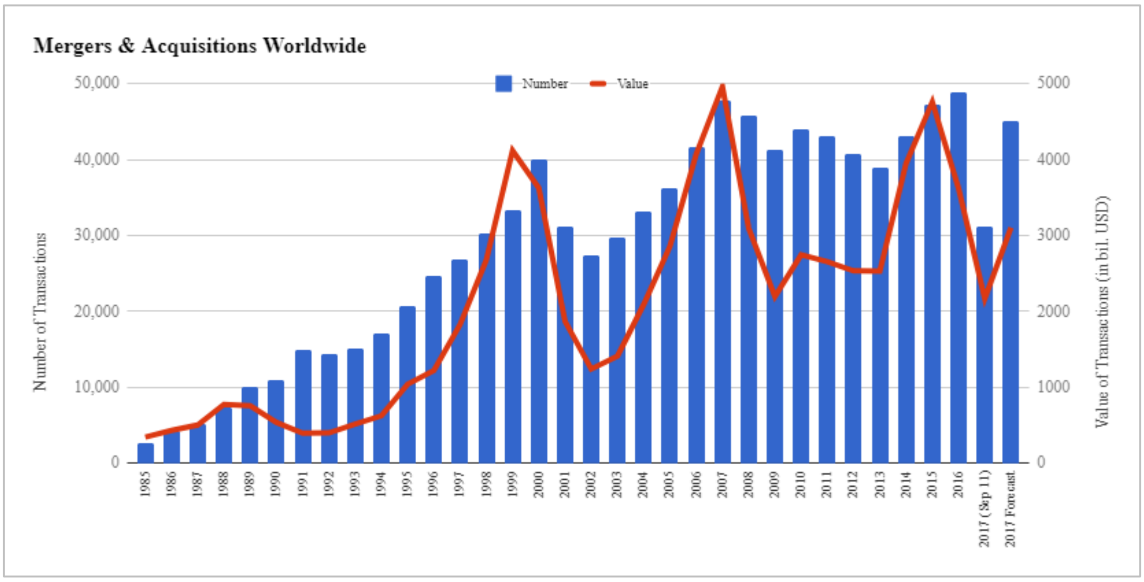
This research is restricted to these constructs, and the relationships between them. The research perspective was aligned with the overall movement in leadership research towards a context relevant perspective, but also took into account scholarly interest in the topic of authentic leadership. A third variable, the transfer of resources, is proposed to be influenced by leadership and to have an effect on the performance of acquired companies.

1.3 Significance of this study

M&A activity decreased globally during the economic downturn caused by the financial crisis in 2008; nevertheless, it has gained momentum thereafter. Reuters (2016) reported that 3.7 trillion dollars were spent across the globe on acquisitions in 2016, and while this was a slight decrease on 2015-spending, it was the third highest amount spent on deal-making on record. A study conducted by Deloitte (2016) in the United States on 1000 executives found that over three quarters of them expected deal making to increase in 2017.

Figure 2 from the Institute for Mergers, Acquisitions and Alliances (2017) shows the increase in acquisition activity between 1985 and 2000, and the continued preference for acquisitions as a growth strategy to date.

Figure 2: Mergers and acquisitions activity



Source: Institute for Mergers and Acquisitions (2017).

M&A activity has also increased in South Africa according to the Institute for Mergers, Acquisitions and Alliances (2017), with the average yearly deal-making spend increasing by 28 percent over the last ten years. These statistics indicate that acquisitions remain a key strategy for growth across the world, and therefore, there is an important business need to understand the factors that make acquisitions a success; leadership, being a factor that is at the forefront.

Financial aspects, strategic fit, human capital characteristics, and culture (Dunbar, 2014) have been the primary focus of prior research conducted so as to understand the reasons for acquisition failure. Most due diligence processes mainly consist of a review of all financial aspects of an organisation before an acquisition is finalised, whilst some include human capital reviews. Other studies have looked at acquisition performance through the lens of strategic and organisational design perspectives.

These traditional research strategies have not led to a decrease in the failure rate of acquisitions; therefore, the importance of acquisition integration strategy as an enhancing factor in post-acquisition performance needs to be understood. Limited research is available on the impact that effective leadership has on determining performance within the acquisition context; this informs a need for research on leadership as driver of acquisition success.

This study will make both a theoretical and practical contribution to the literature on acquisition integration and performance. The findings will improve the understanding of post-acquisition performance in the context of complex environments, and will do so holistically by focusing on both financial and non-financial indicators. Practically, the research results will show the need for leaders of acquired and acquiring companies to develop the skills necessary to promote resource transfer between acquired and acquiring companies in order to improve post-acquisition performance.

1.4 Research structure

An introduction to the research problem and the intended research objectives were stated above. The researcher identified that a determinant of post-acquisition performance was the level of integration between the acquired and acquiring companies after a transaction has taken place. The researcher also identified that resource transfer plays a large part in determining successful integration. Leaders are placed at the forefront of this process because they have the power to determine how resources are transferred between companies. Supporting statistics showed, as evidence, that there is a business need for the study. In addition, proof of a gap in the literature with regard to the leadership and performance relationship in the context of acquisitions was provided.

This study will follow the structure outlined below:

- Chapter 2: A review of the acquisition and leadership theory; as well as an overview of the research available on resource transfer and performance measurement in this context.
- Chapter 3: An introduction to the research hypotheses derived to achieve the research objectives.
- Chapter 4: An overview of the research methodology followed, and the data analyses techniques used to test the hypotheses.
- Chapter 5: An overview of the results obtained during the data analysis process.
- Chaper 6: A discussion of the results obtained from the hypothesis testing, taking into account the literature reviewed and research objectives.
- Chapter 7: A conclusion of the research findings, their implications for business; as well as the description of the research limitations, and recommendations for future research.

2. LITERATURE REVIEW

2.1 Introduction

In order to review the theory for this study, a thorough investigation was conducted on the acquisition literature. The review uses literature from both mergers and acquisitions interchangeably, as the majority of research in this field combines both forms of integration. However, the main focus of this study is on acquisitions.

The initial discussion gives an overview of acquisitions and provides evidence to show that they are complex and stressful environments. This will be followed by a summary of the literature available on post-acquisition integration, and the importance of the transfer of resources in ensuring its success. Thereafter, leadership in the context of acquisitions will be introduced. This section will build a rationale for the proposition that there is a need for both contextual leadership and authentic leadership styles during an acquisition integration process. Finally, the metrics used to measure the performance of acquisitions will be explored, as well as an explanation provided on the choice of metrics selected for this study.

2.2 An overview of acquisitions

The complexity linked to ensuring acquisition success has been an interesting field for researchers for an extended period of time (Cartwright & Schoenberg, 2006). Various disciplines have been intrigued by their continued popularity as a growth strategy across the globe, and have tried to understand the factors that drive their success.

Companies pursue acquisitions as a growth strategy for a number of reasons. Companies make acquisitions to enter a different industry as opposed to investing heavily in research and development; some acquisitions are made with the intention of replacing an underperforming management team (Tuch & O'Sullivan, 2007); others are made to reinvent an outdated business model and set the company in a new direction (Christensen, Alton, Rising, & Waldeck, 2011). Alternatively, an acquisition can be made purely for an improved price-earnings ratio or increased revenue figure post-acquisition.

The motives for following an acquisition strategy mainly lie in either the economic or strategic gains that can be achieved (Vasilaki, 2009) from the transaction. Ultimately the decision is motivated by the same goal, which is to boost company performance and increase shareholder wealth.

Acquisitions have been defined differently by various authors. An acquisition can simply be described as the hostile or friendly acquisition of control of an organisation by stock purchase or exchange, by another organisation (Koi-Akrofi, 2016). Schraeder and Self (2003) state that acquisitions are "commonly characterised as the purchase of one organisation from another where the buyer or acquirer maintains control" (p. 512).

Both of these definitions, and most available in the literature, use the word 'control' in their description. Essentially, once the transaction has been finalised, the decision-making power of the acquired company is transferred to the acquiring firm, and that means that they then have the ability to make changes to management structures, organisational design elements, infrastructure, human capital aspects, and any other organisational components, should they see fit.

Not all acquirers use this exchange of control to make significant changes to organisations post-acquisition; nevertheless, the motivation for an acquisition generally means that a certain amount of change is required in order for them to generate the expected value for their shareholders. Like any change process, this creates complexity and stress (Shanley & Correa, 1992) in an already dynamic business environment, which has an obvious effect on employee morale and productivity.

The uncertainty felt during the integration of an acquisition is brought on by the potential for job losses, the financial insecurity of employees during the period, and the expectation that members of the acquired company need to adapt to the culture of the acquiring company. Employees often feel that their company loses its identity during the process, resulting in further anxiety. This leads to employees feeling like they do not belong, which in turn results in the employee turnover rate increasing (Maepa, 2014).

Complexity and stress are common themes in the acquisition literature. Cartwright and Cooper (2014) describe the post-acquisition environment by using words such as power, differing perceptions, differing cultures, and conflicting definitions of the situation. Other studies show that when the intention of the acquisition is made public, job satisfaction, commitment, and the perception of the organisation in the mind of the employee becomes more negative.

These findings support the notion that the acquisition environment is a complex one. Apart from the financial and operational difficulties in consolidating the two entities, the human factor can also have a significant effect on the performance of acquired and acquiring companies. Acquirers often underestimate the importance of proper planning and execution of the acquisition integration process, which leads to undesirable results.

The ability of leaders to successfully integrate the acquired company ensures that the complexity and stress that is synonymous with this process is minimised, which has a significant effect on company performance. Organisations and their leaders need to invest time and resources into this process in order to realise the expected potential their acquisitions can offer.

2.3 Post-acquisition integration

As described, the coming together of two separate companies is a complicated process. It is also an often overlooked aspect within acquisition strategy and frequently taken for granted within this context. The integration phase of an acquisition plays as an important role in generating expected shareholder value as the due diligence and deal negotiation phases (Vasilaki, 2009) because that value can only be created after the transaction has taken place. Ranft and Lord (2002) linked the importance of the acquisition integration process directly to performance, arguing that the disruption caused during the integration process influences productivity.

The integration between an acquired organisation and its acquirer is defined by Pablo (1994) as “the implementation of changes in functional activities, organisational structures and cultures of the two organisations to expedite their consolidation into a functional whole” (p. 806). Zollo and Singh (2004) referenced the fact that the degree of integration between two companies is conceptualised as the “extent to which the operations of the acquired organisation are linked to, aligned with, or centralised in the equivalent functions of the acquiring organisation” (p. 1236). Similar to the definitions used to describe an acquisition, a common theme can be drawn from these descriptions of integration, namely change.

The degree of integration between two firms is dependent on the strategy chosen by the acquirer and can be explained as either a high or low level of integration. Vasilaki (2011) describes a low level integration strategy as standardising management reporting structures between the two firms in order to open the lines of communication whilst keeping any administrative and technical changes to a minimum. On the other end of the spectrum, the acquiring firm can choose to follow a high level integration strategy and force the acquired company to relinquish control of operating and planning systems, restructure resource allocation and fully integrate the workforce (Haspeslagh & Jemison, 1991).

There are risks involved with both types of integration strategies. A low level integration focus can result in the acquired company continuing to operate as an independent entity, with the acquiring company not being able to leverage off the synergies that motivated the acquisition in the first place (Paruchuri, Nerkar, & Hambrick, 2006). The opposite can occur when a high level integration strategy is followed, where a total loss of independence results in the acquired company losing their identity completely, with their performance being affected in the process (Vaara, 2002). High level integration strategies usually also necessitate a significant leadership commitment from the acquiring firm, which shifts focus from overall strategic goals, and it can have a detrimental effect on the performance of the consolidated entity (Cording, Christmann, & King, 2008).

The integration strategy can also have an impact on how the market perceives the change. The integration of finance and administrative functions often means a change in processes for external stakeholders, and should these functions fail to live up to market expectation, they could result in a loss of revenue. This is similar for marketing decisions, whereby a decision to co-brand or dissolve the acquired brand creates a different expectation. This can either be beneficial or detrimental to the consolidated organisation's reputation, depending on how the process is managed.

While there are occasions where acquisitions of companies of a similar size to the acquiring company are made, for the most part, a larger company makes an acquisition of a smaller company. Smaller companies usually manage their resources in ways that allow them to be agile in their operations, and offer their clients a service based on that ability. When a larger company takes control of a smaller company, the bureaucratic mentality enforced by the larger company can have a detrimental impact on service delivery and therefore performance. This must be considered when structuring integration strategy.

Based on an understanding that there is usually a requirement for a certain level of integration to be completed in order to extract the expected shareholder value, whether high or low, it is easy to understand why poor integration is listed as a reason for acquisition failure. While the short term results of an acquired company can be negatively affected by the uncertainty and stress created by to the integration, the performance and sustainability of the consolidated organisation can be significantly affected if leadership’s focus is shifted to dealing with these issues rather than creating value (Pablo, 1994).

On the contrary, the effective integration of companies can enhance post-acquisition performance in various ways, as the consolidated organisation can see benefit from economies of scale in manufacturing, sales and marketing, channels of supply and delivery, and advertising (Vasilaki, 2009). Further benefits such as the ability to leverage off combined infrastructure, a larger product suite and an automatic growth in customer base are also visible with effective integration. All of these benefits are realised after the transaction, which shows the need to successfully integrate both companies.

In a study pertaining to the reasons for sharing resources between acquired and acquiring companies, Capron, Dussauge and Mitchell (1998) found that the transfer of resources enhances the integration process and, therefore, it is common practice by integration practitioners. This was supported by Haspeslagh and Jemison (1991) who argued that the value expected from acquiring shareholders can only be created if resources are transferred between the two companies. Successful integration between acquired and acquiring companies can be attributed to the amount of resource transfer that takes place during the integration process.

Capron, Dussauge and Mitchell (1998) also found that this improved integration, due to the sharing of resources between companies, translates into improved post-acquisition performance. The importance of transferring resources between acquiring and acquired companies is therefore evident and needs to be considered as a critical factor in the acquisition integration process.

2.3.1 Transfer of resources

One of the leading motivators in the acquisition decision is the opportunity for organisations to access a new pool of resources. While the potential for accessing these resources is very attractive, the realisation of this potential post-acquisition, depends largely on the firm’s ability to share these resources between the two companies during integration. Haspeslagh and Jemison (1991) and Stahl and Voigt (2008) both emphasised the role that resource sharing can play in the performance of acquisitions post transaction. In addition, Brock (2005) found that the synergy required for expected performance of the consolidated entity is dependent on resource transfer.

Resource transfer can be explained as the moving of resources to a different context within the consolidated organisation, one in which they can be leveraged more efficiently and effectively (Azan & Sutter, 2010). This move can occur through the transfer of resources from the acquiring company to the acquired company and vice versa. It is the responsibility of the leadership group to determine which resources should be transferred, and when the transfer needs to take place.

The sharing of resources between acquired and acquiring companies is the value creating factor (Birkinshaw, Bresman, & Hakanson, 2000). There are obvious resource sharing benefits through physical assets and customer bases, however, an understanding by companies that they have access to a larger pool of resources creates benefits that go beyond the sharing of tangible resources. The knowledge sharing that can take place between employees creates immeasurable long-term benefits, and generates sustained competitiveness for the consolidated organisation.

Favre-bonté and Thévenard-puthod (2013) used a combination of Grant (1991), and Haspeslagh and Jemison's (1991) approaches to differentiate between the types of resources that can be shared between acquired and acquiring companies.

Operational resources can be described as infrastructure, distribution channels, manufacturing facilities, technical ability of the workforce, as well as brand reputation and awareness. Sharing these types of resources means that companies can benefit from economies of scale by consolidating operating facilities or distribution channels, which provide buying power. Sharing of technical resources creates consistency and efficiency within the consolidated organisation and it also infuses new ideas.

Functional resources relate to the development of new products and services through research and development, human resource skills, and the finance and marketing skills that can be shared for the benefit of the combined organisation. Companies are often attracted to the research and development capabilities of other companies because it allows them to automatically upgrade products and services that may be outdated. Similarly, an automatic injection of better human resource competency can allow the consolidated organisation to better service their customers, and function more efficiently, internally.

The sharing of managerial resources can also play a significant part in improving leadership and strategic planning of the consolidated entity. Managerial groups from different companies share different views of the market and thus, it is important to create an environment whereby these views are shared and discussed for the benefit of the combined organisation. It has also been stated that shareholders often pursue an acquisition strategy in order to replace or improve a management team that they believe cannot take the business to the next level (Tuch & O'Sullivan, 2007).

In the modern business environment, it is important to include innovation capabilities as a type of resource that can be transferred between acquired and acquiring companies. Innovation has become a critical competency, and innovative firms regularly become the target of companies who feel they are being left behind in a dynamic world (Hitt, Ireland, & Hoskisson, 2016). An acquisition can be used to catch up with market trends, should a company fall behind its competitors from an innovation perspective.

It has been shown that the transfer of resources between the acquired and acquiring company promotes better post-acquisition performance. However, there are barriers to resource sharing that are unique to these environments. Resource sharing decisions are strategic and therefore need to be made by the leadership group, which means the process needs to be driven by people who have authority on both sides of the acquisition to ensure it is successful (Casciaro & Piskorski, 2005). The perceived image of the acquired firm can also act as an obstacle to resource transfer. If employees perceive that the acquired firm's reputation can have a negative impact on the reputation of the acquiring firm, they often resist attempts to collaborate.

These barriers point to the importance of leadership during the integration process, as there is a requirement for cooperation and unity that must be driven by top management. Buy in from leaders, as well as a commitment to the process, means that employees will follow suit.

It has been argued that the actual value created by the acquisition flows directly from the company's ability to manage the integration of the acquired company (Haspeslagh & Jemison, 1991). This study proposes that a major factor in creating that value is the transfer of resources between acquired and acquiring companies. The leadership group tasked with integrating an acquired company has the power to determine the level of resource transfer. Therefore, it can be argued that the transfer of resources plays a mediating role between leadership and post-acquisition performance. The ability to create value through the integration process is dependent on leadership's commitment to the sharing of resources between the firms, which has an influence on performance.

2.4 Leadership in the acquisition context

The combining of two companies is an extremely complex process, with the best designed integration plans often not ensuring success. Leadership as a variable in the successful integration of acquired companies is acknowledged in the literature. Leaders play an important role during the integration process according to Nemanich and Keller (2007), as they are a key factor in creating value. Vasilaki and O'Regan (2008) give a different reason for its importance; they point to the top management teams as the key coordinators of the integration process, as they need to manage the complexities created by bringing together differing cultures.

General management practitioners have emphasised that the overall quality of senior management's leadership during the integration process plays an important role in the performance of combined firms after the deal has taken place (Neubauer & Gerbott, 2016). In addition, strategy and organisational behaviour researchers have noted that poor decision-making, negotiation, and integration processes have a negative effect on acquisition results (Cartwright & Schoenberg, 2006). Both sets of scholars emphasise the importance of sound leadership, and the importance of tasks for which leaders are responsible for during the integration process.

It has been shown that the post-acquisition environment is characterised by change (Cartwright & Schoenberg, 2006; Shanley & Correa, 1992). In change environments, clear direction from the leadership team is required, and this is even more relevant in the acquisition context. When an acquisition has been completed, the strategy of the combined organisation needs to be communicated, giving the workforce a clear view of why the transaction was completed. Hyde and Paterson (2002) reinforce this perspective, asserting that leaders need to act proactively in order to manage the process of change, establishing clear objectives that are aligned with the company's strategy, and that meet the needs of all involved.

For a leader to be successful in a changing environment, they need to understand the context in which this change takes place. These environments also demand transparency in order to keep the workforce moving in the same direction. It is also important to note that these characteristics need to be shown by leaders from the acquired and acquiring companies. Successful acquisition integration processes can be distinguished by the alignment of goals between acquiring company management and the acquired company's management teams.

The post-acquisition integration process requires leaders to use strengths from different types of leadership styles. The aggressive and competitive approach to pre-acquisition activity needs to be replaced by a more accommodating style of leadership. It requires leaders who have the cognitive attributes to lead in the context of a complex and dynamic environment, as well as leaders who have the emotional intelligence to understand that there is a human factor to be considered during the process.

These qualities are synonymous with both contextual leadership and authentic leadership styles. This study proposes that leaders who exhibit characteristics of contextual leadership and authentic leadership theory are better suited to successfully managing the integration of an acquired company. These two leadership styles will be the focus of this study, with the intention of proving a causal relationship between these leadership styles, and the successful performance of companies, post-acquisition.

2.4.1 Contextual leadership

Traditional leadership theory has preached hierarchical, administrative models (Uhl-Bien, Marion, & McKelvey, 2007), which have been developed to explain the need for top-down matrices that leave no room for innovation (Avolio, Walumbwa, & Weber, 2009). While these theories may have been appropriate in economies built on physical production and manufacturing, the environment has changed, and today, economies are fast-paced, volatile, and built on the premise of easy access to information (Marion & Uhl-Bien, 2001).

This knowledge-based era has required a shift in belief. Leadership theory has drawn on complexity science to develop a modern concept in the leadership literature, namely, complexity theory. In the context of an organisation, complexity can be explained by the difficulty in understanding, describing, or controlling an organisation and its behaviour due to the various systems within its internal environment (Kiridena & Sense, 2016). The theory has been developed based on the behaviour that takes place within a system, and from results of studies that show the non-linear interactions between the components of a system (Mitchell, 2009).

Complexity theory defines organisations as complex adaptive systems. These systems are described by Uhl-Bien et al. (2007) as a "network of interacting, interdependent agents who are bonded in a cooperative dynamic by common goal, outlook or need" (p. 299). The concept seeks to take advantage of the unpredictable way in which these agents interact with each other by exploring strategies that promote cohesion between the systems, which leads to innovation and knowledge sharing (Uhl-Bien et al., 2007).

This study draws a comparison between the fast-paced, volatile context of a complex adaptive system, and the acquisition integration environment which, as described, is similarly dynamic and complex, and can be explained as a set of complex systems coming together. Leaders are required to have an understanding of that context in order to constantly adapt so as to ensure successful integration. Osborn, Hunt and Jauch (2002) argued that leadership is embedded in context and that the responsibility of leaders is not only to their employees but also to influence the system in a way that promotes success.

Leading in context requires the use of hindsight, insight and foresight. Leaders need to understand where their businesses have come from; they need to be aware of the current contextual variables; and they need to acknowledge the preferred future of the organisation (Kutz, 2008). In the context of an acquisition, leaders need to have a clear understanding of the motives for making the acquisition (hindsight), in order for it to be clearly communicated to the workforce; they need to understand the complexity and stress that characterises the dynamic integration environment (insight), and manage change accordingly; and they need to acknowledge the shareholders' post-acquisition performance expectations (foresight), so as to provide direction and set expectations internally.

This level of contextual intelligence gives the leader the best opportunity to recognise all variables within the integration environment. With this understanding, it allows them to adjust their behaviour to exert contextual influence (Kutz, 2008). Leaders need to perform enabling and adaptive functions between the two systems to facilitate behaviours that guide the organisation toward strategic goals (Dinh et al., 2014).

It is often the case that in stressful environments, leadership groups turn to rigidity and order, with the intention of returning the situation to what they believe is the norm, rather than focusing on understanding the context in which they are operating. This is a bureaucratic response that emanates from the industrial age and reduces the ability to adapt to change (Uhl-Bien & Arena, 2017).

The complex acquisition integration environment needs a more adaptive response, one that engages the concept of emergence and promotes the development of networks between systems in the acquired and acquiring organisations (Arena & Uhl-Bien, 2016). Uhl-Bien and Arena (2017) describe emergence as the "creation of a new order that happens when agents (e.g., people, technology, information and resources) in a networked system combine together in an environment poised for change to generate the emergence of something that did not exist previously" (p. 10).

Leaders need to create conditions that encourage this response. When two companies combine, there is an automatic formation of silos based on differing cultures, decision making processes and procedures. These silos need to be broken down by improving information flow and guiding behaviour in such a way to promote collaboration and cohesion.

While it is appropriate to reason that leaders should know the direction in which an organisation wants to go post-acquisition, they must also have a good enough understanding of the environment in order to know what type of space needs to be created to promote emergence. However, it is often the case that the rest of the workforce is kept in the dark when it comes to strategy, and a loss of identity due to the acquisition can mean that employee behaviour is not aligned to company goals.

In the acquisition integration environment, contextualised by complexity and stress, it is the leader's responsibility to isolate and communicate information that is important, in order to direct employees' attention towards company goals. The patterning of attention by leaders must not be directive (telling people what to do); it should rather require having an understanding of what employees should be doing, and how their actions fit into the bigger picture (Osborn et al., 2002), as well as communicating information accordingly.

Contextual leadership theory posits that for firms to create the value expected from shareholders, leaders need to understand the complexity of the context in which those firms operate (Uhl-Bien et al., 2007). This is even more relevant in the context of acquisitions, where change is an everyday occurrence and creating an adaptable environment is critical to success. It is the leader's obligation to guide behaviour of employees in the right direction by promoting the flow of relevant information. The review of the literature supports the view of the researcher that for an acquisition integration process to be successful, the leadership group needs to show characteristics of a contextual leader.

2.4.2 Authentic leadership

Acquisitions can be seen as a very selfish decision by shareholders from an employee's perspective, and are mostly perceived as a decision that is taken without the interests of the workforce in mind. As described, when the news of an acquisition breaks, a level of anxiety and stress is created that can have a detrimental effect on the performance of both the acquired and acquiring organisations. In these situations, open and transparent communication from leaders can play an important role in preventing acquisition failure.

Authenticity involves both owning one's personal experiences and acting in accordance with one's true self (Leroy, Palanski, & Simons, 2012), and it involves being open about what one genuinely thinks and believes. Leaders that are labelled as authentic are characterised by self-awareness, openness, transparency, and consistency; and these leaders are driven by standards that promote a positive outcome for themselves, their company, and for their employees (Brown & Treviño, 2006). These leaders are guided by a sense of self and have a commitment to their own principles and beliefs. (Avolio & Gardner, 2005).

Defined by Avolio, Walumbwa, & Weber (2009), authentic leadership is "a pattern of transparent and ethical leader behaviour that encourages openness in sharing information needed to make decisions while accepting followers' inputs" (p. 423). It is easy to understand that this inclusive approach to leadership can play an important part in reducing the complexity and stress during the integration of an acquired company because the authenticity on the part of leader has an influence on the well-being of their followers.

Authentic leadership is described best by separating the concept into four dimensions, as defined by Avolio and Gardner (2005), and Avolio, Walumbwa and Weber (2009).

Authentic leaders lead through transparency, and openly share information about how they think and feel. Most of the anxiety developed by the employees caught in the middle of an acquisition is brought on by the potential for job losses, the financial insecurity of employees during the period, and the expectation that members of the acquired company need to adapt to the culture of the acquiring company. Openness and honesty about the reasons for the decisions made during the integration process can alleviate this stress and have a positive impact on employee morale and performance.

A leader's internal moral perspective explains the leader's capacity to act in line with his/her internal principles and values, rather than being influenced by external organisational and societal pressures. The decision to acquire, or to be acquired, is made by the leadership group on either side of the transaction. This usually means that these leaders feel that the decision is taken with the best interests of the company in mind, however, that is not always the case. When leaders are influenced by factors outside of their moral belief and they make decisions during the acquisition integration process that they do not believe it in, it can have a detrimental effect on employee morale and performance.

Balanced processing refers to the leader's capacity to gather information from differing perspectives and analyse that information from different viewpoints before making a decision. This is a key concept in the acquisition integration environment. The coming together of different companies brings together differing views, cultures and norms, and leaders need to be able to objectively translate the magnitude of information into meaningful decisions that are best for the company.

Self-awareness is measured by the leaders' perception and ownership of their own strengths, weaknesses, personality, beliefs, and motivations, and their ability to act accordingly. Leaders in the integration process need to show consistency between their own beliefs and their actions and become role models for communication in the consolidated organisation (Wang & Hsieh, 2013). Employees from both sides of the transaction will enter the consolidated environment with a sense of pride, and it is up to the leadership group, to facilitate that feeling of pride in the combined organisation by communicating and acting appropriately.

What is clear from the literature on authentic leadership is that these leaders have the ability to gauge their own emotions and those of others accurately. They are also able to express them in ways that drive actions for the benefit of the group rather than for self-interest. This level of intellect is described as emotional intelligence and it is the capacity of people to recognise their own feelings, and those of others, as well as the ability to manage those feelings as they interact with other people (Doe, Ndinguri, & Phipps, 2015).

Emotions run high in the acquisition integration environment, driven by the complexity and stress that is common during the process. Leaders that have the ability to control their own emotions, as well as take the time to understand the anxiety felt by the rest of the organisation, are suited to managing the process effectively. This unique ability can provide comfort to employees as they are given direction in an environment that is characterised by uncertainty and chaos.

The literature reviewed on authentic leadership further supports the researcher's view that traits common in authentic leaders are perfectly suited to managing the complexities of integrating an acquired company. The human factor is often overlooked during this process, and the integrity and emotional intelligence that characterise these leaders ensure that it is not overlooked.

2.5 Post-acquisition performance

Measuring organisational performance is a key factor in aligning business activities to overall strategy. Scholars have found it difficult to determine the appropriate metric (Vasilaki, 2009). Finance and economic experts promote the use of share-price movements and financial statistics as an indication of performance, based on the belief that this information is impartial. On the other hand, researchers from organisational behaviour and strategy disciplines, prefer to rely on subjective measures such as employee perceptions and management feedback (Schoenberg, 2006).

In the case of acquisitions, it is even more important to monitor progress, as the investment made by shareholders is usually substantial and they want to see a return on that investment as soon as possible. Cartwright and Schoenberg (2006) highlight the importance of these measurements by arguing that due to the differing expectations of shareholders, determining the appropriate measure of performance is critical in the dynamic field of acquisitions. However, based on shareholder's differing individual motivations for acquisitions, various metrics have been adopted in practice (Cartwright & Schoenberg, 2006).

Many authors have studied post-acquisition performance, however, despite this volume of research, there is little acceptance of an appropriate measure of performance. Kiessling and Harvey (2006) stress that there is no agreement regarding the most applicable method of acquisition performance measurement. In an analysis of 88 empirical studies conducted between 1970 and 2006, Zollo and Meier (2008) concluded that the three most common measurements of post-acquisition performance are share-price observations, financial metrics, and subjective measures.

Tuch and Sullivan (2007) argue that stock returns are an appropriate measure, as changes in share price directly reflect changes in shareholder wealth. While this is consistent with findings in the financial research field, this approach excludes all companies that are not listed on a public exchange. Accounting based measures are popular for their level of objectivity. Thanos and Papadakis (2010) stress that the major advantage of accounting-based measures is that they do not measure investor perceptions, but rather actual performance based on annual financial statements. Similar to the limitation of stock-market based measurements, access to the financial statements of companies can be difficult.

Subjective measurements have been used to monitor post-acquisition results (Vasilaki, 2009), and based on the limitations of stock-market and accounting based measures, it will be the approach followed in this study. Subjective indicators are suited to the purpose of measuring post-acquisition performance as they take into account the stress and complexity (as shown) that can have a significant effect on company performance.

Respondents of this study were asked to provide feedback based on their perceptions of the performance of acquired companies post-transaction. The major limitation of this approach is the bias associated with subjective questionnaires; however, prior research has shown that these measures have the advantage of being correlated to a large number of objective measures (Dess & Robinson, 1984). This also gives the researcher an opportunity to study the total value creation of an acquisition by gathering data on the perceptions of both accounting and strategic indicators. This approach is supported by Schoenberg (2006) who showed that by including various measures of performance in the data gathering process, a more holistic view of an acquisition outcome is facilitated.

2.6 Conclusion

This section gave an overview of the literature available on acquisitions, as well as the complexity of the stressful post-acquisition integration process. Evidence was given to support the proposition that resource transfer plays an important role in successful integration, and a summary of the resources to be used as reference in this study, was provided. Based on the literature, the researcher proposed that the leadership styles of contextual and authentic leaders are best suited during the post-acquisition integration process. Finally, the common approaches to acquisition performance measurement were introduced, and the subjective measures chosen for the study were defended. The following chapter presents the conceptual framework developed for this study in more detail. The research hypotheses derived from the literature are also introduced.

3. RESEARCH HYPOTHESES

3.1 Introduction

This study intends to add to the literature on the leadership and performance relationship within the context of acquisitions, in an attempt to provide a solution to the on-going trend of acquisitions failing to meet shareholder expectations.

The literature review showed that there is limited research on the impact that leadership has on the performance of acquired companies. The review also provided evidence to support the proposal that based on the complex nature of the acquisition integration process, leaders who exhibit aspects of contextual leadership and authentic leadership are better equipped to promote post-acquisition performance. In addition, evidence was provided to support the proposal that resource transfer is an important factor in the integration process and that an effort to transfer resources between acquiring and acquired companies after the transaction, can lead to improved performance.

3.2 Conceptual framework

Based on the findings in the literature, the conceptual framework introduced in Chapter 1 was further developed to depict contextual leadership and authentic leadership as independent variables, and show the relationship that these leadership styles have with resource transfer and perceived post-acquisition performance.

Figure 3: Contextual leadership framework

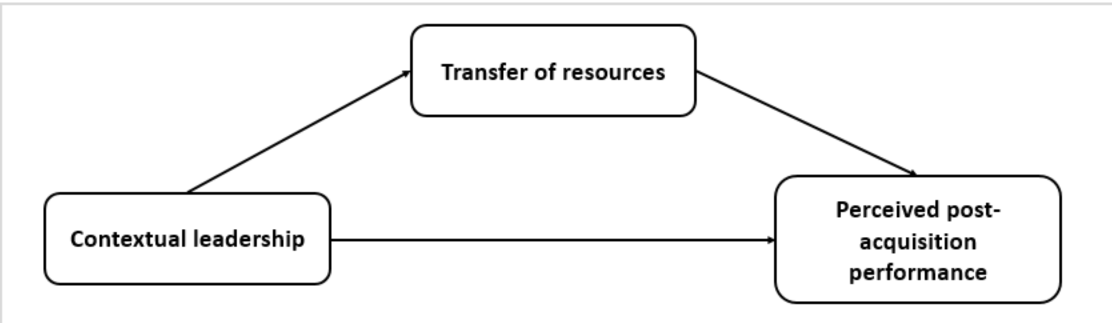


Figure 3 shows contextual leadership as the independent variable, with a positive relationship with the dependent variable, perceived post-acquisition performance. The transfer of resources mediates the relationship between the two variables.

Figure 4: Authentic leadership framework

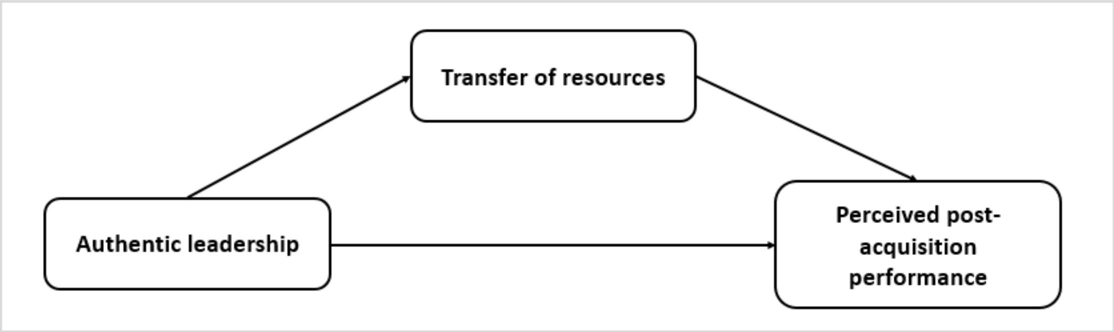


Figure 4 shows authentic leadership as the independent variable, with a positive relationship with the dependent variable, perceived post-acquisition performance. The transfer of resources mediates the relationship between the two variables.

The following hypotheses were derived from the literature in order to reach the research objectives, and were carefully constructed in an effort to link the research objectives to the literature. These hypotheses were used to predict the outcome of the relationships between identified variables (Creswell, 2014).

3.3 Objective 1

The first objective of this study was to extend the literature on the relationship between leadership and performance in complex environments by analysing contextual leadership and authentic leadership influences on performance in the acquisition context. The hypotheses derived to achieve this objective are provided below.

Hypothesis 1: Contextual leadership and perceived post-acquisition performance

Table 1: Hypothesis 1

Hypothesis 1	
H_0	No positive relationship exists between contextual leadership and perceived post-acquisition performance.
H_1	There is a positive relationship between contextual leadership and perceived post-acquisition performance.

Hypothesis 2: Authentic leadership and perceived post-acquisition performance

Table 2: Hypothesis 2

Hypothesis 2	
H_0	No positive relationship exists between authentic leadership and perceived post-acquisition performance.
H_1	There is a positive relationship between authentic leadership and perceived post-acquisition performance.

3.4 Objective 2

The second objective of this study was to investigate the extent to which the leadership and performance relationship is mediated by the transfer of resources between acquired and acquiring companies. The hypotheses derived to achieve this objective are provided below.

Hypothesis 3: The transfer of resources mediation on the contextual leadership and perceived post-acquisition performance relationship

Table 3: Hypothesis 3

Hypothesis 3	
H_0	The transfer of resources has no mediating effect on the impact of contextual leadership on perceived post-acquisition performance.
H_1	The transfer of resources has a mediating effect on the impact of contextual leadership on perceived post-acquisition performance.

Hypothesis 4: The transfer of resources mediation on the authentic leadership and perceived post-acquisition performance relationship

Table 4: Hypothesis 4

Hypothesis 4	
H_0	The transfer of resources has no mediating effect on the impact of authentic leadership on perceived post-acquisition performance.
H_1	The transfer of resources has a mediating effect on the impact of authentic leadership on perceived post-acquisition performance.

3.5 Objective 3

The final objective of this study was to test the proposal that the transfer of resources has a positive effect on post-acquisition performance. The hypothesis derived to achieve this objective is provided below.

Hypothesis 5: The transfer of resources and perceived post-acquisition performance

Table 5: Hypothesis 5

Hypothesis 5	
H_0	There is no association between the transfer of resources and perceived post-acquisition performance.
H_1	There is a positive association between the transfer of resources and perceived post-acquisition performance.

3.6 Conclusion

This chapter introduced the hypotheses to be tested for this study so as to achieve the research objectives. The next chapter will provide an explanation of the research methodology chosen to gather the data, and describe the techniques used to test the research hypotheses.

4. RESEARCH METHODOLOGY

4.1 Introduction

The literature reviewed in Chapter 2 provided an overview of the theory related to leadership in the acquisition integration environment, as well as leadership's influence in determining the performance of the acquired company. The transfer of resources was introduced as a mediating factor between the leadership and performance relationship and an overview was provided of the metrics used to measure perceived post-acquisition performance. Based on the literature a number of research hypotheses were derived to investigate these relationships, so as to satisfy the research objectives.

This chapter provides an overview of the methodology chosen to prove or disprove the relationships hypothesised in Chapter 3. The research design will be defended, and an overview of the population and sample will be provided in addition to an explanation of how the measurement instrument was constructed. Lastly, a summary of the techniques used to interrogate the data will be presented.

4.2 Research design

The acquisition integration process is dynamic and complex, and it constantly influences the change of company policies and procedures (Vasilaki, 2009). It is because of this ever-changing environment that a positivist approach has been used for this study. A positivist approach is used to study measurable variables in certain controllable conditions, where the role of the researcher is limited to the collection of data and the interpretation of that data through an objective approach (Saunders and Lewis, 2012). The table below provides a summary of the variables measured in this study.

Table 6: Variables of this study

Independent variables	Mediator variable	Dependent variable
Contextual leadership Authentic leadership	Resource transfer	Perceived post-acquisition performance

The deductive model explained in chapter 3 was developed to describe the relationship between contextual leadership and authentic leadership styles, and the impact that these types of leadership have on the perceived performance of acquired companies. This model also takes into account the transfer of resources as a mediating factor in the relationship. Saunders and Lewis (2012) describe deduction as an approach to research that involves the testing of a theoretically derived proposition by using a research strategy that is developed to test that same proposition.

The literature showed support for the proposition that the complexity and stress related to an acquisition integration process requires leaders to exhibit both contextual leadership and authentic leadership traits. Therefore, the intention of this study is to describe the causal relationship between these two leadership styles and the perceived performance of the acquisitions in question. It is also the intention to show that this relationship is mediated by the transfer of resources between acquired and acquiring companies.

The data for analysis was collected using questionnaires distributed via email. This allowed for a wide distribution and enhanced the snowball effect. The best research methodology for this type of study was quantitative because it allowed the researcher to gather data through a structured process, and thereafter, allowed for controlled analysis (Vasilaki, 2009). The need for quantitative research stemmed from the researcher's intention to identify trends within the research environment, which could then be linked to the ongoing tendency for acquisitions not to reach their expected potential.

The table below describes the research design and approach (Saunders & Lewis, 2012).

Table 7: Methodological stance of this study

Research type	Explanatory
Research philosophy	Positivism
Research approach	Deduction
Research strategy	Survey
Research choice	Mono method
Research methodology	Quantitative data analysis
Research period	Cross-sectional

4.3 Population

For the purpose of this study, both acquiring and acquired companies were targeted for data collection, as the leadership decisions made in both the acquiring and the acquired companies can influence the integration process. The data was gathered from all business entities that form part of a South African investment holding company listed on the Johannesburg Stock Exchange. These companies operate in the fields of information-communication technology, services, consulting, and finance. However, referrals were requested which resulted in a number of responses from respondents outside of the initial sample. Only referrals to companies who had been through an acquisition integration process, were accepted.

Creswell (2012) describes a target population as a group of individuals or group of organisations with some common defining characteristic that a researcher can identify and study. The common characteristic for this study are companies that have been through an acquisition integration process, whereby their employees have been exposed to the complexity and stress that characterises this process.

4.4 Unit of analysis

One of the most important decisions to make in the research process is to identify what type of unit to study. If one selects either individuals or organisations, one needs to determine the type of person or firm to be studied, and how many of these units will be needed to ensure the research results are appropriate for data analysis. The selection procedure followed for identifying each unit of analysis is important because the type of unit can have a significant effect on the validity and reliability of the data (Creswell, 2012).

The questions in the research questionnaire are focused on leadership, and because of the overarching theme of leaders within the acquisition process, the questions are targeted at leaders who have been exposed to the integration of an acquired company. Therefore, the unit of analysis is executives, directors, senior managers, line managers, supervisors, and any employee with a decision-making ability within an organisation, who have been exposed to the integration of one or more acquisitions.

4.5 Sampling method and size

Sampling involves any procedure that draws conclusions based on the measurements of a portion of the population (Zikmund, Babin, Carr, & Griffin, 2013). The sampling process can be split into two types, probability sampling and non-probability sampling. Various techniques are used in probability sampling, whereby a sample is chosen from a known complete list of the population. Due to the fact that the list is known, and the selection is random, each unit has an equal chance of being selected (Saunders and Lewis, 2012). Non-probability sampling techniques are different in that the selection of the sample is made from an uncompleted list, and therefore, the probability of each unit being selected is unknown (Saunders and lewis, 2012).

There is no way of accessing a full list of acquisitions, thus, the researcher did not obtain a completed list of the population. This means that a non-probability sampling technique was employed to determine the sample. Purposive sampling was used to select the sample members based on the requirement that the respondents needed to come from companies that have been exposed to the integration of an acquisition. In purposive sampling, the researcher's own judgement is used to select the sample due to the need for a specific type of population (Saunders & Lewis, 2012). Similarly, the researcher used judgement in selecting the initial sample for this study. Thereafter, a snowball effect occurred and a number of respondents outside the initial sample were included.

The initial sample size was 120 executives, directors, senior managers, line managers, and supervisors, within all the business entities of a South African investment holding company listed on the Johannesburg Stock Exchange, who have been exposed to the integration of one or more acquisitions. Due to the cross-sectional nature of the study, time constraints resulted in the sample size being reduced to 58 responses. The unique type of respondent targeted also had an influence on the amount of responses collected. Zikmund et al. (2013) are of the opinion that a large sample size is more accurate. However, non-probability sampling with a minimum sample size of 30 and a fair representation from the unit of analysis can give a reliable measure of the whole population and give meaningful results.

4.6 Measurement instrument

The research is descriptive in nature; therefore, questionnaires were used to gather the data. The main advantage of the use of questionnaires as a measurement instrument is the ability to gather data from a wide geographical area, which was the intention for this study. Questionnaires are used when the same group of questions are asked of respondents in the same sequence; and they are distributed by various means, namely: the web, post, hand, and telephone, or through live interviews (Saunders and Lewis, 2012). This allowed the researcher to determine whether there was a relationship between the two independent variables and the dependent variable, and to infer the findings to the population (Creswell, 2014).

Likert scales were used to allow respondents to rate how strongly they agree or disagree with a statement, which allowed for easy analysis using a statistical software program. The data was collected at a point in time to gather information about the respondents' perceptions of the performance of acquired companies (Creswell, 2012).

4.6.1 Construction of the questionnaire

A number of control variables were used in the questionnaire: gender, length of tenure, level within organisation, size of the organisation, and the date range within which the acquisitions the respondents have been exposed to took place. These variables were used to contextualise the results and to eliminate any bias within the data.

In addition to the demographical questions, the survey contained items from four different questionnaires, taking into account the three key themes of the study, as follows:

a. Leadership

The Authentic Leadership Questionnaire was used to measure aspects of authentic leadership. This instrument has been used as a measure of authentic leadership in the past (Scheepers & Elstob, 2016; Walumbwa, Avolio, Gardner, Wernsing & Peterson, 2008). The instrument is known for its reliability and validity; hence it was a suitable instrument used for the purposes of this study.

For the measurement of contextual leadership, an instrument developed by Scheepers (2016) was used. This instrument uses 16 items to measure the three aspects of contextual leadership, as discussed in chapter two: contextual intelligence, developing networks, and patterning of attention.

b. Transfer of resources

The tool used to measure this construct is an adaptation of the scale used by Birkinshaw et al. (2000). It comprises 8 questions that are consistent with the concepts described in section 2. A Likert scale was used to measure the respondents' perceptions.

c. Perceived post-acquisition performance

Most studies measuring performance focus purely on the financial performance of companies from an objective perspective. This study includes measures of performance that are not finance related, and the respondents were requested to answer the questions subjectively based on their perceptions. Schoenberg (2006) developed a scale used to measure the performance of acquired companies, which includes questions on financial indicators. This scale was adapted slightly to include certain non-financial indicators with the intention of providing a more holistic view of performance.

4.7 Data gathering process

As this study had no specified boundary, the intention was to gather responses from a wide geographical area. Therefore, self-administered questionnaires delivered via the internet was the most appropriate form of distribution. This type of distribution allows the researcher to cover a large geographical area, and it also enhances the snowball effect. Surveys distributed by post mail can be expensive, and data gathered automatically via the internet reduces the chance of error as less information needs to be transcribed (Zikmund et al., 2013).

The intention of this study was to investigate the relationship between contextual leadership and authentic leadership, in relation to the performance of acquired companies, and therefore, it was important to gather as much data as possible to adequately analyse that relationship. The use of a self-administered questionnaire was an appropriate instrument and facilitated the collection of an adequate amount of data for statistical analysis.

4.8 Data preparation

The data gathered using the research questionnaire was analysed to investigate the hypotheses. The researcher followed the steps summarised in table 8 to ensure the data was appropriate for analysis. The remainder of this section describes the statistical analysis used to determine the validity and reliability of the instruments, as well as the normality of the data.

Table 8: Summary of data preparation techniques

Analysis step	Purpose	Analysis or methodology used
Data preparation		
Data editing and preparation	To remove missing values, and identify outliers	Observation of missing values
Instrument validity and reliability		
Test for reliability	To confirm reliability of the scales used	Cronbach's coefficient alpha
Test for convergent validity	To ensure that each item measures the construct for which it is intended to measure	Corrected item-total correlation
Test for discriminant validity	To ensure the constructs that are not supposed to be related are unrelated	Correlation matrix
Normality assumptions		
Test for normality	To confirm normality of the data	Skewness and kurtosis formulas

4.8.1 Coding, cleansing and editing of the data

The majority of the scales used to collect the data were Likert-based, which allowed for easy coding of the data using a statistical software program. The survey tool developed to gather responses did not allow for final submission without completing all of the items, therefore, no missing values were observed. In addition, the data was normally distributed and no outliers were identified during the data preparation phase. Therefore, no responses were removed from the data set.

4.8.2 Reliability of the instruments

In study's that make use of cross-sectional data it is important to test for internal consistency. Confirming the consistency of the data shows that respondents answered questions that are closely related, consistently (Creswell, 2012). The most commonly used measure of internal consistency when items are scored as continuous variables (agree to disagree), is Cronbach's alpha coefficient (Pallant, 2011). This statistic was used as a measure of reliability of the items during this study.

Cronbach's alpha coefficient is based on the correlations between different items on the same scale, where an alpha of between 0.6 and 0.7 is regarded as acceptable reliability, and where an alpha of 0.8 or higher indicates good reliability (Saunders & Lewis, 2012). A reliable questionnaire is one with scores on similar items to be internally consistent, but you still want each of the items to contribute unique information to the proposed construct (Saunders & Lewis, 2012).

4.8.3 Validity of the instruments

Good measures should be both consistent, as well as accurate. Accuracy ensures an instrument assesses what it is intended to measure (Zikmund et al., 2013), and refers to the degree to which an instrument measures what it is supposed to (Pallant, 2011).

This study used construct validity to measure the accuracy of the scales. This involved testing the scales in terms of theoretically derived hypotheses concerning the nature of the underlying constructs (Pallant, 2011). Convergent validity was used to test relationships which, based on theory, should be related, and discriminant validity was used to test the relationships between unrelated variables (Pallant, 2011).

a. Convergent validity of the instruments

Convergent validity is used to measure whether each group of items measure the construct for which it is intended to measure. Convergent validity occurs when the set of variables presumed to measure a construct do in fact measure the said construct, and where the researcher is looking for high scores above 0.5 (Hair, Black, Babin, &

Anderson, 2010). A corrected item-total correlation scale was used to measure this association.

b. Discriminant validity of the instruments

Groups of variables, that together measure a latent variable, should show correlation (Hair et al., 2010). Discriminant validity is the extent to which a construct is truly distinct from other constructs, and the researcher is looking for values that are low, and ideally lower than that measured for convergent validity (Hair et al., 2010). This association was measured using a correlation matrix.

4.8.4 Test for normality

A normal distribution of data is required by most statistical procedures, and it is due to this requirement that a data set is tested to establish normality or not (Razali & Wah, 2011). Skewness tests are used to confirm the symmetry of the distribution, and the test for Kurtosis is used to measure the peaked-ness of the distribution (Hill & Lewicki, 2006), which both support normality. Data can be considered to be normally distributed if the standardised Skewness and Kurtosis values are between -2.58 and +2.58 (Hair et al., 2010). Skewness and Kurtosis values were generated to prove the assumption of normality.

4.9 Data analysis approach

Applying reason to a collection of data in order to develop an understanding of that data is known as data analysis in its simplest form. Data analysis involves determining consistent patterns and summarising the relevant details revealed in the investigation (Zikmund et al., 2013) into trends, with the intention of inferring those trends onto the larger population.

After the completion of the data gathering phase, the data was analysed using SPSS statistical analysis software (SPSS). This process was conducted to statistically analyse the data in order to identify and describe the trends presented. Table 9 provides a breakdown of the statistical tests performed, followed by a description of the technique in the next section. Throughout the statistical analysis, a significance-confidence interval of 95% was assumed.

Table 9: Summary of data analysis techniques

Analysis	Description	Presentation
Introductory analysis		
Descriptive statistics	Explained sampled respondents and period of acquisition	Frequency and percentage statistics. Charts
Objective 1		
Hypothesis 1: Regression analysis	Investigated the effect of contextual leadership on perceived post-acquisition performance	Statistically: Regression analysis
Hypothesis 2: Regression analysis	Investigated the effect of authentic leadership on perceived post-acquisition performance	Statistically: Regression analysis
Objective 2		
Hypothesis 3: Mediation analysis	Determined if the transfer of resources has a mediating effect on the relationship between contextual leadership and perceived post-acquisition performance	Statistically: Regression analysis with bootstrapping (1000 resamples)
Hypothesis 4: Mediation analysis	Determined if the transfer of resources has a mediating effect on the relationship between authentic leadership and perceived post-acquisition performance	Statistically: Regression analysis with bootstrapping (1000 resamples)
Objective 3		
Hypothesis 5: Regression analysis	Investigated the effect of the transfer of resources on perceived post-acquisition performance	Statistically: Regression analysis Graphically: Scatter plot

4.9.1 Descriptive statistics

Descriptive statistics help to understand the features of the data collected by providing short summaries of the sample. Zikmund et al. (2013) describe them as statistics that summarise and explain the data in a simple and understandable manner.

The researcher used these statistics to show that the respondents were appropriate for this study, meaning that there was no bias based on the type of respondent. Statistics were calculated for each of the constructs and included the mean, median, and mode, and variability (Creswell, 2012).

4.9.2 Regression analysis

The researcher made use of simple linear regression analysis to test the relationships between independent variables and the dependent variable. Linear regression is an analysis of association in which the effect of an independent variable on a single, dependent variable, is investigated (Zikmund et al., 2013). It is a statistic used when both the dependent and independent variables are continuous, and the data is normally distributed (Creswell, 2012).

Regression analysis illustrates a line that best summarises a pattern of data between two variables. It illustrates how much of the variance in an dependent variable is explained by the independent variable (Field, 2014). This variance is represented by the regression coefficient and indicated by R^2 in the results (Wegner, 2016).

Regression analysis was therefore an appropriate method of analysis for this study, as the dependent variable, namely, perceived post-acquisition performance is presumed to be causally related to the independent variables, namely, contextual leadership and authentic leadership. Linear regression was also used to investigate the relationship between the transfer of resources and perceived post-acquisition performance, as well as part of the test for the transfer of resources mediation of the leadership and perceived post-acquisition performance relationship.

4.9.3 Mediation analysis

The model shown in Chapter 1 depicts a causal sequence whereby an independent variable (leadership) has an impact on a dependent variable (perceived post-acquisition performance) indirectly through a mediator variable (resource transfer). Leadership is therefore postulated to affect the transfer of resources, and this effect is then propagated causally through to the perceived performance of an organisation post-acquisition (Hayes & Preacher, 2014). Researchers use mediation analysis to analyse the pathways through which a variable (contextual leadership and authentic leadership) has an effect on a consequent variable (perceived post-acquisition performance) through a mediator variable (resource transfer) (Hayes & Scharkow, 2013).

The researcher intended to use Baron and Kenny's (1986) four step framework, to test the mediating effect of the transfer of resources on the leadership and performance relationship (hypotheses 3 and 4). To establish mediation, the following conditions need to hold: An independent variable needs to have an impact on a dependent variable. Second, an independent variable is required to have an effect on a mediator variable. The next step requires the mediator variable to have an effect on the dependent variable. Lastly, when the independent variable and mediator variable are added to the model, the mediator variable is required to have a significant effect on the dependent variable, and the independent variable's effect on the dependent variable has to lessen or totally disappear (Baron & Kenny, 1986).

Results from the regression analysis conducted to prove the first step in the framework showed that both contextual leadership and authentic leadership have no effect on perceived post-acquisition performance. This did not satisfy the first condition for mediation between these two variables.

Hayes (2009) argued that users of the Baron and Kenny framework often end the search for mediation when the first step in the framework is not met. Therefore, the researcher applied bootstrapping to test for the indirect effect of the transfer of resources on the leadership and perceived post-acquisition performance relationship. Bootstrapping is a re-sampling technique used where a large number of subsamples are drawn from the original data, and then the quantities calculated are used to make inferences (Hair et al., 2010). This provides an empirical representation of the indirect effect of the mediator variable on the relationship between independent and dependent variables (Hayes, 2009). The typical number of re-samples used in this process is 1000 (Hayes, 2009), which was the number set for this study.

4.10 Limitations of the research methodology

All research methods have limitations. Limitations of quantitative studies typically relate to the data gathering instrument, data gathering technique, type of respondent, sample size, or statistical analysis technique used (Creswell, 2014). The limitations of the methodology used in this study are outlined below:

4.10.1 Data collection

There has been criticism of the use of questionnaires to gather data for the study of acquisitions (Haspeslagh & Jemison, 1991), based on the fact that questionnaires are not flexible enough to capture data within a dynamic environment. This concern was noted and was countered by the use of instruments that have been used in other studies with reported validity and reliability.

The use of snowball sampling as a data gathering technique poses a limitation of homogeneity. The researcher controlled for this limitation by asking a number of biographical questions in order to accurately profile the respondents.

4.10.2 Data source

The use of a single respondent can also be seen as a limitation of this study. While this approach is consistent with other studies on the post-acquisition performance (Vasilaki, 2009), it does limit the study in terms of alternative explanations for the findings.

4.10.3 Cross-sectional data

As evidenced in section two, acquisitions and the acquisition integration process is complicated and characterised by a constantly changing environment. The methodology used was cross-sectional and therefore did not take into account this ever changing environment by analysing trends over a longer time. The cross-sectional nature of the study also had an impact on the number of responses collected.

4.10.4 Mediation analysis

The researcher intended to use Baron and Kenny's (1986) framework to test for mediation. The framework requires that each step is satisfied before moving onto the next step in the process in order to justify mediation. In the case of this study the first step of the process was not satisfied and the use of this framework had to be discontinued. This limitation is noted in the literature (Hayes, 2009) and the researcher countered this by making use of an alternative method, bootstrapping, to test for mediation.

4.11 Conclusion

The research methodology followed to support or disprove the research hypotheses was described in this chapter. The quantitative approach applied was based on the nature of the research hypotheses, which was well-suited to addressing the research objectives. An explanation of the data gathering technique used was provided, along with an overview of the scales used to measure the constructs. The techniques used to prepare the data and prove validity and reliability of the scales was detailed. An overview of the data analysis techniques used to test the hypotheses was provided, of which the results are shown in the following chapter.

5. RESEARCH RESULTS

5.1 Introduction

The previous chapter provided an overview of the methodology chosen to satisfy the research objectives. The range of statistical analysis techniques performed in order to test the research hypotheses were described. This chapter presents the results obtained during the analysis process.

The services of a data analyst were commissioned to conduct an analysis of the data. A research brief was provided in addition to a breakdown of the research methodology, research questionnaire, and research objectives and hypotheses.

5.2 Data preparation

5.2.1 Reliability of the instruments

Cronbach's alpha was used to test for internal consistency of the responses (Creswell, 2012), the results of which are shown in table 10. Accordingly, the researcher found that the instruments indicate good reliability because their Cronbach alpha values are all above 0.7 (Zikmund et al., 2013), as shown below.

Table 10: Reliability of the instruments

Scale	Cronbach alpha
Contextual leadership	0,938
Authentic leadership	0,912
Transfer of resources	0,786
Perceived post- acquisition performance	0,855

These values were achieved after a number of items were removed from the analysis because they were not valid in the context of this study. The items were removed in order to obtain the optimum Cronbach alpha values (Field, 2014), with the assistance of SPSS. Table 31 in appendix 3 provides a breakdown of the items that were used in the data analysis process.

5.2.2 Validity of the instruments

This study used construct validity to measure the accuracy of the measurement instruments. Convergent validity was used to test relationships which, based on theory, should be related and discriminant validity was used to test the relationships between unrelated variables (Pallant, 2011).

a. Convergent validity

Table 32 in appendix 3, shows the corrected item-total correlation coefficients. All values are above 0.5 which shows that the items in the survey instrument all converge at least at 50 % toward their respective constructs (Pallant, 2011). Convergent validity of the instruments is therefore supported.

b. Discriminant validity

Table 11 indicates a moderate level of correlation among the variables in the model as the majority of Pearson correlation coefficients are lower than 0.4 (Pallant, 2011). A strong correlation (0.801) was reported between authentic leadership and contextual leadership. Given that both variables are sub-constructs of the main construct called leadership this is normal. In conclusion, the discriminant validity of the instruments is also supported.

Table 11: Correlation matrix

Construct	Authentic leadership	Contextual leadership	Transfer of resources	Perceived post-acquisition performance
Authentic leadership	1			
Contextual leadership	**.801**	1		
Transfer of resources	-.135	-.157	1	
Perceived post-acquisition performance	.004	-.056	.362**	1

Given the fact that convergent validity and discriminant validity was shown, it was confirmed that the instruments used in this study can be considered valid.

5.2.3 Normality of the data

Skewness and Kurtosis tests were performed to prove the assumption of normality of the data collected. The assumption of normality is supported in table 12, which indicates Skewness and Kurtosis values. Data can be considered to be normally distributed if the standardised Skewness and Kurtosis values are between -2.58 and +2.58 (Hair et al., 2010). The table indicates satisfactory Skewness and Kurtosis values and therefore, the assumption of normality is met.

Table 12: Skewness and Kurtosis values

Construct	Skewness	Kurtosis	Conclusion
Authentic leadership	-.625	.981	**Normality supported**
Contextual leadership	-.625	.774	**Normality supported**
Transfer of resources	.123	-.309	**Normality supported**
Perceived post-acquisition performance	.328	.079	**Normality supported**

With the validity and reliability of the instruments used in this study shown, and normality of the data confirmed, the researcher could confidently move on to generating descriptive statistics and the testing of the research hypotheses.

5.3 Description of the sample

The research survey was sent out to a sample of 120 employees within a South African investment holding company listed on the Johannesburg Stock Exchange. The researcher requested that respondents refer the questionnaire on to people who are executives, directors, senior managers, line managers, supervisors, or any employee with a decision-making ability within their respective organisation, who have been exposed to the integration of one or more acquisitions. This meant that respondents from various organisations were included in the study.

At the time of analysis 58 questionnaires had been completed. While the sample size was smaller than the researcher intended, it was large enough to be able to infer the results onto the population. The response rate was influenced by the cross-sectional nature of the study and the research period, as well as the unique type of respondent required to appropriately complete the survey.

Demographical and control variables were used in order to determine the descriptive statistics. An analysis of these statistics confirmed that the data was adequately dispersed. The sample consisted of 64 percent male, and 36 percent female respondents. An explanation of the demographical variables and the descriptive statistics is presented in the next section.

5.3.1 Years with organisation

Table 13 shows that the majority of respondents had spent three or more years with their current employer. The period between 3 to 10 years was represented most with 69 percent of the respondents having spent this amount of time with their current employer.

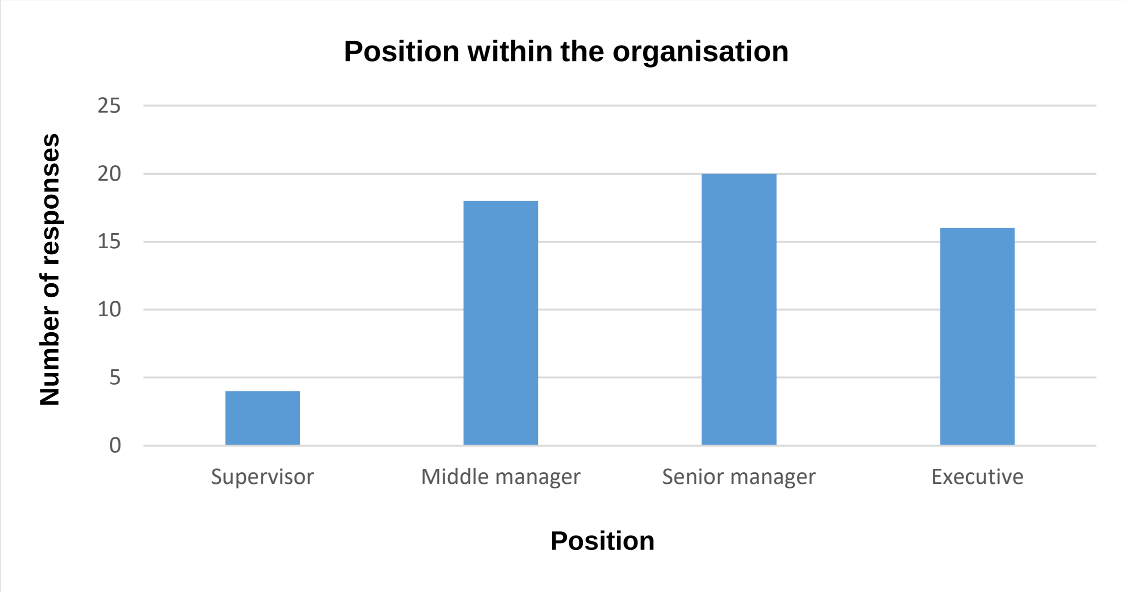
Table 13: Years with the organisation

Years with your organisation	Frequency	Valid percent
0-2	5	8.6
3-5	19	32.8
6-10	21	36.2
11-15	11	19.0
16 and above	2	3.4
Total	58	100.0

5.3.2 Position within the organisation

Figure 5 below, gives the reader an indication of the positions held by respondents within their respective organisations, an important variable to consider for this study. The lowest level represented in the sample were supervisors, who made up four responses. Middle managers, senior managers, and executives provided 18, 20 and 16 responses, respectively.

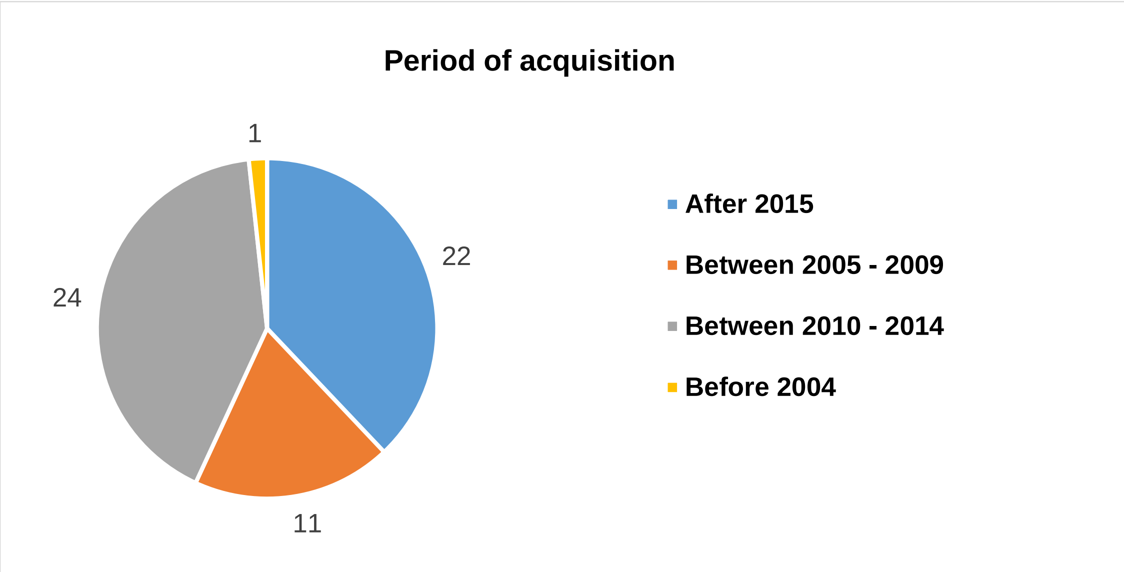
Figure 5: Position within the organisation



5.3.3 Period of acquisition

The majority of respondents had been exposed to the integration of an acquired company post 2010, as shown in figure 6. Of the respondents, 24 had worked for companies that had made an acquisition between 2010 – 2014, and 22 respondents had been exposed to an acquisition integration process post-2015.

Figure 6: Period of acquisition



5.4 Descriptive statistics

The descriptive statistics shown in table 14 Indicate that the responses for the transfer of resources varied the most, with a standard deviation of 0.94, and a sample variance of 0.88. Also shown, is that the leadership profiles measured in this study, are perceived to be more authentic, with the mean and median scores for the construct scoring higher than those for contextual leadership.

Table 14: Descriptive statistics

Statistic	**Contextual leadership**	**Authentic leadership**	**Transfer of resources**	**Perceived post-acquisition performance**
Mean	3.11	**3.29**	2.70	2.67
Median	3.19	**3.25**	2.67	2.57
Mode	2.54	2.88	2.33	2.57
Standard deviation	0.74	0.78	**0.94**	0.76
Sample variance	0.55	0.61	**0.88**	0.58

This study investigates the effect of leadership on the perceived post-acquisition performance through the transfer of resources. The construct leadership is assessed in terms of contextual leadership and authentic leadership. The transfer of resources is proposed as a mediator. The following sections provide results of the statistical analysis performed to test the hypotheses.

5.5 Objective 1

The first objective of this research was to extend the literature on the relationship between leadership and performance in complex environments by analysing contextual leadership and authentic leadership influences on organisational performance.

Hypothesis 1: Contextual leadership and perceived post-acquisition performance

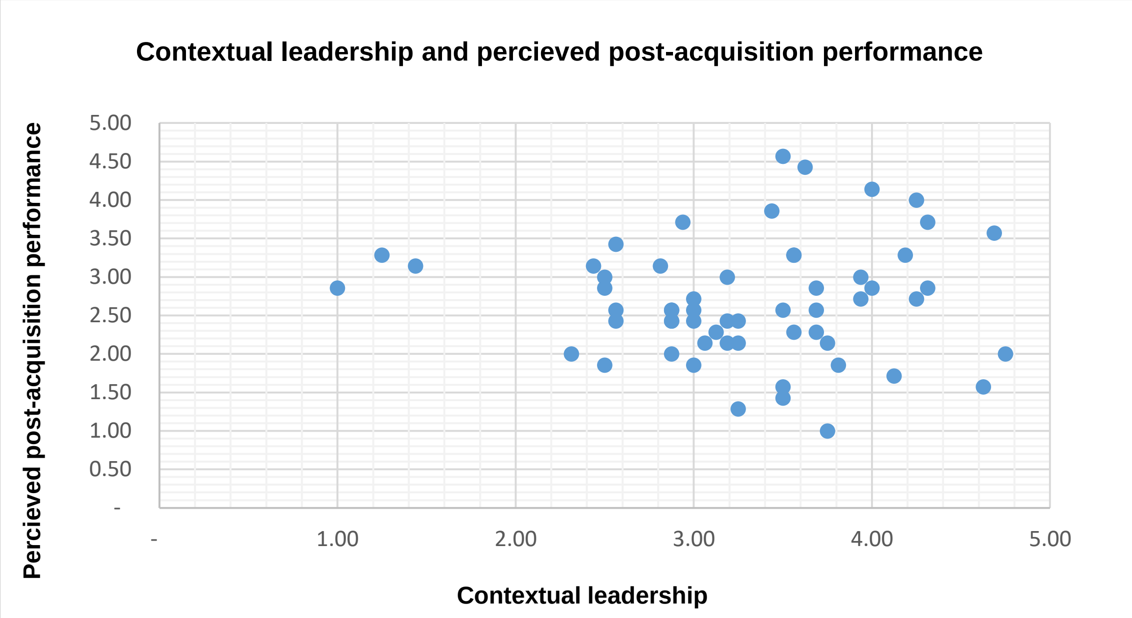
A simple linear regression was conducted to investigate the relationship between contextual leadership and perceived post-acquisition performance. Table 15 shows that there is a negative and non-significant relationship between contextual leadership and perceived post-acquisition performance because the beta value (-0.056) is negative and the P-value (0.675) is greater than 0.05 (Wegner, 2016).

Table 15: Regression analysis – Hypothesis 1

		Unstandardized coefficients		**Standardized coefficients**		
Model		B	Std. Error	Beta	t	P-value
1	(Constant)	2.853	.439		6.491	.000
	Contextual leadership	-.058	.138	**-.056**	-.421	**.675**
Dependent variable: Perceived post-acquisition performance.						

To support the results of the statistical analysis, a basic scatterplot was drawn with contextual leadership on the x-axis, and perceived post-acquisition performance on the y-axis. It is clear from the pattern of the data points that a positive relationship between the two variables seems improbable.

Figure 7: Contextual leadership and perceived post-acquisition performance



In conclusion, these results indicate that, in the context of this study, perceived post-acquisition performance does not depend on contextual leadership.

Hypothesis 2: Authentic leadership and perceived post-acquisition performance

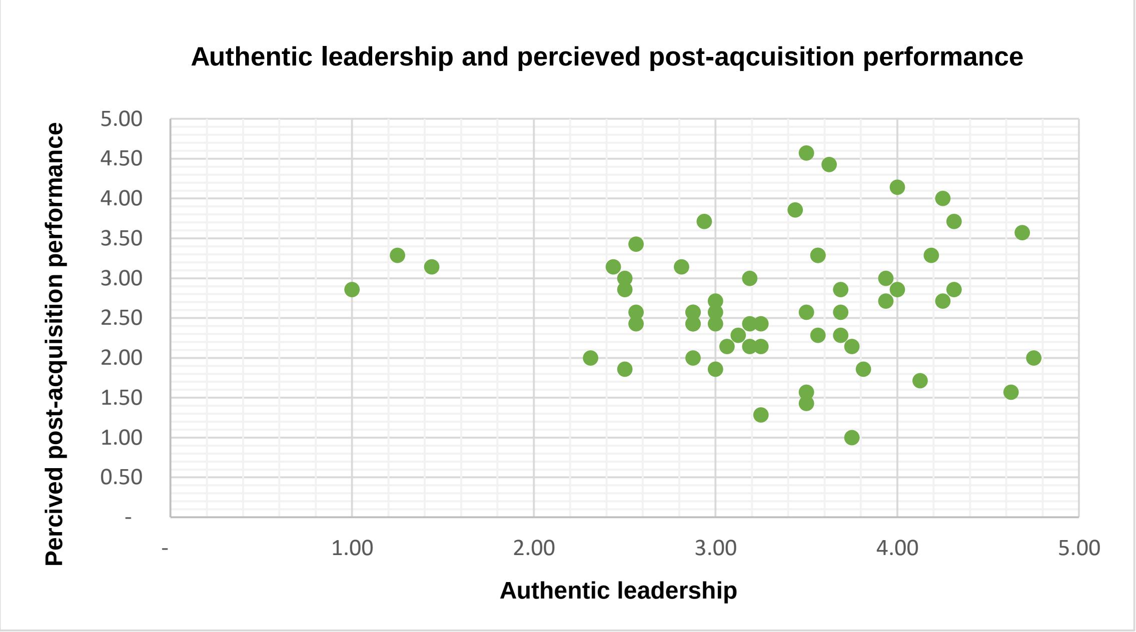
A simple linear regression was conducted to test the relationship between authentic leadership and perceived post-acquisition performance. Table 16 shows that there is a positive and non-significant relationship between authentic leadership and perceived post-acquisition performance because the beta value (0.004) is positive and the P-value (0.979) is greater than 0.05 (Wegner, 2016).

Table 16: Regression analysis – Hypothesis 2

		Unstandardized coefficients		**Standardized coefficients**		
Model		B	Std. Error	Beta	T	P-value
1	(Constant)	2.661	.443		6.010	.000
	Authentic leadership	.004	.131	**.004**	.027	**.979**
Dependent variable: Perceived post-acquisition performance.						

To support the results of the statistical analysis, a basic scatterplot was drawn with authentic leadership on the x-axis, and perceived post-acquisition performance on the y-axis. It is clear from the pattern of the data points that a positive relationship between the two variables seems improbable.

Figure 8: Authentic leadership and perceived post-acquisition performance



In conclusion, these results indicate that, in the context of this study, perceived post-acquisition performance does not depend on authentic leadership.

5.6 Objective 2

The second objective of this study was to investigate the extent to which the leadership and performance relationship is mediated by the transfer of resources between acquired and acquiring companies.

Hypothesis 3: The transfer of resources mediation on the contextual leadership and perceived post-acquisition performance relationship

In this section, we evaluate the effect of contextual leadership on perceived post-acquisition performance via the proposed mediator, namely, the transfer of resources. The results of the mediation analysis are presented in table 17. Bootstrapping, set at 1000 resamples, enabled the computation of the estimates of the indirect effect that contextual leadership has on perceived post-acquisition performance via the transfer of resources (Hair et al., 2010).

Table 17: Mediation analysis – Hypothesis 3

Dependent variable (DV)	**Direct effect of contextual leadership on the DV**		**Indirect effect of contextual leadership on the DV**		**Total effect of contextual leadership on the DV**		**Finding**
	Coef.	*P*	Coef.	*P*	Coef.	P	
Perceived post-acquisition performance	.052	.675	-.048	.978	.003	**.978**	**No mediation**

The indirect effect that contextual leadership has on perceived post-acquisition performance through the transfer of resources is shown to be non-significant. This is indicated by the P-value of 0.978, which is greater than 0.05 (Wegner, 2016).

In conclusion, these results indicate that, in the context of this study, the transfer of resources does not mediate the effect that contextual leadership has on perceived post-acquisition performance.

Hypothesis 4: The transfer of resources mediation on the authentic leadership and perceived post-acquisition performance relationship

In this section, we evaluate the effect of authentic leadership on perceived post-acquisition performance via the proposed mediator, namely, the transfer of resources. The results of the mediation analysis are presented in table 18. Bootstrapping, set at 1000 resamples, enabled the computation of the estimates of the indirect effect that authentic leadership has on perceived post-acquisition performance via the transfer of resources (Hair et al., 2010).

Table 18: Mediation analysis – Hypothesis 4

Dependent variable (DV)	**Direct effect of authentic leadership on the DV**		**Indirect effect of effect authentic leadership on the DV**		**Total effect of authentic leadership on the DV**		**Finding**
	Coef	*P*	Coef	*P*	Coef	*P*	
Perceived post-acquisition performance	.0005	.990	.058	.670	.057	**.675**	**No mediation**

The indirect effect that authentic leadership has on perceived post-acquisition performance through the transfer of resources is shown to be non-significant. This is indicated by the P-value of 0.675, which is greater than 0.05 (Wegner, 2016).

In conclusion, these results indicate that, in the context of this study, the transfer of resources does not mediate the effect that authentic leadership has on perceived post-acquisition performance.

5.7 Objective 3

The final objective of this study was to investigate the proposal that the transfer of resources has a positive effect on post-acquisition performance.

Hypothesis 5: The transfer of resources and perceived post-acquisition performance

A simple linear regression was conducted to test whether there is a positive relationship between the transfer of resources and perceived post-acquisition performance. Table 19 shows that there is a positive and significant relationship between the transfer of resources and perceived post-acquisition performance because the beta value (0.362) is positive and the P-value (0.005) is lower than 0.05 (Wegner, 2016).

Table 19: Regression analysis – Hypothesis 5

		Unstandardized coefficients		**Standardized coefficients**		
Model		B	Std. Error	Beta	T	P-Value
1	(Constant)	1.880	.289		6.514	.000
	Resource transfer	.294	.101	**.362**	2.905	**.005**
Dependent variable: Perceived post acquisition performance						

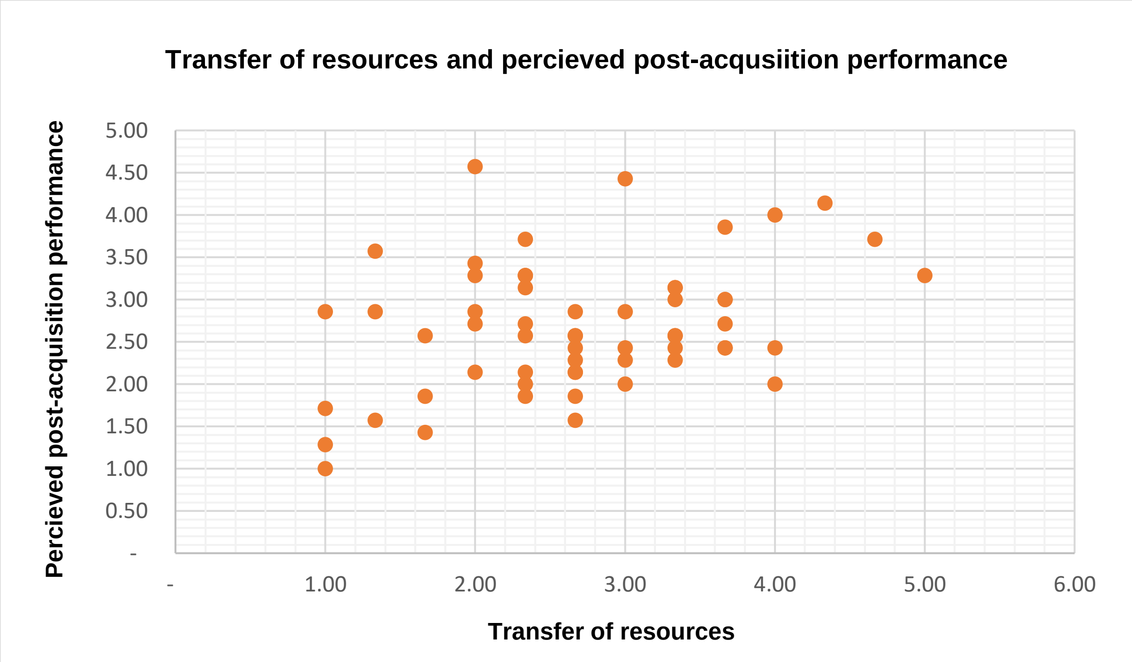
In addition, table 20 below indicates an Adjusted R-square equal to 0.115. From this statistic it can be concluded that resource transfer is responsible for 11.5% of the variance in perceived post-acquisition performance. This means that while the transfer of resources has an effect on perceived post-acquisition performance, a large portion of the variance is explained by factors other than the transfer of resources.

Table 20: Variance in perceived post-acquisition performance

Model	R	R-Square	Adjusted R-Square	Std. Error of the Estimate
1	.362	.131	**.115**	.71760
Predictor: (Constant), Transfer of resources. Dependent variable: Perceived post-acquisition performance.				

The finding that resource transfer has a positive impact on the perceived performance companies post-acquisition is supported by the scatter-plot shown in figure 9 where a positive relationship between the two variables is seen to be probable.

Figure 9: Transfer of resources and perceived post-acquisition performance



In conclusion, these results indicate that, in the context of this study, perceived post-acquisition performance is dependent on the transfer of resources.

5.8 Conclusion

This chapter provided insight into the type of respondents who were included in the selected sample, as well as the resulting descriptive statistics. Results of the regression analysis conducted to test the hypotheses were provided, along with a graphical representation of the data to support the results of the tests. The next chapter gives a description of the relevancy of these results in relation to the literature review.

6. DISCUSSION

6.1 Introduction

The previous chapter provided the results of the statistical analysis performed to test the research hypotheses. This chapter will draw together the results presented, by placing them into the context of the literature, with the intention of reaching the research objectives. A summary of the results from the tests performed to prepare and analyse the data are provided below, a description of which will follow.

Table 21: Summary of data preparation test results

Data preparation	
Data editing and preparation	Data coded based on Likert scales and using a statistical software program No missing values observed and no outliers removed
Instrument reliability	Reliability of scales confirmed using Cronbach's Alpha
Instrument validity	Convergent validity confirmed through item-total correlation analysis Discriminant validity confirmed through correlation analysis
Data normality	Normality of the data supported by Skewness and Kurtosis values

Table 22: Summary of data analysis test results

Data analysis	
Descriptive statistics	Appropriately dispersed without bias Variance in responses to transfer of resources noted to be the highest Leaders are perceived to be more authentic
Objective 1	
Hypothesis 1	**Disproved:** There is a negative and non-significant relationship between contextual leadership and perceived post-acquisition performance
Hypothesis 2	**Disproved:** There is a positive and non-significant relationship between authentic leadership and perceived post-acquisition performance
Objective 2	
Hypothesis 3	**Disproved:** The transfer of resources does not mediate the effect that contextual leadership has on perceived post-acquisition performance
Hypothesis 4	**Disproved:** The transfer of resources does not mediate the effect that authentic leadership has on perceived post-acquisition performance
Objective 3	
Hypothesis 5	**Supported:** There is a positive and significant relationship between the transfer of resources and perceived post-acquisition performance

6.2 Data preparation

The suitability of the scales used to gather the data were assessed through a series of reliability and validity tests. Convergent validity was shown by the corrected item-total correlation coefficients, correlation analysis proved discriminant validity, and Cronbach's alpha showed reliability. Skewness and Kurtosis values were calculated to support the assumption of normal distribution that was necessary for the type statistics calculated (Wegner, 2016).

6.2.1 Reliability and validity of the instruments

The scale used to measure the effect of authentic leadership has been extensively used in research and the reliability and validity of the instrument has been shown (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008). This was the case in this study, and all the items from this instrument were included in the final analysis.

Results from the data preparation techniques used to determine the reliability and validity of the contextual leadership instrument showed that some of the items were not appropriate in the context of this study. These items were removed to ensure suitability. The corrected item-total correlation coefficients showed that the remaining 13 items measured the constructs that they were intended to measure (Hair et al., 2010).

The scales used to measure resource transfer and perceived post-acquisition performance were adaptations of instruments developed in previous research (Birkinshaw et al., 2000; Schoenberg, 2006). A number of items had to be removed from each of these intruments. The remaining items were chosen based on the results of the validity and reliability tests which confirmed that these items were relevant in measuring the respective constructs.

6.3 Description of the sample

The following items were used as control variables to ensure the data was appropriate for analysis. It was found that none of these variables had a negative influence on the dependent variable, and therefore, none of these variables were controlled for (Creswell, 2014).

6.3.1 Years with organisation

This was an important variable to measure for this study. The respondents needed to have been exposed to leadership responsibilities for a period long enough to have developed a perception of how successful an acquisition integration process had been. The researcher decided to include the five respondents who had been with their organisations for a short period of time, as they would have been exposed to this responsibility in their previous employ, which was ensured by the fifth item in the survey.

6.3.2 Position within the organisation

The respondents position within the organisation was an important variable to monitor in this study, as the items included in section 4 of the questionnaire required knowledge of certain financial information that only employees with leadership responsibility would have knowledge of. Also included were questions based on the perception of certain strategic benefits that may have been realised from the acquisitions in question. These requirements made it important to ensure that the questionnaires were answered by appropriately experienced respondents.

6.3.3 Period of acquisition

It was crucial to monitor responses from leaders who had been exposed to an acquisition integration process recently. The contextual leadership construct that was measured in the first two objectives is a concept that has gained traction in recent years. Therefore, it was a topic of interest at the time. The one response that had been exposed to an acquisition integration process prior to 2004, did not have a negative influence on the results, and therefore, that data was included in the analysis.

6.4 Descriptive statistics

Analysing the descriptive statistics was not part of the main purpose of this study. However, there were two interesting findings raised based on these results.

Leaders were found to be more authentic, rather than contextual. This is supported by findings in the literature that show that the acquisition integration process is a complex and stressful period (Cartwright & Cooper, 2014; Maepa, 2014). It is understandable that respondents may have perceived their leaders to be more authentic because the circumstance demands it.

There was also a high variance in the answers to the items linked to resource transfer. This statistic can be explained by the various types of resources referred to in the questionnaire. The literature reviewed on the resource transfer construct included various types of resources, and these were all included as items in the questionnaire (Favre-bonté & Thévenard-puthod, 2013). Organisations differ in their strategy and their ability to share resources, which means that some will be better at sharing certain types of resources than others.

6.5 Objective 1

The first objective of this study was to extend the literature on the relationship between leadership and performance in complex environments by analysing contextual leadership and authentic leadership influences on organisational performance. The researcher wanted to understand whether leaders who exhibit contextual leadership and authentic leadership qualities, have a positive influence on the performance of acquired companies post-acquisition.

The first two hypotheses of this study were based on an empirical study conducted by Vasilaki (2009), who found that transformational leadership and transactional leadership influences have a positive effect of post-acquisition performance. The research proposed that the complex and stressful nature of the post-acquisition integration environment requires a leader that shows characteristics of other leadership theory. A leader who shows an appreciation of the context in which the change is taking place, as well as one who appreciates the effect that this change can have on the workforce. These two leadership abilities are linked to contextual leadership and authentic leadership theory, which were the focus of the first two hypotheses of this study.

Hypothesis 1: Contextual leadership and perceived post-acquisition performance

Table 23: Hypothesis 1

Hypothesis 1	
H_0	No positive relationship exists between contextual leadership and perceived post-acquisition performance.
H_1	There is a positive relationship between contextual leadership and perceived post-acquisition performance.

Regression analysis was used to test the relationship between contextual leadership and perceived post-acquisition performance. The P-value from the analysis conducted to test hypothesis 1 was greater than 0.05. This statistic means that there was not a significant relationship between the two variables (Wegner, 2016). As a result, the null hypothesis could not be rejected, which confirmed that the relationship between contextual leadership and perceived post-acquisition performance was not significant in the context of this study.

This hypothesis was based on literature from Osborn et al. (2002) and Uhl-Bien and Arena (2017), who proposed that leadership is embedded in context and that the responsibility of leaders is not only to their employees, but also to influence the system in a way that promotes cohesion. The environment in which the acquisition integration process operates brings together two separate systems, and it was proposed that the concept of contextual leadership, which seeks to take advantage of the unpredictable way in which agents within systems interact with each other, would promote cohesion and lead to improved performance (Uhl-Bien et al., 2007).

The study drew a comparison between the fast-paced, volatile context of a complex adaptive system, and the acquisition integration environment which, as described, is similarly dynamic and complex and can be explained as a set of complex systems coming together. The literature review revealed a connection between the concepts of contextual leadership theory, and the potential influence that these concepts could have on the performance of acquired companies.

The ability to recognise all of the variables within the ever changing environment and understand how best to influence these variables to the benefit of the organisation (Kutz, 2008), was of interest to the researcher, and played a significant role in the hypothesis development. Uhl-Bien and Arena (2017) reports of emergence made linking leadership and performance in this context appropriate, as the concept of developing networks between separate systems can be applied to the process of integrating two companies. This is also the case with regard to employee focus. The ability of leaders to guide employee attention toward activities that promote success for the consolidated entity (Osborn et al., 2002), was also important in this context.

The finding that contextual leadership has no statistically significant relationship with perceived post-acquisition performance, is unexpected. Studies based on other forms of leadership (Vasilaki, 2009, 2011) have shown that the relationship between these two variables exists. Therefore, the context in which this study was conducted may have been better suited to those leadership concepts, instead of the sub-constructs on which contextual leadership theory is based.

Hypothesis 2: Authentic leadership and perceived post-acquisition performance

Table 24: Hypothesis 2

Hypothesis 2	
H_0	No positive relationship exists between authentic leadership and perceived post-acquisition performance.
H_1	There is a positive relationship between authentic leadership and perceived post-acquisition performance.

Regression analysis was used to test the relationship between authentic leadership and perceived post-acquisition performance. The P-value from the analysis conducted to test hypothesis 2 was greater than 0.05. This statistic means that there was not a significant relationship between the two variables (Wegner, 2016). As a result, the null hypothesis could not be rejected, which confirmed that the relationship between authentic leadership and perceived post-acquisition performance was not significant in the context of this study.

This hypothesis was derived from the readings of Brown and Treviño (2006), Avolio, Walumbwa and Weber (2009), and Avolio and Walumbwa (2014). These authors report on the ability of leaders to be open and honest with their employees, to behave in ways that show self-awareness, transparancy and consistency, and act in the best interest of the whole rather than the individual.

The study drew comparisons between the uncertainty and change that characterises the acquisition integration process, and the traits of leaders who are labelled as authentic. The literature review revealed a connection between the concepts of authentic leadership theory and the potential influence that these concepts could have on the performance of acquired companies.

The ability of a leader to be transparent in the way that they lead, was of interest to the researcher, as most of the uncertainty developed during the acquisition integration process, is as a result of the change enforced on the workforce. The researcher also felt that an important factor in ensuring the acquisition integration process is successful, is the leader's belief in the reasons for making the acquisition, and their ability to live and act by the principles that drove the decision. In this context, the ability of leaders to process information from a number of different views, and show the self-awareness to communicate important information in a way that shows personal belief, was important. The study proposed that the stress and uncertainty that is synonymous with an acquisition integration process, and the dynamic environment that employees are exposed to, require leaders to be open and honest with their workforce. These sub-constructs of authentic leadership contributed to the development of this hypothesis.

The finding that authentic leadership has no statistically significant relationship with perceived post-acquisition performance is also unexpected. The finding disproves the proposition that acting as one's true-self, transparency, and a leader's ability to make good decisions based on various sources of information, are characteristics that drive employee performance in this context. A more visionary style of leadership, as shown by Vasilaki (2011), may be better suited to motivating employees in this context, instead of the open and honest behaviour that characterises authentic leaders.

In conclusion, the studies proposition that contextual leadership and authentic leadership qualities have a positive influence on perceived post-acquisition performance, was disproved by the research results. Therefore, the null hypothesis for both hypothesis 1 and hypothesis 2 were not rejected.

Table 25: Conclusions from objective 1

Objective 1	Conclusion from null hypotheses
Hypothesis 1	A non-significant relationship exists between contextual leadership and perceived post-acquisition performance.
Hypothesis 2	A non-significant relationship exists between authentic leadership and perceived post-acquisition performance.

6.6 Objective 2

The second objective of this study was to investigate the extent to which the leadership and performance relationship is mediated by the transfer of resources between acquired and acquiring companies. The researcher wanted to understand whether perceived post-acquisition performance can be influenced by resource transfer if the context of contextual leadership or authentic leadership exists during the acquisition integration process.

The core of this research objective lies in investigating the ability of companies to successfully integrate their acquisitions, and by doing so, take advantage of a number of benefits. Examples include: economies of scale in production, marketing, distribution and advertising (Vasilaki, 2009), improvements in management ability (Tuch & O'Sullivan, 2007), and upgrades in business model (Christensen et al., 2011). Other benefits include: the ability to leverage off combined infrastructure, create a larger product suite, and an automatic growth in customer base.

The study proposed that the successful integration of an acquired company is driven by the transfer of resources between the acquired and acquiring companies, and that the relationship between leadership and performance is mediated by resource transfer. The next two hypotheses were derived from this proposition.

Hypothesis 3: The transfer of resources mediation on the contextual leadership and perceived post-acquisition performance relationship

Table 26: Hypothesis 3

Hypothesis 3	
H_0	The transfer of resources has no mediating effect on the impact of contextual leadership on perceived post-acquisition performance.
H_1	The transfer of resources has a mediating effect on the impact of contextual leadership on perceived post-acquisition performance.

The results failed to satisfy the first condition for mediation through the regression analysis conducted on the contextual leadership and perceived post-acquisition performance relationship. The relationship between these two variables was shown to be non-significant through the testing of hypothesis 1.

Based on Hayes (2009), bootstrapping (Hair et al., 2010) was then applied to test the indirect effect of the transfer of resources on the contextual leadership and perceived post-acquisition relationship. The P-value from the analysis conducted to test the hypothesis was greater than 0.05. This statistic meant that the indirect effect of the mediator variable on the independent variable and dependent variable relationship was not significant (Wegner, 2016). As a result, the null hypothesis could not be rejected, which confirmed that the relationship between contextual leadership and perceived post-acquisition performance is not mediated by the transfer of resources in the context of this study.

The link between resource transfer as a mediating factor and the foundation of contextual leadership theory was appropriate in this context. Contextual leadership theory describes organisations as complex adaptive systems (Uhl-Bien et al., 2009). The fast-paced, volatile context of a complex adaptive system, and the acquisition integration environment which, as described, is similarly dynamic and complex, can be explained as a set of complex systems coming together. Through the acquisition integration process, these systems are forced to come together to work towards a common goal (Uhl-Bien et al., 2007).

The researcher proposed that this process can be made simpler by identifying resources that can be transferred between the two systems, with the intention of achieving the common goal. The ability to understand the complexity of the two systems through the acquisition integration process, and to identify resources within both of those systems that can assist with the integration, was attributed to the leader's understanding of the context.

The testing of this hypothesis was intended to investigate the proposition that if the context of contextual leadership exists, and leaders have a positive influence on resource transfer, then improved post-acquisition performance is more likely. Therefore, the finding that the relationship between contextual leadership and perceived post-acquisition performance is not mediated by the transfer of resources is unexpected and disproves that proposition.

Hypothesis 4: The transfer of resources mediation on the authentic leadership and perceived post-acquisition performance relationship

Table 27: Hypothesis 4

Hypothesis 4	
H_0	The transfer of resources has no mediating effect on the impact of authentic leadership on perceived post-acquisition performance.
H_1	The transfer of resources has a mediating effect on the impact of authentic leadership on perceived post-acquisition performance.

The results failed to satisfy the first condition for mediation through the regression analysis conducted on the authentic leadership and perceived post-acquisition performance relationship. The relationship between these two variables was shown to be non-significant through the testing of hypothesis 2.

Based on Hayes (2009), bootstrapping (Hair et al., 2010) was then applied to test the indirect effect of the transfer of resources on the authentic leadership and perceived post-acquisition relationship. The P-value from the analysis conducted to test the hypothesis was greater than 0.05. This statistic meant that the indirect effect of the mediator variable on the independent variable and dependent variable relationship, was not significant (Wegner, 2016). As a result, the null hypothesis could not be rejected, which confirmed that the relationship between authentic leadership and perceived post-acquisition performance is not mediated by the transfer of resources in the context of this study.

The study intended to show that the complexity and stress (Shanley & Correa, 1992) that characterise an acquisition integration process, can be reduced by the presence of authentic leadership, leading to improved performance. It was proposed that an authentic leader's characteristics of openness and understanding of opinion (Avolio & Walumbwa, 2014) from both sides of the acquisition, encourage a resource sharing culture.

This proposal was supported by Maepa (2014) who reported that employees caught in the middle of an acquisition integration process, often lose their sense of identity within the new organisational environment. An authentic leader's ability to identify this and either use the transfer of resources from the acquired company to the acquiring company to create a sense of belonging. Or, to create that feeling by showing employees from the acquired company the benefits of using resources from the acquiring company

The testing of this hypothesis was intended to investigate the proposition that if the context of authentic leadership exists, and leaders have a positive influence on resource transfer, then improved post-acquisition performance is more likely. Therefore, the finding that the relationship between authentic leadership and perceived post-acquisition performance is not mediated by the transfer of resources is also unexpected and disproves that proposition.

In conclusion, the researcher's proposition that the relationship between contextual leadership and authentic leadership is mediated by the transfer of resources was disproved by the research results. Therefore, the null hypothesis for both hypothesis 3 and hypothesis 4 were not rejected.

Table 28: Conclusions from objective 2

Objective 2	Conclusion from null hypotheses
Hypothesis 3	The indirect effect that contextual leadership has on perceived post-acquisition performance through the transfer of resources is non-significant.
Hypothesis 4	The indirect effect that authentic leadership has on perceived post-acquisition performance through the transfer of resources is non-significant.

6.7 Objective 3

The final objective of this study was to investigate the proposal that the transfer of resources has a positive effect on organisational performance. The researcher wanted to understand whether a leaders' influence on resource transfer between acquired and acquiring companies, has a positive influence on the perceived performance of acquired companies post-acquisition.

Access to a new pool of resources is often a leading factor in acquisition decisions, and the proposition was that if these resources are transferred between companies, the performance of the consolidated organisation will improve. Through hypothesis 5, the researcher tested this proposition.

Hypothesis 5: The transfer of resources and perceived post-acquisition performance

Table 29: Hypothesis 5

Hypothesis 5	
H_0	There is no association between the transfer of resources and perceived post-acquisition performance.
H_1	There is a positive association between the transfer of resources and perceived post-acquisition performance.

Regression analysis was used to test the relationship between the transfer of resources and perceived post-acquisition performance. The P-value from the analysis conducted to test the hypothesis was lower than 0.05. This statistic meant that there is a significant relationship between the two variables (Wegner, 2016). As a result, the null hypothesis was rejected, which confirmed that the relationship between the transfer of resources and perceived post-acquisition performance was significant in the context of this study.

The study's proposition that the transfer of resources between acquired and acquiring companies influences organisational performance is supported in the literature. In a study of multinational acquisition integration, Brock (2005) determined that the synergy required to generate the expected shareholder performance from consolidated organisations post-acquisition is driven by the company's ability to transfer resources between the two entities. In addition, Birkinshaw et al. (2000) spoke of resource transfer as the value creating factor during an acquisition integration process, and these views were supported in studies from Haspeslagh and Jemison (1991) and Stahl and Voigt (2008).

The resources mentioned in the literature review included operational, functional, and managerial resources (Favre-bonté & Thévenard-puthod, 2013), as well as the innovative capabilities of companies, which are known to be a reason for acquisition attractiveness. The researcher added that an important form of value creation through resource sharing initiatives are the intangible resources such as knowledge sharing and expertise, which can create immeasurable long-term benefits and generate sustained competitiveness for the consolidated organisation.

The literature showed that the decision to promote resource transfer needs to be driven by people who have the authority to do so, on both sides of the acquisition (Casciaro & Piskorski, 2005). These results showed that resource transfer has a positive impact on perceived post-acquisition performance. Therefore, leaders have the ability to generate positive performance from acquired companies by promoting the transfer of resources between acquired and acquiring companies.

In conclusion the researcher's proposition that resource transfer between acquired and acquiring companies creates value and improves post-acquisition performance was supported by the research results. Therefore, the null hypothesis was rejected and the alternate hypothesis was accepted for hypothesis 5.

Table 30: Conclusion from objective 3

Objective 3	**Conclusion from null hypotheses**
Hypothesis 5	A significant relationship exists between the transfer of resources and perceived post-acquisition performance.

6.8 Conclusion

This chapter discussed the relevance of the results obtained from the hypotheses testing in relation to the literature and the research objectives.

Through the first research objective, the researcher's proposition that a positive relationship between contextual leadership and perceived post-acquisition performance, and between authentic leadership and post-acquisition performance, was disproved. The relationships between the two leadership variables and perceived post-acquisition performance were found to be not significant.

Based on the findings from the first research objective, the researcher was unable to investigate the second research objective using the mediation framework prescribed by Baron and Kenny (1986). However, a test for mediation between the leadership and perceived post-acquisition performance through the transfer of resources was conducted using a different methodology. The results from this analysis found that the indirect effect of leadership, on perceived post-acquisition performance, through the transfer of resources, was not significant and, hence, the second research objective was also found not to be valid.

The findings from the investigation into the third research objective were significant. The results showed a significant relationship between the transfer of resources and perceived post-acquisition performance. This means that in the context of this study, the transfer of resources between acquired and acquiring companies has a positive impact on perceived organisational performance.

Chapter 7 will summarise the findings of this study and explain the significance of these findings for business. Limitations pertaining to the research are provided, in addition to recommendations for future research.

7. CONCLUSION

7.1 Introduction

The purpose of this study was to analyse the effect that leadership has on organisational performance via the transfer of resources between acquired and acquiring companies. In addition, the intention was to determine whether the transfer of resources between acquired and acquiring companies has an impact on organisational performance. These high-level goals were investigated through three research objectives. The objectives were conceptualised in the figures below.

Figure 10: Contextual leadership framework

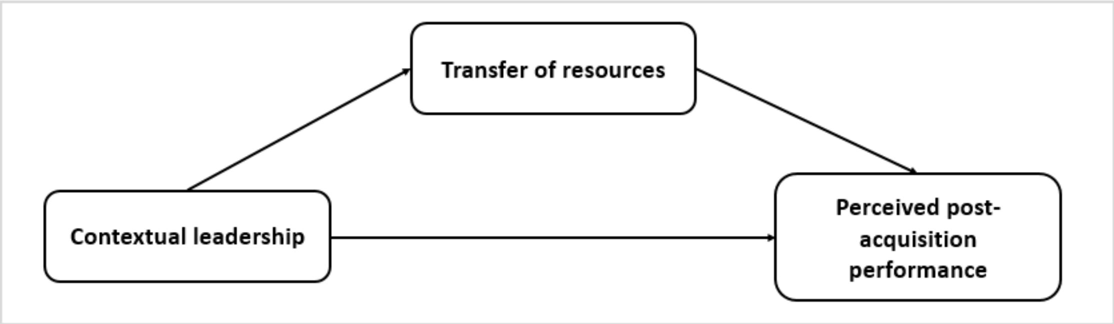
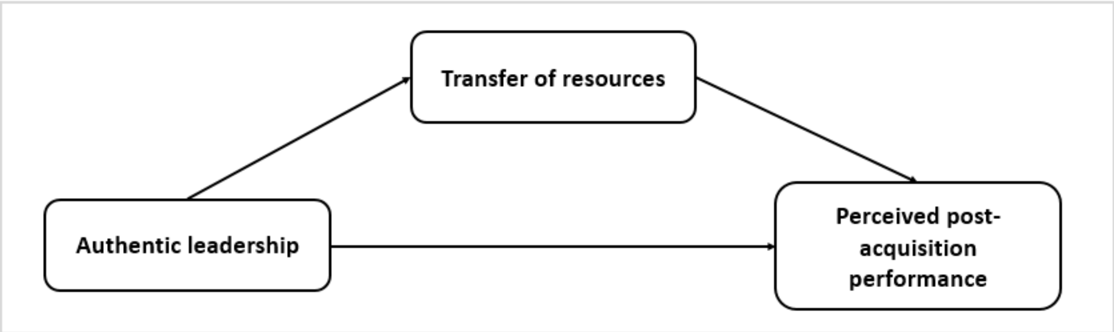


Figure 11: Authentic leadership framework



Contextual leadership and authentic leadership were shown as independent variables, with a positive relationship with the dependent variable, perceived post-acquisition performance. The transfer of resources is shown to mediate the relationship between independent variable and dependent variable.

The final chapter summarises the findings of this study and concludes the significance of these findings for leaders. It acknowledges the limitations of this research and highlights possible areas that warrant further research.

7.2 Summary of research findings

This study's findings, taking into account it's limitations, can be utilised by shareholders to understand the type of leadership required to improve performance in the acquisition integration environment. It also provides a better understanding of how resource transfer can have an impact on the performance of the companies they acquire. It improves the literature with regards to the leadership and performance relationship by analysing this relationship in the acquisition environment, and builds on findings from Brock (2005), and Stahl and Voigt (2008), to show the importance of resource transfer.

The findings of this report indicate that within this context, leaders who exhibit characteristics of contextual leadership and authentic leadership theory, have no direct influence on the performance of acquired companies. The results also showed that the relationship between contextual leadership, authentic leadership and perceived post-acquisition performance, is not mediated by resource transfer.

The main finding of this research was the positive association made between two of its core constructs. A critical relationship was established between resource transfer and perceived post-acquisition performance. The results showed that if companies can embrace the fact that a larger pool of resources are available due to the integration of an acquired company, and create an environment where employees are comfortable enough to transfer these resources between the two organisations, it can result in improved post-acquisition performance.

The findings showed that administrative and functional skills such as sales force integration, the sharing of technical capabilities and expertise, as well as support from an administrative perspective, were important resources to transfer between acquired and acquiring companies. There was also an indication that access to improved research and development, and marketing capacity, post-acquisition, had an influence on performance. These are practical implications for business and leaders.

This supported the proposition that if an acquired company is successfully integrated, the consolidated entity takes advantage of the synergies that drove the acquisition decision. The consolidated entity sees benefit from economies of scale in production, marketing, distribution and advertising (Vasilaki, 2009). The administrative resources used to support the separate companies can be consolidated to reduce costs; and also to promote knowledge sharing between teams which can lead to improved efficiency.

There are examples that show the benefits of resource transfer in practice. General Electric (GE) entered the South African rail industry and partnered with local suppliers to manufacture global standard locomotives. The partnership involved working closely with local suppliers to develop their skills and expertise to grow them into a standard that is acceptable globally (General Electric, 2017). This partnership was enabled through GE's acquisition of Alstom Power and, while the transfer of technical skills was made between GE and local suppliers, the project may well have been born through the exchange of ideas between the leadership of GE and the acquired leadership of Alstom Power. The benefit of resource transfer is evident, and the role that leaders play in facilitating this process is also shown in this example.

7.3 Implications for leaders

A number of observations can be considered from the findings of this study. The researcher felt that three of them are especially valuable for leaders, as they can be applied practically to enhance acquisition success.

This study provides executives, directors, senior managers, line managers, and supervisors with an understanding of one of the key components used to ensure post-acquisition success. The results indicate that leaders need to focus on transferring resources between acquired and acquiring companies in order to improve the chances of post-acquisition success. This gives leaders a key starting point from which to develop an acquisition integration strategy.

This insight also gives leaders a blueprint for an acquisitive strategy. It was mentioned in Chapter 1 that acquisitions continue to be a growth strategy across the world, and the finding that resource transfer plays an important role in post-acquisition success, provides a guideline for business with regards to acquisition targets. With an understanding that resource transfer is an important factor in ensuring post-acquisition success, companies can ensure that the due diligence process includes an adequate amount of time spent on identifying the types of resources that can be transferred between acquired and acquiring companies, post-acquisition. Resource transfer, identified by Birkinshaw et al. (2000) as the value creating factor, can form part of the pre-acquisition process in order to ensure companies do not waste time and resources by pursuing acquisition targets that will not deliver the expected return for shareholders.

The finding that contextual leadership and authentic leadership styles do not affect post-acquisition performance is also significant for leaders. It is known that the acquisition integration environment is characterised by complexity and stress, and it is easy to believe that an understanding of context and guiding attention towards important information, creating networks between the two systems, openness and honesty, being self-aware and acting true to one's beliefs, are all behaviours that would help to reduce the complexity of the situation. Within this context, leaders need to take note of the fact that this was not the case, and that leading through alternative means may be better suited to improving post-acquisition performance. This gives shareholders' guidance on the types of leader they need to have in place during an acquisition integration process in order to ensure they realise their expectations.

In addition, the finding that contextual leadership and authentic leadership styles do not affect post-acquisition performance can also be considered from a different perspective. Leaders and human resource practitioners need to take notice of the fact that recruiting and developing leaders based on attributes like self-awareness and transparency is not suitable in this context. The practical aspect of actually transferring resources between companies is what makes the difference in the performance of acquired companies, and this is what the leadership group within organisations needs to focus on in order to generate the expected return from acquisitions.

7.4 Limitations of the research

All research has inherent limitations (Creswell, 2012). It is important for readers to understand these limitations so that the findings identified by this study are considered in the correct context, and not generalised inappropriately.

Two specific leadership styles were chosen for this study, contextual leadership and authentic leadership, and the instruments used to gather the data were based on these leadership styles. It is for this reason that these findings cannot be applied to the impact that other leadership styles have on post-acquisition performance. It needs to be noted that the impact of other forms of leadership on the performance of acquired companies has been shown (Vasilaki, 2009, 2011), which indicate that this study must be taken into context.

The sample size was small and restricted by the cross-sectional nature of the study. In a study of this nature it is preferable to gather as much data as possible to ensure the trends available are identified and that they can be inferred to the larger population. A longitudinal study would attract a larger sample and provide more depth.

The questions asked in the final two sections of the research instrument required knowledge of financial and strategic information related to an acquisition integration process. This meant that the type of respondent targeted to gather the appropriate data was difficult to locate within the time period, as these leaders needed to have been exposed to this process and privy to this information. This may have been too specific, which had an influence on the amount of data gathered. In addition, the nature of these questions may have created a concern of anonymity based on the fact that the survey was delivered via the internet.

7.5 Recommendations for future research

The findings of this research, along with the limitations, have provided a few opportunities for future research. These suggestions are based on research design changes, adjustment to the measurements scales used, and aspects that sparked interest during the literature review.

The context in which this study was conducted is complex and dynamic, and in reality, the environment is constantly changing. Based on its cross-sectional nature, this study analysed the research variables at a point in time, and the analysis was conducted through a quantitative lens. Future research should transfer these variables into a longitudinal setting and base the analysis on a qualitative methodology, with the intention of capturing the essence of the ever-changing context.

The scales used to gather the data for the transfer of resources and perceived post-acquisition performance constructs required knowledge of specific financial and strategic information. Future research should adapt these scales to request more general information, which would generate more responses and allow for better analysis.

During the review of the literature, communication as a factor affecting post-acquisition performance became evident within the integration context. Wang and Hsieh (2013) noted the importance of leaders being role models for communication within consolidated organisations, and Maepa (2014), listed communication as an important pillar in a post-merger integration model. Further research on the role that communication plays between the leadership and performance relationship within the acquisition context, was of interest to the researcher and would make a contribution to the literature.

Lastly, this study followed a subjective approach by gathering data based on employee perceptions. While the findings are useful for leaders, a more objective approach should be followed through the analysis of actual performance of acquired companies, which would either support or disprove these findings.

7.6 Closing remarks

This final chapter concluded the study. It summarised the findings, interpreted the key implications of these findings for leaders, provided a description of the limitations of the research, and made recommendations for future research.

Each acquisition integration process is a unique phenomenon, and it can be said that the same variables observed in this study can have different effects in each environment. However, knowing what the key variables are and understanding the effect that they can have on performance, enables organisations and their leaders to maximise the performance of acquisitions. So long as acquisitions remain a growth strategy for organisations, leaders need to continue to try to understand the factors that drive its success.

This study showed that resource transfer is a key factor in the post-acquisition integration process. It showed that the transfer of resources between acquired and acquiring companies can facilitate the successful integration of these two companies, resulting in improved performance post-acquisition. The positive impact that resource transfer can have on post-acquisition performance needs to be a focus of leaders within the acquisition context.

8. REFERENCES

Agrawal, A., & Jaffe, J. F. (2000). *The post-merger performance puzzle. In Advances in mergers and acquisitions* (1st ed.). UK: Emerald Group Publishing Limited.

Arena, M. J., & Uhl-Bien, M. (2016). Complexity leadership theory: Shifting from human capital to social capital. *HR People and Strategy*, *39*(2), 23–27. Retrieved from http://search.ebscohost.com.ezproxy.liberty.edu:2048/login.aspx?direct=true&db=bth&AN=114282989&site=ehost-live&scope=site

Avolio, B. J., & Gardner, W. L. (2005). Authentic leadership development: Getting to the root of positive forms of leadership. *Leadership Quarterly*, *16*(3), 315–338. https://doi.org/10.1016/j.leaqua.2005.03.001

Avolio, B. J., & Walumbwa, F. O. (2014). *Authentic leadership theory, research and practice: Steps taken and steps that remain. In The Oxford Handbook of Leadership and Organizations*. Oxford: Oxford University Press.

Avolio, B. J., Walumbwa, F. O., & Weber, T. J. (2009). Leadership: Current theories, research, and future directions. *Annual Review of Psychology*, *60*(1), 421–449. https://doi.org/10.1146/annurev.psych.60.110707.163621

Azan, W., & Sutter, I. H. (2010). Knowledge transfer in post-merger integration management: Case study of a multinational healthcare company in Greece. *Knowledge Management Research & Practice*, *8*(4), 307–321. https://doi.org/10.1057/kmrp.2010.17

Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, *51*(6), 1173–1182. https://doi.org/10.1037/0022-3514.51.6.1173

Birkinshaw, J., Bresman, H., & Hakanson, L. (2000). Managing the post-acquisition integration process: How the human integration and task integration processes interact to foster value creation. *Journal of Management Studies*, *37*(3), 395–425. https://doi.org/10.1111/1467-6486.00186

Brock, D. M. (2005). Multinational acquisition integration: The role of national culture in creating synergies. *International Business Review*, *14*(3), 269–288. https://doi.org/10.1016/j.ibusrev.2005.02.001

Brown, M. E., & Treviño, L. K. (2006). Ethical leadership: A review and future directions. *Leadership Quarterly*, *17*(6), 595–616. https://doi.org/10.1016/j.leaqua.2006.10.004

Capron, L., Dussauge, P., & Mitchell, W. (1998). Resource redeployment following horizontal cquisitions in Europe and North America. *Strategic Management Journal*, *19*(7), 631–661. https://doi.org/jstor.org/stable/3094148

Cartwright, S., & Cooper, C. L. (2014). *Mergers and acquisitions: The human factor*. Oxford: Butterworth-Heinemann.

Cartwright, S., & Schoenberg, R. (2006). 30 years of mergers and acquisitions research : Recent advances and future opportunities. *British Journal of Management*, *17*(S1), S1–S5. https://doi.org/10.1111/j.1467-8551.2006.00475.x

Casciaro, T., & Piskorski, M. J. (2005). Power imbalance, mutual dependence, and constraint absorption: A closer Look at resource dependence theory. *Administrative Science Quarterly*, *50*(June), 167–199. Retrieved from https://www.jstor.org/stable/30037190

Christensen, C. M., Alton, R., Rising, C., & Waldeck, A. (2011, March). The big idea: The new M & A playbook. *Harvard Business Review*, 1–11. Retrieved from https://hbr.org/2011/03/the-big-idea-the-new-ma-playbook

Cording, M., Christmann, P., & King, D. R. (2008). Reducing causal ambiguity in acquisition integration: Intermediate goals as mediators of integration decisions and acquisition performance. *Academy of Management Journal*, *51*(4), 744–767. https://doi.org/10.5465/AMJ.2008.33665279

Creswell, J. (2012). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research* (4th ed.). Boston: Pearson Education.

Creswell, J. (2014). *Research design: qualitative, quantitative, and mixed methods approaches* (4th ed.). USA: Sage Publications.

Deloitte. (2016). *M&A trends - Year-end report*. Retrieved from https://www2.deloitte.com/us/en/pages/mergers-and-acquisitions/articles/ma-trends-report.html

DePamphilis, D. (2015). *Mergers, acquisitions, and other restructuring activities* (8th ed.). USA: Academic Press.

Dess, G. G., & Robinson, R. B. (1984). Measuring organizational performance in the absence of objective measures: The case of the privately held firm and conglomerate business unit. *Strategic Management Journal*, *5*(3), 265–273. https://doi.org/10.1002/smj.4250050306

Dinh, J. E., Lord, R. G., Gardner, W. L., Meuser, J. D., Liden, R. C., & Hu, J. (2014). Leadership theory and research in the new millennium: Current theoretical trends and changing perspectives. *The Leadership Quarterly*, *25*(1), 36–62. https://doi.org/10.1016/j.leaqua.2013.11.005

Doe, R., Ndinguri, E., & Phipps, S. T. A. (2015). Emotional intelligence: The link to success and failure of leadership. *Academy of Educational Leadership Journal*, *19*(3), 105–115. Retrieved from http://web.b.ebscohost.com.uplib.idm.oclc.org/ehost/detail/detail?vid=3&sid=8a7dd087-ddb0-43c0-80b3-230d8f57763c%40sessionmgr101&bdata=JnNpdGU9ZWhvc3QtbGl2ZSZzY29wZT1zaXRl#AN=113050551&db=bth

Dunbar, J. K. (2014, September). The leaders who make M & A work. *Harvard Business Review*, 3. Retrieved from https://hbr.org/2014/09/the-leaders-who-make-ma-work

Favre-bonté, V., & Thévenard-puthod, C. (2013). Resource and skill transfers in subcontractor SME acquisitions: influence on the long-term performance of acquired firms. *European Management Review*, *10*, 117–135. https://doi.org/10.1111/emre.12014

Field, A. (2014). *Discovering statistics using IBM SPSS statistics* (4th ed.). Sussex: Sage Publications.

Galpin, T. J., & Herndon, M. (2014). *The complete guide to mergers and acquisitions: Process tools to support M&A integration at every level* (3rd ed.). USA: John Wiley & Sons.

General Electric. (2017). GE in South Africa. Retrieved November 1, 2017, from https://www.ge.com/africa/company/south-africa

Grant, R. M. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review.*, *33*(3), p114-135. https://doi.org/10.2307/41166664

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis: A global perspective* (7th ed.). Prentice Hall. https://doi.org/http://doi.org/10.1016/j.ijpharm.2011.02.019

Harding, D., & Rouse, T. (2007, April). Human due diligence. *Harvard Business Review*, 124–130. Retrieved from https://hbr.org/2007/04/human-due-diligence

Haspeslagh, P. C., & Jemison, D. B. (1991). *Managing acquisitions: Creating value through corporate renewal* (3rd ed.). New York: The Free Press.

Hayes, A. F. (2009). Beyond Baron and Kenny: Statistical mediation analysis in the new millennium. *Communication Monographs*, *76*(4), 408–420. https://doi.org/10.1080/03637750903310360

Hayes, A. F., & Preacher, K. J. (2014). Statistical mediation analysis with a multicategorical independent variable. *British Journal of Mathematical and Statistical Psychology*, *67*(3), 451–470. https://doi.org/10.1111/bmsp.12028

Hayes, A. F., & Scharkow, M. (2013). The relative trustworthiness of inferential tests of the indirect effect in statistical mediation analysis: Does method really matter? *Psychological Science*, *24*(10), 1918–1927. https://doi.org/10.1177/0956797613480187

Hill, T., & Lewicki, P. (2006). *Statistics: Methods and applications: A comprehensive reference for science, industry, and data mining.* (1st ed.). Tulsa: StatSoft Inc.

Hitt, M. A., Ireland, D. R., & Hoskisson, R. E. (2016). *Strategic Management: Concepts and Cases: Competitiveness and Globalization* (12th ed.). Boston: Cengage Learning.

Hyde, A., & Paterson, J. (2002). Leadership development as a vehicle for change during merger. *Journal of Change Management*, *2*(3), 266–271.

https://doi.org/10.1080/738552749

Institute for Mergers Acquisitions and Alliances. (2017). Mergers and Acquisitions Worldwide. Retrieved September 11, 2017, from https://imaa-institute.org/mergers-and-acquisitions-statistics/

Kiessling, T., & Harvey, M. (2006). The human resource management issues during an acquisition: the target firm's top management team and key managers. *The International Journal of Human Resource Management*, *17*(7), 1307–1320. https://doi.org/10.1080/09585190600756798

Kiridena, S., & Sense, A. (2016). Profiling project complexity: Insights from complexity science and project management literature. *Project Management Journal*, *47*(6), 56–74. Retrieved from https://www.pmi.org/learning/library/profiling-project-complexity-10352

Koi-Akrofi, G. Y. (2016). Mergers and acquisitions failure rates and perspectives on why they fail. *International Journal of Innovation and Applied Studies*, *17*(1), 150–158. Retrieved from www.ijias.issr-journals.org/

Kutz, M. R. (2008). Toward a conceptual model of contextual intelligence: A transferable leadership construct. *Leadership Review*, *8*, 18–31. Retrieved from www.researchgate.net/publication/228464894

Leroy, H., Palanski, M. E., & Simons, T. (2012). Authentic leadership and behavioral integrity as drivers of follower commitment and performance. *Journal of Business Ethics*, *107*(3), 255–264. https://doi.org/10.1007/s10551-011-1036-1

Lodorfos, G., & Boateng, A. (2006). The role of culture in the merger and acquisition process: Evidence from the European chemical industry. *Management Decision*, *44*(10), 1405–1421. https://doi.org/10.1108/00251740610715722

Maepa, T. (2014). *Success and failure factors in post-acquisition/post-merger integration* (Master's thesis). Johannesburg, South Africa: Gordon Institute of Business Science.

Marion, R., & Uhl-Bien, M. (2001). Leadership in complex organizations. *The Leadership Quarterly*, *12*(4), 389–418. https://doi.org/10.1016/S1048-9843(01)00092-3

Marks, M. L., & Mirvis, P. H. (2011). Merge ahead: A research agenda to increase merger and acquisition Success. *Journal of Business and Psychology*, *26*(2), 161–168. https://doi.org/10.1007/s10869-011-9219-4

Mitchell, M. (2009). *Complexity: A guided tour* (1st ed.). New York: Oxford University Press.

Nemanich, L. A., & Keller, R. T. (2007). Transformational leadership in an acquisition: A field study of employees. *Leadership Quarterly*, *18*(1), 49–68. https://doi.org/10.1016/j.leaqua.2006.11.003

Neubauer, F. B., & Torsten J. Gerbott. (2016). Post-acquisition integration management and takeover performance. *Journal of General Management*, *41*(4), 3–34. https://doi.org/doi.org/10.1177/030630701604100402

Osborn, R. N., Hunt, J. G., & Jauch, L. R. (2002). Toward a contextual theory of leadership. *Leadership Quarterly*, *13*(6), 797–837. https://doi.org/10.1016/S1048-9843(02)00154-6

Pablo, A. L. (1994). Determinants of acquisition integration level : A decision-making perspective. *Academy of Management Journal*, *37*(4), 803–836. https://doi.org/10.2307/256601

Pallant, J. (2011). *SPSS survival manual: A step by step guide to data analysis using IBM SPSS* (4th ed.). NSW. https://doi.org/10.1046/j.1365-2648.2001.2027c.x

Papadakis, V. M., & Thanos, I. C. (2010). Measuring the performance of acquisitions: An empirical investigation using multiple criteria. *British Journal of Management*, *21*(4), 859–873. https://doi.org/10.1111/j.1467-8551.2009.00671.x

Paruchuri, S., Nerkar, A., & Hambrick, D. C. (2006). Acquisition integration and productivity losses in the technical core: Disruption of inventors in acquired companies. *Organization Science*, *17*(5), 545–562. https://doi.org/10.1287/orsc.1060.0207

Paul, G. W., & Berry, D. M. (2013). The importance of executive leadership in creating a post-merged organisational culture conducive to effective performance management. *SA Journal of Human Resource Management*, *11*(1), 1–15. https://doi.org/10.4102/sajhrm.v11i1.446

Ranft, A. L., & Lord, M. D. (2002). Acquiring new technologies and capabilities: A grounded model of acquisition implementation. *Organization Science*, *13*(4), 420–441. Retrieved from www.jstor.org/stable/3085975

Razali, N. M., & Wah, Y. B. (2011). Power comparisons of Shapiro-Wilk , Kolmogorov-Smirnov, Lilliefors and Anderson-Darling tests. *Journal of Statistical Modeling and Analytics*, *2*(1), 21–33. https://doi.org/doi:10.1515/bile-2015-0008

Saunders, M., & Lewis, P. (2012). *Doing research in business & management: An essential guide to planning your project*. Essex: Pearson Education Limited.

Scheepers, C. (2016). Complexity Leadership Questionnaire.

Scheepers, C., & Elstob, S. (2016). Beneficiary contact moderates relationship between authentic leadership and engagement. *SA Journal of Human Resource*

Management, *14*(1), 1–11. https://doi.org/10.4102/sajhrm. v14i1.758

Schoenberg, R. (2006). Measuring the performance of corporate acquisitions: An empirical comparison of alternative metrics. *British Journal of Management*, *17*(4), 361–370. https://doi.org/10.1111/j.1467-8551.2006.00488.x

Schraeder, M., & Self, D. R. (2003). Enhancing the success of mergers and acquisitions: An organizational culture perspective. *Management Decision*, *41*(5), 511–522. https://doi.org/10.1108/00251740310479359

Shanley, M. T., & Correa, M. E. (1992). Agreement between top management teams and expectations for post-acquisition performance. *Strategic Management Journal*, *13*(4), 245–266. https://doi.org/10.1002/smj.4250130402

Stahl, G. K., & Voigt, A. (2008). Do cultural differences matter in mergers and acquisitions? A tentative model and examination. *Organization Science*, *19*(1), 160–176. https://doi.org/10.1287/orsc.1070.0270

Thomson-Reuters. (2016). *Merger & acquisitions review: Full year 2016*. Retrieved from http://share.thomsonreuters.com/general/PR/MA_4Q_2016_E.pdf

Tuch, C., & O'Sullivan, N. (2007). The impact of acquisitions on firm performance: A review of the evidence. *International Journal of Management Reviews*, *9*(2), 141–170. https://doi.org/10.1111/j.1468-2370.2007.00206.x

Uhl-Bien, M., & Arena, M. J. (2017). Complexity leadership : Enabling people and organizations for adaptability. *Organizational Dynamics*, *46*(1), 9–20. https://doi.org/10.1016/j.orgdyn.2016.12.001

Uhl-Bien, M., Marion, R., & McKelvey, B. (2007). Complexity leadership theory: Shifting leadership from the industrial age to the knowledge era. *Leadership Quarterly*, *18*(4), 298–318. https://doi.org/10.1016/j.leaqua.2007.04.002

Uhl-Bien, M., Marion, R., McKelvey, B., Hannah, S. T., Uhl-Bien, M., Avolio, B. J., … Wiliam, D. (2009). Complexity leadership theory: Shifting from human capital to social capital. *Leadership Quarterly*, *20*(4), 631–650. https://doi.org/10.1002/hrm

Vaara, E. (2002). On the discursive construction of success/failure in narratives of post-merger integration. *Organization Studies*, *23*(2), 211–248. https://doi.org/10.1177/0170840602232003

Vasilaki, A. (2009). *Enhancing post-acquisition organisational performance: The role of leadership* (Doctoral Dissertation). MIddelsex, England: Middlesex University.

Vasilaki, A. (2011). The relationship between transformational leadership and post-acquisition performance. *International Studies of Management & Organization*, *41*(3), 42–58. https://doi.org/10.2753/IMO0020-8825410303

Vasilaki, A., & O'Regan, N. (2008). Enhancing post-acquisition organisational performance: The role of the top management team. *Team Performance Management: An International Journal*, *14*(3), 134–145. https://doi.org/10.1108/13527590810883415

Venema, W. H. (2012). Integration: The critical M&A success factor. *Journal of Corporate Accounting & Finance*, *23*(2), 49–53. https://doi.org/10.1002/jcaf.21736

Walumbwa, F., Avolio, B., Gardner, W., Wernsing, T., & Peterson, S. (2008). Authentic leadership: Development and validation of a theory-Based measure. *Journal of Management*, *34*(1), 89–126. https://doi.org/10.1177/0149206307308913

Wang, D.-S., & Hsieh, C.-C. (2013). The effect of authentic leadership on employee trust and employee engagement. *Social Behavior and Personality*, *41*(4), 613–624. https://doi.org/10.2224/sbp.2013.41.4.613

Wegner, T. (2016). *Applied business statistics* (4th ed.). Cape Town: Juta & Company Ltd.

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). *Business Research Methods* (9th ed.). USA: Cengage Learning.

Zollo, M., & Meier, D. (2008). What is M&A performance? *Academy of Management Perspectives*, *22*(3), 55–77. https://doi.org/10.5465/AMP.2008.34587995

Zollo, M., & Singh, H. (2004). Deliberate learning in corporate acquisitions: Post-acquisition strategies and integration capability in U.S. bank mergers. *Strategic Management Journal*, *25*(13), 1233–1256. https://doi.org/10.1002/smj.426

9. APPENDICES

Appendix 1: Consent letter

Gordon Institute of Business Science
University of Pretoria

POST-ACQUISITION INTEGRATION AND PERFORMANCE MEASUREMENT

Dear Respondent

I am a Masters of Business Administration student at the University of Pretoria's Gordon Institute of Business Science. I am conducting research on the influence of leadership on the performance of acquired companies post-acquisition. To that end, I request your participation in an anonymous questionnaire that should take no longer than 15 minutes of your time.

All information will be kept confidential and no names will be collected on the questionnaire. Your participation in this study is voluntary and you can 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 either my supervisor or myself. Our details are provided below.

Researcher:	Research Supervisor:
Ian Geldenhuys	Caren Scheepers
+27 83 774 7744	+27 11 771 4228
ianjgeldenhuys@gmail.com	scheepersc@gibs.co.za

Appendix 2: Questionnaire design

1. BIOGRAPHICAL QUESTIONS

Please answer the following questions related to your organisation and your background:

1.1 What is your gender?

☐ Male

☐ Female

1.2 How many years have you been with your organisation?

☐ 0 – 2 years

☐ 3 – 5 years

☐ 6 – 10 years

☐ 11 – 15 years

☐ 16 years or more

1.3 On which level within the organisation are you employed?

☐ Supervisor

☐ Middle Manager

☐ Senior Manager

☐ Executive

☐ Other

1.4 What is the size of your organisation?

☐ 1 - 50 employees

☐ 51 - 100 employees

☐ 101 - 200 employees

☐ 201 - 500 employees

☐ 501 - 1 000 employees

☐ 1 001 employees or more

1.5 When did the acquisition/acquisitions you have been exposed to take place?

☐ Before 2004

☐ Between 2005 - 2009

☐ Between 2010 - 2014

☐ After 2015

2. LEADERSHIP

This section of the questionnaire refers to the leadership style within your organisation, as you perceive it.

1.5 Contextual leadership

Please judge how frequently each statement fits the leadership style within your organisation using the following scale:

1 - Not at all 2 - Once in a while 3 - Sometimes 4 - Fairly often 5 - Frequently if not always

Question	Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always
Leaders facilitate dialog and discussion to help employees share knowledge in developing a shared understanding of issues	1	2	3	4	5
Leaders initiate discussions on what is important, instead of what to do and how to do it	1	2	3	4	5
Leaders connect employees with a broad variety of potential information sources such as those people with relevant information	1	2	3	4	5
Leaders inject ideas and information into the system for it to process to create energy for change	1	2	3	4	5
Leaders tell stories to illustrate important learning points	1	2	3	4	5
Leaders encourage employees to raise difficult and challenging questions that others may perceive as a threat to the status quo	1	2	3	4	5
Leaders create linkages between entities inside the organisation and with outside stakeholders	1	2	3	4	5
Leaders embrace diversity by having diverse people and views as part of the network	1	2	3	4	5
Leaders gather feedback information from external stakeholders such as suppliers and customers to improve the organisation	1	2	3	4	5
Leaders gather intelligence from what is happening in the context like which threats and opportunities are developing	1	2	3	4	5

Leaders demonstrate being in tune with the organisational and external environment or context	1	2	3	4	5
Leaders frame our change projects in ways that appeal or speak to the interest of particular stakeholders	1	2	3	4	5
Leaders adapt communication to different ethnic cultures in the organisation	1	2	3	4	5
Leaders investigate relevant contextual variables that are or might influence the organisation	1	2	3	4	5
Leaders have a forward looking mentality - sense of direction for where the organisation is going in the future	1	2	3	4	5
Leaders provide opportunities for diverse employees to interact in a non-discriminatory manner	1	2	3	4	5

2.2 Authentic leadership

Please judge how frequently each statement fits the leadership style of your immediate manager or supervisor using the following scale:

1 - Not at all 2 - Once in a while 3 - Sometimes 4 - Fairly often 5 - Frequently if not always

My Leader:

Question	Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always
Says exactly what he or she means	1	2	3	4	5
Admits mistakes when they are made	1	2	3	4	5
Encourages everyone to speak their mind	1	2	3	4	5
Tells you the hard truth	1	2	3	4	5
Displays emotions exactly in line with feelings	1	2	3	4	5
Demonstrates beliefs that are consistent with actions	1	2	3	4	5
Makes decisions based on his or her core values	1	2	3	4	5
Asks you to take positions that support your core values	1	2	3	4	5
Makes difficult decisions based on high standards of ethical conduct	1	2	3	4	5
Solicits views that challenge his or her deeply held positions	1	2	3	4	5
Analyses relevant data before coming to a decision	1	2	3	4	5
Listens carefully to different points of view before coming to conclusions	1	2	3	4	5
Seeks feedback to improve interactions with others	1	2	3	4	5
Accurately describes how others view his or her capabilities	1	2	3	4	5
Knows when it is time to re-evaluate his or her position on important issues	1	2	3	4	5
Shows he or she understands how specific actions impact others	1	2	3	4	5

3. TRANSFER OF RESOURCES

These questions relate to the transfer of resources between acquiring and acquired companies. On a scale of 1 to 5 please indicate if you agree or disagree with the following statements:

Statement	Agree				Disagree
A lot of physical assets, such as buildings and equipment, have been shared between the acquired and acquiring companies	1	2	3	4	5
A lot of human resources, such as technical knowledge and sales force, have have been transferred between the acquired and acquiring companies	1	2	3	4	5
Both company brands have been leveraged to the benefit of the combined company	1	2	3	4	5
A lot of financial resources have been transferred between the acquired and acquiring companies	1	2	3	4	5
A lot of functional skills, such as R&D, product development and marketing, have been transferred between the acquired and acquiring companies	1	2	3	4	5
A lot of administrative skills, such as HR and Finance, have been transferred between the acquired and acquiring companies	1	2	3	4	5
A lot of management skills to improve leadership and strategic planning have been transferred between the acquired and acquiring companies	1	2	3	4	5
Your company has incorporated a lot of the other companies innovation capabilities	1	2	3	4	5

4. PERCEIVED POST-ACQUISITION PERFORMANCE

The following questions relate to your perceived satisfaction with the performance of the acquisitions you have been exposed to, relative to the expectations you initially held.

On a scale of 1 to 5 please indicate your perceived satisfaction based on the following indicators, with 1 being high satisfaction and 5 being low satisfaction:

4.1 Financial indicators

	High satisfaction				Low satisfaction
Increase in revenue	1	2	3	4	5
Increase in profit	1	2	3	4	5
Improved cash flow	1	2	3	4	5
Decreased operational expenses	1	2	3	4	5
Decreased administrative expenses	1	2	3	4	5

4.2 Non-financial indicators

	High satisfaction				Low satisfaction
Increased R & D output	1	2	3	4	5
Broadened its market share	1	2	3	4	5
Broadened its customer base	1	2	3	4	5
Broadened its product range	1	2	3	4	5
Showed an improvement in innovation	1	2	3	4	5
Showed greater efficiency in operations	1	2	3	4	5
Improved its reputation	1	2	3	4	5
Improved employee job satisfaction	1	2	3	4	5
Improved sales and marketing capabilities					
Improved its competitiveness	1	2	3	4	5

Appendix 3: Data analysis tables

Table 31: Cronbach Alpha values

Constructs	Items	Cronbach alpha	Final number of items (and initial)
Authentic leadership	AL1	0,938	16(16)
	AL2		
	AL3		
	AL4		
	AL5		
	AL6		
	AL7		
	AL8		
	AL9		
	AL10		
	AL11		
	AL12		
	AL13		
	AL14		
	AL15		
	AL16		
Contextual leadership	CL1	0,912	13 (16)
	CL2		
	CL3		
	CL4		
	CL5		
	CL6		
	CL7		
	CL9		
	CL10		
	CL11		

	CL12		
	CL14		
	CL15		
Transfer of resources	TR2	0,786	3(8)
	TR5		
	TR6		
Perceived post acquisition performance	PPNF2	0,855	7(15)
	PPNF3		
	PPNF4		
	PPNF10		
	PPFI1		
	PPFI2		
	PPFI3		

Table 32: Convergent validity values

Constructs	Items	Corrected item-total correlation
Authentic leadership	AL1	.524
	AL2	.737
	AL3	.613
	AL4	.657
	AL5	.581
	AL6	.766
	AL7	.740
	AL8	.712
	AL9	.684
	AL10	.603
	AL11	.698
	AL12	.696
	AL13	.618

	AL14	.739
	AL15	.660
	AL16	.739
Contextual Leadership	CL1	.798
	CL2	.660
	CL3	.695
	CL4	.592
	CL5	.584
	CL6	.629
	CL7	.524
	CL9	.633
	CL10	.607
	CL11	.673
	CL12	.643
	CL14	.536
	CL15	.673
Transfer of resources	TR2	.749
	TR5	.607
	TR6	.513
Perceived post acquisition performance	PPNF2	.603
	PPNF3	.606
	PPNF4	.538
	PPNF10	.653
	PPFI1	.726
	PPFI2	.642
	PPFI3	.549

Appendix 4: Ethics approval

Gordon Institute of Business Science
University of Pretoria

14 June 2017

Ian Geldenhuys

Dear Ian,

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee